



## TFSA Investors: Put Your \$6K Into This Mining Stock With 45% Upside

### Description

Setting target prices is important. Knowing how much upside an investment has and the level at which one wishes to reassess a given investment is equally important. In this article, I'm going to discuss why I think **Lundin Mining** ([TSX:LUN](#)) has at least 45% upside right now. This is a stock every TFSA investor ought to consider right now. The TFSA is the perfect place to put your money to work on long-term growth stocks like Lundin.

### Copper exposure has been great for this stock

The majority of Lundin's revenue is derived from copper mining. The copper sector is one which has been blessed with a rising commodity price environment of late.

I think the fundamentals for copper remain robust not only for 2021 but for many years. We're in what I think is the middle-innings of a bull market in copper. High levels of stimulus and low interest rates are fundamental forces that bode well for copper prices. If we continue to see an industrial rebound from this pandemic, copper will continue to perform well.

These aren't just my own opinions. Analysts from **Goldman Sachs** recently pointed out that the price of copper could increase to more than \$5 per pound by early 2022. This would imply an upside of around 45% from current levels. Additionally, I view Lundin as a better way to play copper than the commodity itself, due to this company's excellent operating metrics and operational efficiencies. If the company is able to continue on its current trajectory, we could see much higher capital gains than the 45% commodity price upside potential indicates.

### This is more than just a copper company

One of the things I like most about Lundin is the [diversified](#) nature of this company's operations. This is not a pure play on copper. Rather, this company earns about one-third of its revenue from other metals. Additionally, the company is geographically diversified and has proven itself to be a stable growth play in a rather depressed commodities market over the past decade.

Investors could see impressive cash flow growth if zinc and nickel prices pick up to a similar degree as copper (the other major components of Lundin's business). I think base metals in general are undervalued right now. Accordingly, I think Lundin is a great way to diversify base metals exposure in under-diversified portfolios.

Lundin is also a great dividend company, despite a low yield of around 1.4% today. The company is expected to grow its dividend by around 50% when Q4 earnings are released. I expect future dividend increases to provide a nice income stream for investors seeking long-term income growth.

### CATEGORY

1. Investing
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### POST TAG

1. growth
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### TICKERS GLOBAL

1. TSX:LUN (Lundin Mining Corporation)

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