2 Bargain Deals for a 6% Dividend!

Description

Bargain hunters should find **Anglo Pacific Group** (TSX:APY) and **Centamin Egypt** (TSX:CEE) to their liking. The obscure stocks trade at absurdly low prices and pay high dividends. The combined share prices aren't more than $5, but the average yield is 5.96% or nearly 6%.

Canadians can generate recurring income streams without spending too much to purchase these dividend stocks. Moreover, both companies are in the process of unlocking their potentials to create long-term value for investors.

Power of royalties

Anglo Pacific has been operating for 54 years and has a market capitalization of $513 million. The U.K.-based company focuses on producing or near-term producing long-life assets in established natural resources jurisdictions. It derives revenue from royalties or royalty-related income from a diversified portfolio.

The royalty stock trades on the **Toronto Stock Exchange** (TSX) and **London Stock Exchange** (LSE). As of September 10, 2021, you own purchase Anglo at $2.40 per share to partake of the mouth-watering 6.54% dividend. Management's continuing policy is to pay a substantial proportion of royalty revenues to shareholders as dividends.

Anglo's growth strategy is to acquire primary and secondary royalties and invest in projects at the development and production stage. More than 50% of the company's revenue comes from its non-coal portfolio. In the first half of 2021, its portfolio contribution dropped 4% to US$23 million versus the same period due to lower coking coal prices and volume.

Similarly, Anglo's royalty and stream-related revenue slid 1% to US$22.22 million. Its CEO Julian Treger, said, "The first half results do not reflect what appears likely to be a strong year for Anglo Pacific." Management expects a stronger second half because stability is returning to the coal markets.

Treger adds that the outlook for commodities, in general, continues to be well supported by significant infrastructure commitments by some of the largest economies. They want to ensure the COVID pandemic causes no lasting damage.

Industry-leading dividend

Like Anglo, Centamin is cross-listed on the TSX and LSE. The $1.86 billion company is based in Saint Helier, Jersey, a British crown dependency and island. It operates in Egypt and works in partnership with the government, local communities, and local businesses. Based on their website, its supply chain helps to develop the country's modern gold mining industry.

Sukari Gold Mine in the Eastern Desert of Egypt is Centamin's principal asset. Besides Egypt, it also explores gold ore deposits in the U.K. and Australia. The company's ongoing concern is to deliver long-term stakeholder returns by maximizing free cash flow generation. It's achievable through responsible mining of high-quality, long-life assets and disciplined capital allocation.

Centamin brags about its industry-leading dividend. This year is the seventh time in as many years that management has returned surplus cash to shareholders. The company wants to demonstrate the sustainability of its dividend policy. Currently, the share price is $1.61, while the dividend yield is a lucrative 5.38%.

Cheap dividend plays

Anglo Pacific and Centamin fly under the radar, although both are pure dividend plays. Either one is an excellent second-liner in your stock portfolio because of their high yields. A $20,000 ($10,000 in each) position will produce $99.33 in extra income monthly.

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