

A look at royalty companies in the precious metals sector



In the precious metals mining industry, precious metals royalty and streaming companies are an interesting opportunity for investors.

These special companies provide leverage for rising precious metal prices, while at the same time they have less risk. This is because the operational risk lies with the partner companies. The royalty and streaming companies' revenues come from royalties and streaming agreements. The streaming company makes an upfront payment and sometimes ongoing payments. In return, the streaming company receives the right to future deliveries of a predefined percentage of the partner company's precious metal production. Royalties are usually one to three percent, so they apply to only a small portion of the mining company's production. As a rule, they are not associated with ongoing payments. Royalties can take various forms but are usually a small percentage of the net smelter return (NSR). The NSR is calculated as the proceeds from the sale of the mined products less refining and transportation costs.

In the spring of 2021, the royalty and streaming industry was booming, with new companies entering the market. Currently, things are not looking bad for this particular industry. Even though the problems plaguing the global financial markets remain. By the way, there is also an index for royalty companies, the Precious Metals Royalty and Streaming Index. If you are an investor who shies away from the classic mining risk but would like to get involved with precious metals companies, you should take a look at two promising candidates, namely Gold Royalty or Osisko Gold Royalties.

Gold Royalty - <https://www.youtube.com/watch?v=3PhJY9cwBv8> - focuses on gold, primarily royalties in North and South America. The company has just acquired the royalty portfolio of Nevada Gold Mines.

Osisko Gold Royalties - https://www.youtube.com/watch?v=Dn_KRPL6GDM - is also on the move in North and South America, holding more than 165 royalties and precious metal streams. This includes an NSR fee for the largest gold mine in Canada, the Malartic mine.

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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