Gold Dividends: The Top Stocks Canadians Need to Know About

Description

What a time to be a passive-income gold investor. The yellow metal is smashing records already this year, with prices breaking a seven-year record. While investors can expect producers to turn in solid earnings for the first round of reports in the new decade, stockholders are already seeing improvement in their favourite miners.

But what's driving the gold rush that is already characterizing the first year of the 20s? The past few months have seen a startling confluence of stressors amassing on the economic battlefields, with everything from the Sino-American trade war to the more recent escalation of tensions in the Middle East weighing on the markets.

Throw in slashed interest rates around the world and investors have a perfect environment for higher gold. Analysts have long expected a sustained gold bull run, and 2020 looks like a good year to get into precious metals. With plenty of dividend-paying miners scattered throughout the TSX, let's take a look at some of the best buys for gold investors seeking some compounding passive income.

2019: The year of key gold miner mergers

Last year was notable for the rise of the dividend-paying mega-miner. Both **Newmont Goldcorp** and **Barrick Gold** were formed in a pair of mergers that rearranged the gold production sector. Both stocks are a buy for defensive size as well as their dividends, yielding 1.3% and 1.1%, respectively.

Kirkland Lake Gold made the TSX 30 last year after a three-year stint that saw the precious metals miner gain more than 600%. The stock took fourth place in the inaugural list designed to showcase the best-performing Canadian stocks in terms of share price appreciation. The Ontario-based miner is focused on premium-grade quality and low-cost operations with Canadian and Australian sites under its belt.

Centamin has a higher yield this week, currently around 4.37%, after ditching more than 7% on the back of a merger termination. The gold producer is focused on the Sukari Gold Mine in Egypt and trades at 1.5 times its book price.

Agnico-Eagle Mines pays a 1.2% yielding dividend and is also a growth stock with 42% gains in the last 12 months. Canada, Mexico, and Finland come under Agnico-Eagle purview, with mines generating 1.8 million ounces of the yellow metal in 2018 and a low-risk strategy when it comes to geopolitically affected mining.

Yamana Gold also pays a 1.1% yield, and with its Mexico and South America focus offers investors access to reserves of around 12.4 million ounces, as well as silver and copper. With access to operations in Turkey, Mexico, and North America, **Alamos Gold** pays a 0.7%. For exposure to precious and base metals in China, investors could buy into **Silvercorp Metals's** 0.48% yield.

The bottom line

For a mix of defensive qualities and passive income, Canadian investors have some solid gold choices in these miners. The staunchly low-risk investor may want to consider the largest of these outfits, with Barrick and Newmont being among the strongest choices for gold bulls. For a mix of high growth and dividends, Kirkland Lake is a rewarding choice, mixing a modest yield with appetizing prospects.

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