



2 Mining Stocks Under \$5 That Could See Explosive Growth

Description

Mining stocks have lots of potential for risk, but they can also provide investors with great returns. Once production begins, or as metals are discovered in a mine, a stock's price could begin to take off. Mining stocks priced at less than \$5 a share typically signify companies that are still in their growth and that could be ripe for investment.

I'm going to look at two mining stocks that fit this bill and that could be great additions to your portfolio today.

Ivanhoe Mines Ltd.'s ([TSX:IVN](#)) stock currently trades at ~\$4.40 and has seen its share price rise over 70% year to date. The mining and exploration development company got a big boost in its stock price at the start of the year when it provided an update on its Kamoa-Kakula project located in the Democratic Republic of Congo, where high-grade copper in the mine was confirmed to be present.

There are incredibly growth opportunities for Ivanhoe at this project, and according to Robert Friedland, one of Ivanhoe's executives, "Kamoa-Kakula already is independently ranked as the fifth-largest copper deposit in the world. Seeing the unprecedented rate of growth of high-grade copper resources since drilling began at Kakula in May 2016, I am confident now that soon it will be among the top three."

Total net present value of the project is estimated to be just under \$1 billion net of taxes. Since April, the share price has been up and down, with the stock being down nearly 5% as of the end of last week.

The company has not yet posted any revenue, so any momentum the share price gets is likely going to be related to news and developments surrounding Ivanhoe's projects.

Taseko Mines Ltd. ([TSX:TKO](#)) is currently trading at less than \$3 a share, and the stock has seen its price increase 142% year to date. The share price has nearly doubled in just the last six months. Specifically, the stock got a big boost last month when it was announced that Taseko would be able to move ahead with construction of its copper test facility in Florence, Arizona.

With an estimated operating life of 21 years and over 1.7 billion pounds of copper that could be produced from the mine, the project presents significant potential. Russell Hallbauer, president and

CEO of Taseko, noted in the company's press release that "at US\$4,700 per ton of installed capacity, Florence Copper is one of the lowest capital intensity copper projects in the world. The economics of the project are too compelling for us to not be rapidly advancing the project towards commercial production."

Unlike Ivanhoe, Taseko has been recording sales for years, although profits have been more elusive. However, for the past three quarters, Taseko has been posting strong profits, and in its most recent quarter it saw sales increase 82% year over year.

Bottom line

Both Taseko and Ivanhoe will give you great options to take advantage of rising copper prices. With demand in China expecting to grow, there could be a lot of upside to both of these stocks.

However, mining stocks can be especially volatile, so these investments might not be suitable for those investors looking to minimize their risk.

CATEGORY

1. Investing
2. Metals and Mining Stocks

TICKERS GLOBAL

1. TSX:IVN (Ivanhoe Mines Ltd.)
2. TSX:TKO (Taseko Mines Limited)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Investing
2. Metals and Mining Stocks

Date

2025/08/25

Date Created

2017/10/26

Author

djagielski

default watermark