



## Top Copper Stocks in Canada of 2023

### Description

Copper is a major industrial metal (the third most consumed in the world) that's used to manufacture many everyday products we've come to depend on, such as electrical wires, motors, microchips, and doorknobs.

Because of its use in [semiconductors](#), 5G telecommunications cables, rechargeable batteries, and renewable energy sources, many experts expect demand for copper to explode over the next decade.

Of course, like other metals, copper is energy-intensive to mine, and companies that succeed in this industry are those that can keep mining costs low while also continuing to discover new copper reserves.

With nearly every [market sector](#) demanding more copper, this metal could be a worthwhile long-term investment. Below we'll help you understand how you can profit from this growing industry.

### What are copper stocks?

Copper stocks are companies involved in all stages of copper mining, from exploring and extracting to developing and producing.

As with other mining stocks, copper companies can be broken down into two groups: majors and juniors. As the name suggests, major companies are seasoned veterans that have been mining copper for decades. They typically have a proven mining method and consistent output, and you'll often find these companies have the largest copper reserves ready to be exploited.

In contrast, juniors are smaller companies looking to expand into majors. Like [growth stocks](#), junior copper companies could offer Canadian investors an opportunity to profit off immense upward growth. These companies, however, are often risky investments, as they may not have the financial or copper reserves of major companies.

## Top Canadian copper stocks

Canada is renowned for its mining stocks, and the quality of its copper companies is no different. Below are a few top Canadian copper stocks you may want to consider.

| Copper Stocks  | Description  |
|--|--|
| Teck Resources ( <a href="#">TSX:TECK.B</a> )        | Diversified mining company with operations in Canada, U.S. Chile, and Peru         |
| Turquoise Hill Resources ( <a href="#">TSX:TRQ</a> ) | Global mining company that mines copper, gold, and coal in the Asia-Pacific region |
| Filo Mining ( <a href="#">TSX:FIL</a> )              | Canadian-based mineral exploration company with operations in South America        |

### 1. Teck Resources

Teck Resources is a Vancouver-based company that mines steelmaking [coal](#), copper, and zinc in parts of North and South America.

While the company has traditionally made most of its revenues from steel-making coal, Teck Resources is currently transitioning to a copper-heavy diet. Right now, they're building a massive copper mine in Chile. Named "Quebrada Blanca 2," or "QB2," this copper mine will not only be one of the largest in Chile but also one of the 20 largest copper-producing mines in the world.

The company expects QB2 copper reserves to last for around 25 years, and with an expected 316,000 tonnes of copper extracted annually, QB2 will boost Teck Resources' copper production by 80%.

### 2. Turquoise Hill Resources

Headquartered in Montreal, Turquoise Hill Resources is a global mining company that's currently focused on developing a major copper-gold mine in Southern Mongolia.

Named "Oyu Tolgoi," Mongolian for Turquoise Hill, this mine will eventually be the largest copper mine in Mongolia with an estimated output of 450,000 tonnes of copper annually. Due to labour restrictions brought on by the COVID-19 pandemic, progress on this mine has been slower than expected.

Currently Oyu Tolgoi has an annual output of 110,000 to 150,000 tonnes of copper, though an agreement between Turquoise Hill and the Mongolian government is allowing the company to steadily increase its annual output.

### 3. Filo Mining

Another Vancouver-based mining company, File Mining is an exploration and development company that's currently developing a major mine in Chile, called Filo del Sol.

While its market cap is just barely over [small cap](#) range, the Filo del Sol project could help this company see some strong growth. The mine, located between Chile and Argentina, has immense reserves of not only copper but gold and silver. At the beginning of 2022, Filo Mining completed a drilling program that now allows it to extract more silver.

## Investing in foreign copper markets

While the [Toronto Stock Exchange](#) has highly valued copper stocks, many of the largest copper stocks in the world trade on foreign exchanges. If you're interested in buying [international stocks](#), here are three of the biggest names in the global copper market.

### International Copper Stocks Description

|                 |   |
|-----------------|---|
| BHP Group       | Large Australian mining company with ambitious plans to expand copper production in Chile and Australia |
| Rio Tinto       | Global mining company based in the United Kingdom   |
| Southern Copper | Mexican mining company that holds the largest copper reserves in the world                              |

## Are copper stocks a good investment?

Traditionally, copper stocks have benefited investors because the metal is used in so many different products.

Copper conducts both heat and electricity very well, so it's ideal for both everyday household items (such as kitchen sinks, air conditioners, dishwashers, table tops, door knobs, railings, and tools) and electrical equipment (wires, cables, motors, circuit boards, microchips, photovoltaic cells, semiconductors, and wind turbines). Copper also is used to strengthen the gold and silver in jewelry.

Like other materials and metals, however, copper stocks are considered [cyclical stocks](#), meaning they're vulnerable to economic ups and downs. During certain periods, like the one we're experiencing

now, copper demand can skyrocket, but it won't always be that way. Global demand can cool, especially during tough economic times, and copper companies may find themselves extracting more metal than they can sell.

Another factor affecting volatility is mining expenses. Building mines and digging for metals is expensive, and those costs only get worse if a company experiences a mild setback or delay. Likewise, because mining companies can cause grave damage to local environments, they might leave a larger footprint than investors are willing to stomach

As you're looking at copper mining stocks, pay close attention to the company's finances, especially their revenues, cash flow, and debt; and its copper reserves. The best copper companies have massive copper reserves with strong cash flow and low-cost mining operations.

## Are copper stocks right for you?

Given that major market sectors will likely continue purchasing heavy amounts of copper over the next decade or so, copper stocks could present some attractive gains for Canadian investors.

Because of their volatility, however, you might want to keep your copper holdings low, perhaps only 5% of your overall portfolio. Buying [safe and low volatility stocks](#) with copper investments could help stabilize your overall holdings, especially during economic downturns.

Of course, if you're not interested in handpicking your own copper stocks, you could also buy shares in a copper-focused [exchange-traded fund \(ETF\)](#).

Three of the biggest copper ETFs include:

- Global X Copper Miners ETF
- United States Copper Index Fund
- iPath Series B Bloomberg Copper Subindex Total Return ETN

### TICKERS GLOBAL

1. TSX:FIL (Filo)
2. TSX:TECK.B (Teck Resources Limited)
3. TSX:TRQ (Turquoise Hill Resources)

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