

Maverix Metals Inc

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Maverix Metals eager to deploy capital as it continues to grow royalty portfolio

- Portfolio of over 100 royalties and streams
- Significant leverage to precious metals prices and exploration potential
- Experienced management

What Maverix Metals does:

Maverix Metals Inc (CVE:MMX) is a rapidly growing gold royalty and streaming company with high margins and growing free cash flow.

Royalty companies have long held an important role in the mining sector. Developing a mine to start producing gold or other precious metals is expensive and time-consuming. So, the royalty company serves as a financier to help fund the construction of a mine or the expansion of existing mines, and can even finance earlier stage exploration projects.

In return for making an upfront payment, Maverix receives a royalty on the underlying precious metal sold by the operator, or in the case of a precious metal stream, the right to purchase an agreed-upon amount of gold, silver or other precious metal, at a significant discount to the spot commodity price.

Such agreements provide Maverix - and its shareholders - with exposure to precious metals price rises and the exploration upside of the mine or project without any additional capital outlay, while also fixing the ongoing costs of acquiring precious metals in the case of a stream.

Founded in 2016 by chairman Geoff Burns and CEO Daniel O'Flaherty, Maverix's aim is to build an attractive royalty and streaming portfolio.

In just over two years Maverix has acquired major royalty portfolios from senior mining companies and now holds over 100 assets in multiple countries, some of which include underlying mines which are currently producing. They are throughout Australia and the Americas.

How is it doing:

The first quarter of 2020 saw Maverick Metals get off to a strong start, reporting revenues of US\$9.2 million in the three months to end-March compared to US\$5.6 million in 1Q, 2019 alongside net income US\$860,000 versus US\$1.1 million the year before.

Of that total revenue, royalty revenue came in at US\$6million versus US\$4.1 million a year ago, while operating cashflow for the three months was US\$4.8 million compared to US\$2.1 million in the same period a year earlier.

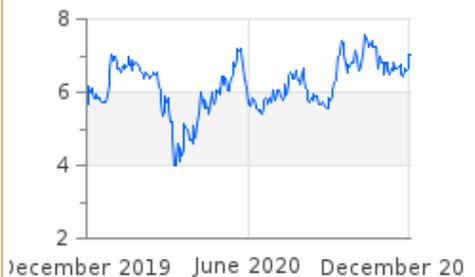
Maverix also declared a cash dividend of US\$0.01 per share which will be paid on or around July 15.

The positive momentum followed a solid end to 2019 which saw the firm report record annual revenues of C\$44.7 million, 31% higher than the prior year, and at the 'upper end' of its guidance range.

Price: 7.04

Market Cap: \$989.04 m

1 Year Share Price Graph



Share Information

Code: MMX

Listing: TSX

52 week High Low
7.78 3.1

Sector: Gold & silver

Website: www.maverixmetals.com

Company Synopsis:

Maverix Metals Inc. is an emerging precious metals royalty and streaming company. Maverix offers a mining related investment that provides investors with significant leverage to precious metals prices and exposure to exploration and expansion potential, but without the costs or risks associated with mine operations.

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The full-year results also saw record attributable gold equivalent ounces produced, at 26,668 ounces, while there were record attributable gold equivalent ounces sold as well, coming in at 24,021 ounces. Record cash flow was recorded from operating activities of C\$27.7 million.

The strong results followed a flurry of activity at the end of 2019 and the first months of 2020, kicking off with a board reshuffle in November when Maverix appointed mining investment expert Ryan McIntyre as its new president.

McIntyre spent 11 years with Tocqueville Asset Management LP, most recently as co-portfolio manager of the Tocqueville Gold Strategy and the Tocqueville Gold Fund.

Later, in December, the company expanded its portfolio with the acquisition of 25 precious metals royalties from Kinross Gold Corporation (TSX:K) (NYSE:KGC).

This purchase began to pay off almost immediately, with the firm netting US\$12 million from the package in January.

Inflexion points:

- Portfolio expansion with more royalty acquisitions
- Working to expand 2020 gold production
- More cash from Kinross royalties

What the boss says:

"Despite global challenges due to (coronavirus) COVID-19, Maverix had a strong start to the year, increasing our revenue and operating cash flow significantly by 64% and 128%, respectively, compared to Q1 2019," said Maverick Metals chief executive Dan O'Flaherty in the company's first-quarter results statement.

"Our results demonstrate the strength of the diversified portfolio that we have established", he added.

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