



Aura Minerals: This TSX30 Stock Is up 1,000% in the Last Three Years

Description

Aura Minerals ([TSX:ORA](#)) is a U.S.-based multinational mining company that owns and operates gold and copper mines in the regions of Honduras, Brazil, and Mexico, and the U.S. This stock has garnered a massive 1,057% return in the last three years, making it a top-performing stock on the TSX30. However, since last year, its performance has been quite flat due to the reduced mineral prices and the stock has lost nearly 4% of its value since then. But as mineral prices are slowly recovering, the stock is poised to resume its epic run soon.

High-quality assets

The success of mineral companies primarily depends on the quality of assets and reserves it possesses. The ones with access to quality resources are in a much advantageous position in grabbing the market opportunities compared to others that lack access to such resources.

One of the primary reasons behind the strong performance of Aura Minerals is its [high-quality resources](#). The company has four exclusive assets for production i.e San Ernesto/Pau-a-Pique gold mine (Brazil), San Andres gold mine (Honduras), Aranzazu copper mine (Mexico), and Gold Road Mine (Arizona, U.S.). It also has four extensive gold projects located in the regions of Brazil and Colombia respectively.

The combination of all these excellent projects and high-quality assets has always ensured that the [company maintains its strong financial position](#) and operating cash flows which have paved its way toward future profitability.

Improved financials

Aura Minerals' balance sheet was severely impacted by the pandemic last year. Due to lower demand and reduced prices of gold, the company had to succumb to huge losses. However, things are gradually changing, especially since the second quarter of 2021 — a period that saw copper prices increase significantly. Gold prices are also quite stable. As per the company's second-quarter results,

its net revenue grew by 84% year over year and the adjusted EBITDA rose 112% compared to the same period of last year.

The company has already increased its total production capacity from mines, shifted its focus on the growing American market, and has been actively developing both gold and base metal projects.

A tasty dividend to investors

The global economy is yet to completely recover from the impact of the ongoing pandemic. In North America, fears of high inflation numbers continue to weigh on equity markets, making them volatile. In such an environment, stocks that regularly provide robust returns in terms of capital appreciation and dividends should warrant a second look.

At present, shareholders enjoy a dividend yield of 7.54% apart from the gigantic capital appreciations in the last three years.

The current economic environment is perfect to support its future growth and therefore it is expected the company would be achieving great heights in the coming years. It's made exponential gains in the last three years, the stock is still quite cheap and is trading at a forward price to earnings multiple of just 6.89 times at writing.

So, long-term investors who are in the mood to book some handsome gains can definitely consider adding this mining stock to their portfolios.

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