



3 Soaring Mining Stocks to Buy in 2020

Description

Investors have turned to gold during the COVID-19 pandemic on inflation and recession fears. Shareholders see gold as a good way to protect their [savings](#) in this time of uncertainty. Notably, Warren Buffett made a large investment in a gold stock this year.

If you are thinking about buying gold stocks on the **Toronto Stock Exchange**, there are some good options. Here are three mining stocks that you might consider buying before 2020 ends.

Yamana Gold: Increased annual dividend by 50%

Yamana Gold ([TSX:YRI](#))([NYSE:AUY](#)) surged from a 52-week low of \$3.11 to a 52-week high of \$9.29. After the March 2020 market sell-off, when the price of gold hit historic 10-year highs, mining stocks like Yamana performed very well on the TSX. As of Thursday, the stock is trading for \$7.22 per share.

Yamana Gold produces both gold and silver ores in South America and Canada. The annual dividend yield is decent at 1.94%. What's more, the company recently increased its dividend by 50%.

On October 29, Yamana Gold announced stellar earnings for the third quarter of 2020. Its operating cash flows of \$215 million are the highest since 2015. Moreover, year-over-year free cash flows are up over 300%.

Even better: Net debt declined by \$148.9 million. Yamana Gold is a company with strong commitments to providing shareholders with top value. If you are looking for a gold stock to buy before the year ends, Yamana Gold is a solid option.

First Quantum Minerals: Gross profit rose by over 100%

First Quantum Minerals ([TSX:FM](#)) rose from a 52-week low of \$4.71 to a 52-week high of \$17.43 after the March 2020 market sell-off. At the time of writing, the stock is trading for \$15.64 per share. The annual dividend yield is relatively insignificant at 0.06%.

First Quantum Minerals develops copper, nickel, gold, and zinc ores in South America, Europe, Australia, Africa, and the Middle East.

First Quantum reported earnings for the third quarter of 2020 on October 28. Like Yamana, First Quantum has also been paying down debt to reduce debt-servicing expenditures. The company also increased its gross profit to \$346 million from \$150 million.

Because First Quantum pays such a low dividend yield at its current price, investors are probably better off buying into other gold stocks. This isn't necessarily a bad option, but there are equally as successful mining companies paying larger dividend yields.

Lundin Mining: A top mining stock to buy

Lundin Mining ([TSX:LUN](#)) rose from a 52-week low of \$4.08 to a 52-week high of \$9.12 after the March 2020 market sell-off. At the time of writing, the stock is trading for \$8.72 per share. The annual dividend yield of 1.83% is low, but notable.

Lundin Mining mines copper, lead, zinc, nickel, silver, and gold in South America, the United States, and Europe.

This mining stock announced third quarter of 2020 [earnings](#) on October 29. The company also saw an increase in gross profit from \$128.6 million in 2019 to \$199.3 million in 2020.

The increase in earnings is smaller than that of First Quantum Minerals. Nevertheless, Lundin both increased its cash and decreased its debt this year. Its cash stood at \$220 million with its debt at \$124 million at the end of the quarter.

Marie Inkster, CEO of Lundin Mining, had this to say about the firm's financial results:

“Operationally, noticeable progress has been made at Candelaria to improve overall mill throughput. The operation is well positioned for a return to full production rates once fair and sustainable labour agreements are reached. Chapada's strong performance continued until late in the quarter. The team has done an excellent job to minimize the expected impact and to take advantage of the downtime, as seen by reinstated 2020 guidance.”

CATEGORY

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5. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:AUY (Yamana Gold)
2. TSX:FM (First Quantum Minerals Ltd.)
3. TSX:LUN (Lundin Mining Corporation)
4. TSX:YRI (Yamana Gold)

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Date

2025/07/19

Date Created

2020/11/12

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