



Lundin Mining Corporation Is Green and Poised for Success

Description

Lundin Mining Corporation ([TSX:LUN](#)) continues to make the right moves to ensure a profitable future as well as a commitment to safety in the workplace.

The base metals mining company hails from Toronto, but it has expanded to become a global mining giant with operations in Chile, Portugal, Sweden, and the U.S. Lundin Mining also has a piece of the Tenke Fungurume Mine in the Democratic Republic of Congo (DRC), as well as a cobalt refinery in Finland. Copper, nickel, zinc, and lead make up the bulk of the company's business.

Lundin Mining stakeholders will be happy to hear that the company announced a quarterly dividend earlier this month amounting to three cents per share in its first payment, along with a 1.8% annualized yield that is slated to grow over time. Lundin also benefited from the sale of a 24% slice of a Congo copper mine that netted the company approximately \$1.14 billion.

Lundin Mining also updated its production output expectations for the coming year. In 2017 the miner will produce 202,000-216,000 tonnes of copper, 152,000-162,000 tonnes of zinc, as well as 17,000-20,000 tonnes of zinc. Additionally, cash costs are slated to be lower year over year in 2017 at its Candelaria and Neves-Corvo locations. For the former, the company will spend \$25 million less next year compared to 2016.

The company received an award from American Exploration & Mining Association (AEMA) last week as well in the form of the Platinum Award for Corporate Excellence. This title suggests a high level of excellence in reducing carbon emissions, while reducing health risks for workers and bringing together local communities with its projects. This standard of excellence has resonated throughout its various subsidiaries, such as Lundin Mining AB, Lundin Mining US Ltd., Tenke Holding Ltd. and LMC Bermuda Ltd.

Credit Suisse Group AG (ADR) named Lundin Mining as one of its stocks to watch out for in 2017 due to its strong balance sheet and disciplined spending. And 2017 could be an especially healthy year for copper, which makes up the company's largest segment. The S&P/TSX index for base metals has experienced a 66% rise year-to-date with the metal rising sharply in recent weeks. The price of zinc is

also surging.

Analysts have been raising their ratings and price targets on Lundin Mining as a result: 10 of 16 firms covering the stock rate it a “Buy,” which is the company’s average rating. Its target price is now \$9.50—two dollars higher than its previous target of \$7.50. Lundin Mining shares are up 71.32% year-to-date, while the company’s market capitalization sits at \$4.74 billion. The stock has risen 2.3% since December 20.

With the base metals industry headed towards a strong year, Lundin Mining is in a position to reap the benefits. Additionally, the company’s projects in South America, Europe and North America will ensure healthy growth for years to come. This is a stock worth investing in now, as one analyst considers it a “Strong Buy.”

N.B.: An early version of this article stated that the Fruta Del Norte project belonged to Lundin Mining instead of Lundin Gold. This has now been clarified.

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