



These 3 Under-\$6 Mining Stocks Rallied Over 20% Last Week: Should You Buy Them?

Description

The broader market is continuing to reach new record highs in May. The **TSX Composite Index** settled at 19,472 on Friday — its all-time closing high. While some of the Canadian [tech stocks](#) have seen a correction in May so far, most energy and mining stocks continue to gain amid the ongoing market rally.

Let's take a closer look at three of such soaring mining stocks that are leading the market rally this month and find out whether these stocks are worth buying right now.

Nexgen Energy stock

The shares of Vancouver-based **Nexgen Energy** ([TSX:NXE](#)) have surged by 25% in May so far — outperforming the broader market by a wide margin. During the same period, the TSX Composite benchmark has inched up by 1.9%.

It's a uranium mining company with a market cap of \$2.7 billion. Its recent massive gains could be attributed to investors' high expectations from its recent Q1 earnings event.

Its stock is currently trading at \$5.80 per share. Despite its recent sharp gains, I don't consider Nexgen Energy stock worth buying at the moment due to its negative fundamental trend. In the first quarter, the company [reported](#) an adjusted net loss of \$0.17 per share — much worse than analysts' consensus estimate of two cents per share. Notably, it was the sixth quarter in a row when Nexgen Energy missed its quarterly earnings estimates.

OceanaGold stock

OceanaGold ([TSX:OGC](#)) is a gold mining company headquartered in Melbourne, Australia. Its stock has risen by 23.4% in May so far to \$2.53 per share.

On April 30, the company reported its better-than-expected Q1 results. In the first quarter, OceanaGold's adjusted earnings stood at three cents per share — far better than its adjusted net loss of one cent per share in the same quarter last year. Its revenue rose by 8% year over year to US\$149 million during the quarter with a solid adjusted net profit margin surged to 14.6%.

OceanaGold stock rallied by over 17% on May 7 alone. This rally came after the company announced the appointment of two new highly experienced non-executive directors from the mining industry to the company board. Both of its newly appointed directors have over 30 years of experience in mine development and operations.

Unlike Nexgen Energy stock, I find OceanaGold stock worth buying at the moment, as a consistent positive trend in its fundamentals could help it soar further in the coming months.

Corvus Gold stock

The shares of OceanaGold's Canadian peer **Corvus Gold** (TSX:KOR) are also on the upward trajectory this month. Corvus Gold registered nearly 23% gains in the first week of May to \$3.09 per share.

Its stock rallied by 14% on May 6 after the company revealed that it has secured a US\$20 million loan from the world's third-largest gold mining company, **AngloGold Ashanti**. This development came as a big relief for Corvus Gold investors, as the company will now use this loan to fund the permitting and pre-development work of its North Bullfrog project.

The North Bullfrog project is critical for Corvus Gold's future financial success. The latest funding should help it speed up this gold exploration and development project. That explains why investors reacted positively to the company's latest funding-related news. I consider Corvus Gold stock to be a bit risky for conservative investors at the moment due to the lack of its proven financial track record. However, investors with a medium- to high-risk appetite may consider buying it, as it has the potential to yield good returns in the long term.

CATEGORY

1. Energy Stocks
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TICKERS GLOBAL

1. TSX:NXE (NexGen Energy Ltd.)
2. TSX:OGC (OceanaGold Corporation)

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