



Become a Penny Stock Millionaire: 3 Stocks Under \$5 Hitting New 52-Week Lows

Description

Hey there, Fools. I'm back to highlight three stocks under \$5 hitting new 52-week lows. While low-priced stocks carry numerous risks, they can be a source of ideas when looking for: [small, obscure, and ignored companies](#); dirt-cheap bargains; or intriguing turnaround situations.

If you have ambitious dreams of turning an average [\\$27K TFSA](#) into a million bucks in 20 years, you'll need an annual return of at least 20% to do it. Although low-priced stocks are on the volatile side, the upside return potential might be worth the risk.

This week, we'll take a look at a trio of penny stock resource plays that have been particularly bruised.

Let's get to it.

Grand opportunity

Leading off our list is energy producer **Gran Tierra Energy** ([TSX:GTE](#)), which is down 46% over the past year and trading near its 52-week lows of \$2.25 per share at writing.

The stock was walloped yesterday after management reported minor production problems. Specifically, Gran Tierra shut-in two oil producers and took two others offline at its key Acordionero project due to electrical problems.

On the bullish side, management categorized the challenges as "temporary operational issues," suggesting that Mr. Market is overreacting.

"We believe the current production decrease is a deferral, not a loss of reserves, and that we are taking the necessary steps to get production back on track," said President and CEO Gary Guidry.

Gran Tierra shares are down 25% in 2019.

Dynastic wealth

Next up we have copper and gold explorer **Northern Dynasty Minerals** ([TSX:NDM](#)), which is down 8% over the past year and trading near its 52-week lows of \$0.60 per share at writing.

Northern Dynasty's future relies on its principal gold and copper Pebble Project in southwest Alaska. The stock has been weighed down heavily by environmental and permitting concerns surrounding Pebble, but for investors with some patience and high risk tolerance, now might be an opportune time to jump in.

According to Northern, the current resource estimate for Pebble includes 57 billion pounds of copper, 71 million ounces of gold, 3.4 billion pounds of molybdenum, and 345 million ounces of silver.

Northern shares are down 31% over just the past three months.

Mining matters

Rounding out our list is copper miner **Katanga Mining** (TSX:KAT), whose shares are down a whopping 71% over the past year and trading near their 52-week lows of \$0.30 at writing.

Katanga has been walloped on mounting losses, disappointing production, and fears over its hefty debt load. But while the stock certainly isn't suited for conservative Fools, aggressive investors might want to take notice.

In Q1, revenue jumped 142% to \$355 million as copper production and sales increased significantly. Of course, mining and processing costs also spiked during the quarter, leading to a net loss of \$0.09 per share.

Katanga shares are down 36% so far in 2019 and sport a beta of 1.5.

The bottom line

There you have it, Fools: three contrarian stocks under \$5 worth checking out.

As always, don't view them as formal recommendations. Instead, view them as a starting point for more research. Low-priced stocks are particularly fickle beasts, so plenty of homework is still required.

Fool on.

CATEGORY

1. Energy Stocks
2. Investing
3. Metals and Mining Stocks

TICKERS GLOBAL

1. NYSEMKT:GTE (Gran Tierra Energy Inc.)
2. TSX:NDM (Northern Dynasty Minerals Ltd.)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Energy Stocks
2. Investing
3. Metals and Mining Stocks

Date

2025/08/18

Date Created

2019/06/20

Author

bpacampara

default watermark

default watermark