



Money Growth + Inflation Hedge: Choose From 3 Mining Stocks

Description

Since owning precious metals like gold and copper is difficult, regular investors can purchase shares of mining companies instead. Some market analysts say mining stocks can either be value or [growth stocks](#). Others contend they are the top destination of risk capital.

In the 2021 TSX30 List, 14 mining stocks dominated the flagship program for growth stocks. **Aura Minerals** has been number one in the TSX's 30 best-performing stocks over the past three years. However, in 2022, three names stand out.

If you're looking for money growth and an [inflation hedge](#), consider **Karora Resources** ([TSX:KRR](#)), **Capstone Copper** ([TSX:CS](#)), or **Dundee Precious Metals** ([TSX:DPM](#)). The share prices are less than \$10, although the chances of a [considerable price appreciation](#) going forward are high. Also, materials or mining is the second top-performing sector (+26.33%) after energy (+45.16%) year to date.

Sector's outperformer

As of this writing, Karora Resources outperforms industry giant **Barrick Gold** (+32.77%) and top-ranked Aura Minerals (+13.71%). At \$7.44 per share, the trailing one-year price return is 82.8%. Current investors enjoy a 75.06% year-to-date gain. This \$1.14 billion multi-asset mineral resource company acquires, explores, and develops precious metal properties.

Management's vision is for Karora to become the next sustainable high-quality mid-tier producer. Its three primary gold-producing operations are in Western Australia. The 112,814-ounce gold production and 113,628-ounce gold sales in 2021 were both new records for the company.

According to its president and CEO Paul Andre Huet, Karora achieved its upper guidance for production in 2021, despite the COVID-19 pressures and supply chain issues. Under its multi-year growth plan, management expects annual gold production to be around 200,000 ounces by 2024, or double the 2020 volume.

Next copper champion

Capstone Copper is the newly formed entity following the business combination of Capstone Mining and Mantos Copper (Bermuda) Limited on March 23, 2022. This mining stock ranked fifth in the 2021 TSX30 List. Investors are more than satisfied with the 929.85% (117.1% CAGR) total return in 3.01 years. At \$6.90 per share, CS is up 23.66% year to date.

John MacKenzie, Capstone's CEO, said, "I am incredibly excited by the opportunity to lead Capstone Copper and help deliver on a truly transformational growth story." He added the company could become a Canadian-based copper champion because of an experienced management team, long-life assets, and strong balance sheet.

Based on market analysts' forecasts, the return potential in 12 months is between 25% and 45%.

Positive business outlook

Dundee Precious Metals is an interesting choice, because this \$1.49 billion gold, copper, and other precious metals producer pay quarterly dividends. If you invest today, the share price is \$7.97 (+2.66% year to date), while the dividend yield is a decent 2.51%.

Market analysts covering the stock are bullish, given their 12-month average price target of \$12.03 (+51%). According to Dundee's president and CEO, David Rae, the 33% increase in quarterly dividends recently reflects continued strong free cash flow generation. He added the company will further increase dividends due to its positive business outlook.

Inflation hedges

Gold is a classic inflation hedge, although others see copper as a cheaper substitute. The advantage of these miners is that they can produce earnings amid high inflation or non-inflationary times.

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2. Metals and Mining Stocks

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