



Electric Cars: This Value Stock Could Double in March 2021

Description

First Quantum Minerals (TSX:FM) is an [international mining company](#) which has grown through a combination of exploring, developing, operating, and acquiring mining projects or companies with interests in mining activities. The company engages in mining exploration operations and produces copper in copper cathode, nickel, gold, zinc and silver.

Diverse operations

The company's operations are located entirely outside of Canada and are currently located in Zambia, Panama, Mauritania, Finland, Australia, Turkey and Spain. In 2020, First Quantum produced over 700,000 tonnes of copper. Copper has a wide range of applications and is resistant to heat.

Copper's electrical vehicle applications

Copper is also one of the most efficient conductors of electricity and is used in the [electric card industry](#). Copper is also used to manufacture copper wire, copper products and copper alloy products. Wire and copper cable is used in heating and air conditioning systems, plumbing, roofing, and brass fittings. For electronic devices in common usage such as televisions, radios, lighting, computers and mobile phones, copper wiring is used for electrical leads, adapters, transformers and motors.

Further, copper compounds are used to protect plants and crops and to preserve wood. In the automotive industry, copper is used in motor winding, wiring and with the evolution of electric vehicles, per unit copper use is set to increase. Copper tubing for plumbing, heating systems, air conditioning and refrigeration accounts for a significant use of copper.

The price of copper is determined by changes in supply and demand, which are affected by global economic conditions. In recent years, Asian countries, especially China, Vietnam, India and Indonesia, have accounted for the majority of the increase in global demand for refined copper.

Gold operations

First Quantum produces gold at the company's Kansanshi, Guelb Moghrein and Cobre Panama operations. In 2020, the company produced over 250,000 ounces of gold. In addition to jewelry uses, gold plays an important role in modern health applications and research. It is used in medicines, lasers, thermometers and genetic research. Many of the world's central banks hold gold reserves as a critical part of reserves management.

Gold is the most ductile metal and is a good conductor of heat and electricity. It is used in computers, telecommunication, digital technology, and has important applications for space exploration.

Nickel's battery applications

First Quantum produces nickel at the company's Ravensthorpe operations. Nickel production activities of the company are back up to full production levels after dropping off with the onset of COVID-19.

Nickel is used in many industrial and consumer products, including stainless steel, magnets, coinage, rechargeable batteries, electric guitar strings and special alloys. It is also used for plating and as a green tint in glass. The evolution and development of electric vehicles and energy storage and the subsequent use of nickel containing batteries in these sectors, is expected to contribute to increased nickel demand in the medium to longer term.

First Quantum produces products which are widely used in the popular and fast growing electrical vehicle market. This could lead to a huge increase in the company's stock price.

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nikhilwaterloo

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