



## TFSA Investors: 2 Stocks Under \$3 That Could Lead to Big Gains in 2020 and Beyond

### Description

Penny stock investing can be dangerous if you don't ensure proper due diligence beforehand. As such, Foolish investors should avoid speculating on penny stocks altogether when it comes to their TSFAs. The TFSA is meant for investing, not gambling, to make a quick buck.

Fortunately, there are small-cap stocks out there that are fundamentally sound with excellent growth prospects within an industry that's enjoying a secular uptrend.

When digging in the depths of the **TSX Venture Exchange** (TSXV), you're going to need to dig through a lot of dirt to get to such gems though. Fortunately, we Fools have uncovered two gems that have mostly been ignored by most Canadian investors who've grown wary of small-cap stocks.

Without further ado, here are two top stocks under \$3 that are ripe for picking:

### StorageVault Canada

**StorageVault Canada** (TSXV:SVI) is known by fellow Fool Will Ashworth and I as the best stock on the **TSXV**. The company has recently broke out of its long-term consolidation channel and could be headed a lot higher as it continues to benefit from the tremendous industry tailwinds known as the ["Four D's."](#)

In addition, StorageVault isn't like most stocks that have market caps under or around \$1 billion. The company not only posts massive revenue growth numbers, but it's also capable of posting fat free cash flows.

In a way, you can think of the business of StorageVault as a REIT for "stuff." The company rents out storage units to those who pay their dues; as the consumption of Canadians continues soaring, so too will the demand for extra space for all that stuff.

The stock trades at 23.8 times forward earnings, a low price to pay for a company as well positioned as

StorageVault. Although shares trade on the TSXV, they deserve a spot on the TSX, as it's far larger and safer than most other TSX-traded stocks of a similar size.

## Fire & Flower Holdings

**Fire & Flower Holdings** ([TSX:FAF](#)) is an up-and-coming cannabis retailer with an intriguing physical store layout and a growing digital presence.

**Alimentation Couche-Tard** (TSX:ATD.B) [took a small stake](#) in the relatively unknown pot retail play when it was on the TSXV and out of the radars of many.

After Couche-Tard announced its small stake in the company with an option to increase it down the road, Fire & Flower has suddenly fallen onto the radars of investors who've been following the convenience store scene closely.

While I can't say too much about the expertise of Fire & Flower's management team, I am encouraged by what Couche-Tard CEO Brian Hannasch had to say about the managers at Fire & Flower and how much the funds from Couche-Tard will help accelerate Fire & Flower's growth efforts, both online and offline.

As one of the least volatile cannabis stocks out there, Fire & Flower could turn into [a significant multi-bagger](#) over the next few years if Couche-Tard has indeed done its homework on the small Edmonton-based firm.

The stock trades at \$1.49 at writing and could be headed much higher as dealings with Couche-Tard could give it a shot in the arm.

Stay hungry. Stay Foolish.

### CATEGORY

1. Cannabis Stocks
2. Investing
3. Top TSX Stocks

### TICKERS GLOBAL

1. TSX:FAF (Fire & Flower)
2. TSX:SVI (StorageVault Canada Inc.)

### PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

### Category

1. Cannabis Stocks
2. Investing
3. Top TSX Stocks

**Date**

2025/07/07

**Date Created**

2019/09/16

**Author**

joefrenette

default watermark

default watermark