



## 3 Inexpensive Mining Stocks to Buy Today

### Description

As the U.S. dollar has strengthened, commodities like precious metals have been under immense pressure, and this has caused weakness in the stocks of the companies who mine and produce them. Although I think the weakness is warranted, I also think it has led to a long-term buying opportunity, so let's take a closer look at three stocks that you should consider investing in today.

#### 1. Silver Wheaton Corp.

**Silver Wheaton Corp.** (TSX:SLW)(NYSE:SLW) is the largest pure precious metals streaming company in the world, and it produced 25.67 million ounces of silver and 142,800 ounces of gold in fiscal 2014.

At current levels, Silver Wheaton's stock trades at 32.1 times fiscal 2014's adjusted earnings per share of US\$0.75, which seems a bit high, but it trades at just 22.1 times fiscal 2015's estimated earnings per share of US\$1.09, which is inexpensive compared to its five-year average price-to-earnings multiple of 27.9.

I think Silver Wheaton's stock could consistently trade at a fair multiple of at least 25, which would place its shares upwards of \$27 by the conclusion of fiscal 2015, representing upside of more than 12% from current levels. Also, the company pays an annual dividend of US\$0.20 per share, giving its stock a 0.8% yield, and this will provide investors with additional returns going forward.

#### 2. Barrick Gold Corp.

**Barrick Gold Corp.** ([TSX:ABX](#))(NYSE:ABX) is one of the world's largest producers of gold and copper, and it produced 6.25 million ounces of gold and 436 million pounds of copper in fiscal 2014.

At today's levels, Barrick's stock trades at just 20.4 times fiscal 2014's adjusted earnings per share of US\$0.68 and only 16.1 times fiscal 2015's estimated earnings per share of US\$0.86, both of which are inexpensive compared to the industry average multiple and its long-term growth potential.

I think Barrick's stock could consistently command a fair multiple of at least 20, which would place its

shares upwards of \$17 by the conclusion of fiscal 2015, representing upside of more than 22% from current levels. Also, the company pays an annual dividend of US\$0.20 per share, which gives its stock a 1.4% yield, and this is an added buffer for owning the stock today.

### 3. Kinross Gold Corporation

**Kinross Gold Corporation** ([TSX:K](#))([NYSE:KGC](#)) is one of the largest producers of gold in the world, and it achieved record production of 2.71 million gold equivalent ounces in fiscal 2014.

At current levels, Kinross' stock trades at 25.5 times fiscal 2014's adjusted earnings per share of US\$0.11, which seems fair, but it trades at a mere 14.1 times fiscal 2015's estimated earnings per share of US\$0.20, which is very inexpensive compared to its five-year average price-to-earnings multiple of 24.6.

I think Kinross' stock could consistently command a fair multiple of at least 20, which would place its shares upwards of \$4 by the conclusion of fiscal 2015, representing upside of more than 42% from today's levels.

### Which of these top mining stocks belong in your portfolio?

Silver Wheaton, Barrick Gold, and Kinross Gold represent three of the top investment opportunities in the metals and mining industry today. Foolish investors should take a closer look and strongly consider establishing long-term positions in one of them.

#### CATEGORY

1. Investing

#### TICKERS GLOBAL

1. NYSE:B (Barrick Mining)
2. NYSE:KGC (Kinross Gold Corporation)
3. TSX:ABX (Barrick Mining)
4. TSX:K (Kinross Gold Corporation)
5. TSX:WPM (Wheaton Precious Metals Corp.)

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