



Why You Should Buy These 2 Top TSX Metal Dividend Stocks

Description

With gold prices set to continue rising, an investment in precious metals is a strong play at the moment. Not only does gold upside add to the allure of a world-class mining investment, but with the right stock, the low-risk portfolio can also benefit from the regular income of dividends. Match the safety of gold with the [upside potential of copper](#), and you have two distinct plays for metal returns on the TSX.

Newmont

With gold at a nearly seven-year high, the thesis for upside is clear. There's another reason to buy a stock like **Newmont** ([TSX:NGT](#))([NYSE:NEM](#)), though, and that's for the dividend. Its 1.23% yield may not be as high as the kind of 5.5% yield on offer from **Rio Tinto**, for instance, but for a pure play on gold dividends from a Canadian stock, packing Newmont in a TSX stock portfolio is a focused play on steady wide-moat growth.

Newmont doesn't just cover gold upside and well-covered passive income, either. With the green power play of copper exposure also thrown in, this TSX super-stock not only diversifies the metals segment of a portfolio, but also offers a variety of financial strategies by satisfying both the high growth and ethical investment theses.

From Newmont to Newmont Goldcorp and back to plain old Newmont again, the gold miner's post-merger rebranding ushers in a new era of streamlining and an attendant higher dividend. For the safety-conscious investor looking to cream passive income along with wide-horizon capital gains, Newmont is a hefty addition to any Canadian stock portfolio.

Lundin Mining

A leading copper producer with some gold exposure, **Lundin** ([TSX:LUN](#)) also covers zinc and nickel and makes for a reassuringly diversified stock pick to buy and hold. Its 1.7% dividend will add up over time, and with a forecast 30% annual earnings growth and 64% payout ratio, there's room for dividend

growth here. Thanks to its use in renewables and battery technology, copper is a go-to metal for upside.

At the end of the day, metals and mining investors have a clear-cut choice here between the high-growth potential of copper versus the [classic safe-haven asset](#) of gold. However, this particular duo of top stock picks isn't quite that straightforward, since both choices come with room for growth. Copper is looking at a boom in prices from the green economy, while Newmont is well positioned for expansion.

These two stocks are like yin and yang: an investor can have a gold stock that contains some copper or a copper stock that contains some gold. Of course, for a TSX stock portfolio built on a foundation of safe dividends, there's no reason why an investor should not buy both of these exemplary Canadian metals and mining stocks, matching the safety of gold with the upside of copper stocks.

The bottom line

Whether investors are looking for the copper upside of Lundin or the textbook gold safety of Newmont, both income stocks represent a solid buy for the dividend investor seeking the strongest plays for long-term returns.

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