



2 Glittering Gold Stocks Paying Dividends to TSX Investors

Description

Investors currently flip-flopping over gold should today consider **Lundin Mining** ([TSX:LUN](#)), a hale and hearty materials ticker that can give Canadian stock market aficionados a bit of protection from the vagaries of the TSX index with the [precious yellow stuff](#). It may even be suitable for a TFSA or RRSP, with some defensiveness, a clean balance sheet, the current undervaluation, and a corresponding modest dividend yield.

One gold stock to rule them all?

Lundin Mining's earnings shrank over the past 12 months by 22.5%, trailing an industry that grew by 30.7% over the same period. However, the trend for this stock has been overall growth for the last five years, with a 20.1% increase in earnings against the metal and mining industry's 34.1%. The good news continues with a healthy balance sheet: consider a low debt level of 10.3% of net worth and suitable allowance for long-term commitments.

Want good value for your money? [Lundin Mining](#) has the convincing full triple-whammy of low multiples right now: a P/E of 10.9, PEG of 0.4, and P/B of 0.9. Meanwhile, a dividend yield of 1.97% rewards investors in a way that few other precious metal miners can: through passive income.

This is a good-quality stock, too: three of the main indicators of a stock worth holding are positive, with a ROE of 8% and EPS of \$0.41, while a 27.8% expected annual growth in earnings is very positive indeed. Those in the know seem to agree, since there has been some inside buying over the last three months.

As with other mining stocks, Lundin Mining displays some strong momentum at the moment: up 7.29% in the last five days, its beta of 1.81 relative to the already turbulent Canadian metals and mining industry indicates fairly high volatility, and its share price is discounted by 33% compared to its future cash flow value. Overall, Lundin Mining is a nicely rounded-out stock and one of the best gold buys on the TSX index at the moment.

The TSX index is good for gold stocks right now

Compare the stats above with those of **Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD). Wayward P/E multiples and a P/B of 1.6, underlined by a share price overvalued by more than twice the future cash flow value, put Barrick Gold behind Lundin Mining in terms of valuation.

A 40% expected annual growth in earnings is great to see, though, and there have been considerable volumes inside buying of shares throughout the last 12 months. It even pays a dividend yield of 1.31%, making for a heavy-hitting TSX index gold miner. At the end of the day, Barrick Gold has some momentum and even a few reasons to hold for the long term and as such is a strong gold play right now.

The bottom line

What's interesting about the stocks is that they're also listed on the LSE, so fluctuations in the U.K. pre- and post-Brexit may cause the share price to experience some extra momentum. Gold is of particular interest to anyone looking at the relationship between the economies of Canada and the U.K., and therefore tickers like the two above could appeal to Canadian Brexit bulls.

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1. Dividend Stocks
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TICKERS GLOBAL

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2. TSX:ABX (Barrick Mining)
3. TSX:LUN (Lundin Mining Corporation)

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