



## Tired of Missing Out on These 2 Stocks That Have Soared 250% and 100% in the Last 3 Years?

### Description

In this market, it seems like a significant amount of time and energy is being spent on [marijuana stocks](#), and their stratospheric rise over the last year or so tells us why.

But what if we could get the same returns, only instead of investing in companies that are losing money and trading at sky-[high multiples](#) (marijuana stocks), we could invest in companies that are making real profits and generating tons of cash flow?

This has been the case with the following two companies, and for those investors that were shareholders, they have participated in this very attractive risk/reward tradeoff.

#### **Labrador Iron Ore Royalty Corporation (TSX:LIF.UN)**

Being a royalty company that receives royalty from high-grade iron ore production, Labrador Iron Ore is a low risk, high-quality company for investors to gain exposure to the commodity.

In the last three years, the stock has given shareholders a 250% return, an ample and growing regular dividend, and numerous special dividends.

Today, the dividend yield on the stock is currently 3%, a far cry from the almost 10% dividend yield in 2015, but it is still a cash flow generating machine and recent events have been positive for the company.

The iron ore industry is a very cyclical one, and things were cooling off until iron ore giant Vale SA experience a deadly dam breach.

The effect on supply is significant and has sent iron ore prices rallying to well over \$80 from lows of approximately \$40 in 2015.

This is a cyclical stock that shareholders need to exit when things start to turn, but for now it has more room to run, and it will continue to provide solid dividend income.

### **Parex Resources Inc. ([TSX:PXT](#))**

With assets in Columbia, a 100% oil-weighted production profile, and Brent pricing exposure, \$2.9 billion energy stock Parex Resources has a big advantage.

Columbia basins are similar to the Western Canadian Sedimentary Basin 30 years ago, which means a relative ease of extraction through 3D seismic and low-risk directional drilling techniques.

Parex stock has doubled in the last three years, as the company has remained sheltered from Canadian oil prices, and has continued to perform well operationally.

Reserve numbers are high, with a reserve life of 10 years, the company has a very successful history of converting possible reserves to producing reserves, strong cash flows and consistent and reliable production growth.

Parex Resources has a bright future ahead in a rising, or at least stable oil price environment.

### **Final thoughts**

While these two stocks are highly cyclical, we can see that timed right, they have made shareholders big money.

At this point, it seems there is still time to invest in these stocks as there remains big upside to both, but watch for signs of the cycles turning.

### **CATEGORY**

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

### **TICKERS GLOBAL**

1. TSX:LIF (Labrador Iron Ore Royalty Corporation)
2. TSX:PXT (PAREX RESOURCES INC)

### **PARTNER-FEEDS**

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

### **Category**

1. Dividend Stocks

2. Energy Stocks
3. Investing
4. Metals and Mining Stocks

**Date**

2025/08/18

**Date Created**

2019/02/14

**Author**

karenjennifer

default watermark

default watermark