Become a Penny-Stock Millionaire: 3 Stocks Under $7 Hitting New 52-Week Lows

Description

Hello, Fools. I'm back to highlight three stocks under $7 hitting new 52-week lows. While low-priced stocks carry plenty of 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 big 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.

Let's get to it.

Drop in the ocean

Kicking things off is gold producer **OceanaGold** (TSX:OGC), which is down 13% over the past three months and trading near its 52-week lows of $3.30 at the time of writing.

Oceana investors haven't benefited from gold's recent price rally, but now might be a good time to pounce. While mining setbacks fueled a spike in Q1 all-in sustaining costs, the company still managed to generate $39 million in operating cash flow and currently sports solid liquidity of $136.5 million.

"Our start to the new year consisted of solid operating and financial performance from Didipio and Macraes and major steps forward in advancing our organic growth initiatives particularly at Waihi," said President and CEO Mick Wilkes.

Oceana is down 30% in 2019.

Dividend dimes

Next up, we have oil and gas producer **Arc Resources** (TSX:ARX), which is down 54% over the past year and trading near its 52-week lows of $6.15 per share at the time of writing.

Dividend-paying penny stocks are a rare thing, but that's exactly what you have with Arc Resources. And it's a fat dividend at that: currently, the shares boast a whopping dividend yield of 9.6%.

While Arc posted a surprise loss of $0.29 in the most recent quarter, management advanced several key projects which should bode well for future growth.

"With a compelling asset base, coupled with a clean balance sheet and a current attractive yield, ARC is positioned to create shareholder value," said CEO Myron Stadnyk.

Arc shares are down 23% in 2019.

Gassy feeling

Rounding out our list is natural gas producer **Peyto Exploration & Development** (TSX:PEY), which is off 63% over the past year and trading at its 52-week lows of $3.76 at the time of writing.

Multi-year-low natural gas prices and debt concerns have weighed heavily on the stock, but aggressive investors might want to jump in. In the most recent quarter, Peyto managed to keep costs low enough to produce $103 million in funds from operations. It was used to cover its big dividend (currently yielding 6.1%) and improve the balance sheet.

"Cost control remained a consistent focus, and despite higher methanol costs and usage due to an extremely cold February, cash costs continued to be industry leading," said the company.

Peyto is down 47% in 2019.

The bottom line

There you have it, Fools: three contrarian stocks under $7 worth checking out.

As always, don't see 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.

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2. TSX:OGC (OceanaGold Corporation)
3. TSX:PEY (Peyto Exploration & Development Corp)

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