



The 2 Best Canadian Mining Stocks to Buy in January 2023

Description

In the last quarter of 2022, the S&P/TSX Global Mining Index decreased by more than 11%, which shows a relatively stronger performance than S&P 500's overall market. The same inflationary pressures and recessionary concerns that have been affecting other industries have also affected mining stocks, but the impact is lower, since the commodities they produce provide [value](#) as inflation barriers.

On the other side, goods traded in dollars have suffered from a stronger U.S. dollar. Despite near-term uncertainty, the majority of mined commodities appear to have a promising long-term perspective. Investors looking to dig into mining stocks may want to consider these two mining stocks to buy in 2023.

Best mining stocks to buy: Agnico Eagle

The bull market in gold is currently in motion, and top-tier mining firms can provide leverage to the price of gold.

Agnico Eagle ([TSX:AEM](#)) is a dividend-paying stock with the potential for a large financial gain; therefore, it is deserving of your consideration.

Agnico Eagle has been one of the top senior gold producers last year. The company has entered a novel agreement to acquire Yamana Gold's Canadian holdings, paying the majority of the price in cash and diluting its stock by only about 8%.

Remarkably, this transaction is completely consistent with Agnico's strategy to increase production and reserves in nations with favourable mining laws while concentrating on premium assets.

This transaction is being carried out at a reasonable cost, which will eventually result in increased production, reserves, cash flow, and net asset value per share, further solidifying AEM's position as a preferable substitute for metal.

Right now, Agnico Eagle has a [dividend yield](#) of 3% with a quarterly dividend of \$0.40 and a share price of \$56.

Barrick Gold

The senior unsecured ratings for **Barrick Gold** ([TSX:ABX](#)) and all rated subsidiaries have just been raised by Moody's Investors Service to A3 from Baa1, with a stable outlook.

Moody's observed that Barrick's liquidity is excellent in a news release announcing the upgrade, providing a large amount of flexibility to navigate through gold market volatility.

Additionally, Barrick Gold announced that it has finished reconstituting the Reko Diq project after receiving a favourable ruling from Pakistan's Supreme Court and the passage of necessary legislation.

Reko Diq, one of the largest undeveloped copper-gold prospects around the world, has five stakeholders: three federal state-owned enterprises control 25% of the project, Barrick owns 50%, the province of Balochistan has 15% ownership on a fully funded basis and then another 10% on free carried basis. Indeed, the mining firm has much potential to grow this year. The current trading price of \$17 might seem a bit cheap. So, now may be the best time to grab this stock.

Bottom line

Considering the current scenario and analysts' predictions, investors might consider investing in these two mining stocks for long-term gains.

CATEGORY

1. Investing
2. Metals and Mining Stocks

TICKERS GLOBAL

1. TSX:ABX (Barrick Mining)
2. TSX:AEM (Agnico Eagle Mines Limited)

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