



Another TSX Gold Stock Just Paid a Dividend

Description

In the last few years, both gold and **TSX** gold stocks have been on a major rally. The metal has gotten a lot of attention this year since the start of the coronavirus pandemic. However, the massive rally actually started back in 2019.

The precious metal already had good momentum coming into 2020. And then on top of that, it's been one of the industries that have seen a positive effect due to the coronavirus pandemic.

Because of the major economic impact around the globe, tonnes of money has been printed, and interest rates are exceptionally low.

This is the ideal environment for [precious metals](#). So naturally, gold stocks have been rallying. A lot of this rally, of course, is based on speculation from investors that the companies will be able to turn these higher gold prices into higher earnings and cash flow.

And so far, several TSX gold stocks have been knocking it out of the park.

TSX gold stocks paying dividends

A gold stock paying a dividend isn't super rare. However, most companies choose to retain all their cash flow and reinvest it in the growth of the business.

During this pandemic, though, we've seen several stocks initiate, reinstate or increase their dividends as their free cash flow grows rapidly.

B2Gold Corp ([TSX:BTG](#))(NYSE:BTG) is a great example. The stock has increased its dividend twice already in 2020. In total, the dividend is now up 300% from the start of the year.

This major increase in the dividend indicates just how much cash flow low-cost producers like B2Gold can earn when gold prices skyrocket.

In fact, in the second quarter, B2Gold nearly doubled its free cash flow from the first quarter — a massive increase in just three months. And already through just the first two quarters of 2020, the company has earned more free cash flow than each of the last two years.

So it's no surprise that the stock is up more than 65% already this year. While that's impressive, the stock has a long way to go. Plus, with its current dividend yield of more than 2.3%, it's easily one of the most attractive gold stocks on the TSX.

Newest dividend-paying gold stock

As TSX gold stocks continue to see their free cash flow increase substantially, another producer that's now paying a dividend is **Kinross Gold Corp** ([TSX:K](#))([NYSE:KGC](#)).

Kinross is a high-quality company. It's a senior gold producer, with more than two million ounces of production per year. Plus, its operations are very well diversified, with assets in the U.S., Brazil, Chile, Africa, and Russia.

The company just issued a three-year guidance recently, and the future looks bright. Not only are Kinross' production costs already impressive, but they are expected to continue to decline over the next few years. Its CAPEX is also expected to decline, which is extremely positive for the growth of free cash flow.

[Kinross](#) borrowed money back in March due to the growing uncertainty. However, it hasn't needed it whatsoever and is now intending to pay it all back.

That and the resumption of its dividend, which was suspended more than half a decade ago, show just how strong the company's financials are at these gold prices.

The stock is up 95% already this year, and after it released its recent guidance, the stock once again shot up, highlighting just how compelling Kinross has been for investors.

Bottom line

Gold stocks are among the top investments you can make in this uncertain environment. Although the sector is temporarily trading range-bound, they still offer an excellent opportunity to gain exposure.

Not only do I expect the rally to continue this year, but I expect gold stocks to be hot for at least the next few years. So I wouldn't wait too long to gain some exposure, or you could miss the rally altogether.

CATEGORY

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

TICKERS GLOBAL

1. NYSE:KGC (Kinross Gold Corporation)
2. NYSEMKT:BTG (B2Gold Corp.)
3. TSX:BTO (B2Gold Corp.)
4. TSX:K (Kinross Gold Corporation)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Sharewise
6. Yahoo CA

Category

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

Date

2025/08/26

Date Created

2020/09/22

Author

danieldacosta

default watermark

default watermark