

Why not bet on royalty companies



Precious metals royalty and streaming companies are a noteworthy sub-industry of the precious metals mining industry.

These types of companies offer leverage to rising precious metals prices. But they have lower risk. They generate revenue from royalties and streaming contracts. The latter obligate the streaming company to make an upfront payment. In return, the streaming company receives the right to future deliveries of a certain percentage of a mining company's metal production. So, if an investor shies away from the typical risks of the classic mining industry, an investment in royalty and streaming companies is a possible way forward.

Royalties are usually not linked to ongoing figures (as is often the case with streaming agreements), but relate to a small portion of production, usually one to three percent. In this context, royalties can take different forms, usually it is a percentage of the net smelting revenue (NSR). The NSR is calculated from the sale of the mined products less transportation and refining costs.

If you are interested in royalty and streaming companies, you can also take a look at the Precious Metals Royalty and Streaming Index. In any case, the diversification inherent in royalty companies is also an important consideration for investors. For those who do not want to focus on just one company or one or a few projects, but prefer to spread the risks, should be well served with royalty or streaming companies. For example, Osisko Gold Royalties or Gold Royalty.

Osisko Gold Royalties - <https://www.commodity-tv.com/play/osisko-gold-royalties-three-record-quarters-in-a-row-further-strong-growth-ahead/> - focuses on gold and copper in Canada. 2022 brought in record gold equivalent earnings.

Gold Royalty - <https://www.commodity-tv.com/play/mining-newsflash-with-alpha-lithium-hannan-metals-gold-royalty-and-targa-exploration/> - also had a very successful year. NSR royalties are located in North and South America.

Current corporate information and press releases from Gold Royalty (- <https://www.resource-capital.ch/en/companies/gold-royalty-corp/> -) and Osisko Gold Royalties (- <https://www.resource-capital.ch/en/companies/osisko-gold-royalties-ltd/> -).

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