



2 Canadian Stocks Under \$3 That You've Probably Never Heard of

Description

If you want to beat the markets consistently over the long run, you've got to take the role of a contrarian. Your chances of putting the markets to shame are increased when you look to the areas of the market that most others wouldn't.

The emerging markets and the small-cap universe are all [promising](#) places to search for investments if you're on the hunt for the next major multi-bagger. While small caps tend to be wildly volatile and riskier than your average blue chip, they are worth looking to, especially for young investors who want to do better than the **TSX Index**.

In this piece, we'll have a brief look at three Canadian stocks that I think you should probably add to your radar. While I wouldn't explicitly recommend buying any of the following shares at current levels, I would certainly keep an eye on them over the next several years.

Consider digital media play **Score Media and Gaming** (TSX:SCR) and up-and-coming cannabis retailer **Fire & Flower Holdings** ([TSX:FAF](#)).

TheScore

Score Media, or TheScore, is an interesting small cap that recently surged onto the scene following its recent 400% trough-to-peak pop. The stock now sports a \$1.2 billion mark cap and is a compelling Canadian option for investors who want a slice of the sports-betting market that could hold promising long-term potential should Canada stick with its stance on the legalization of single-game sports betting.

I've been a regular user of the TheScore app to track hockey games, and I must say, the interface is pretty solid and the experience seamless. As such, I do not doubt the firm's technical capabilities, as it looks to go after what could be one of the "growthiest" markets over the next several years.

While I wouldn't chase the name after its vertical surge, I would add the name to my radar, as I'm a fan of the firm and its potential. The stock is [alarmingly expensive](#) at 67.5 times sales (that's sales, not earnings), but it may be worth picking up on a pullback below the \$2 mark.

Fire & Flower

Fire & Flower is a cannabis retailer that you've probably never heard of. As you're probably aware, pot shops have been popping up across numerous street corners over the past few years. The environment looks pretty competitive, and it can be tough to bet on the legal cannabis scene with the threat of the black market.

That said, I think Fire & Flower has a major advantage up its sleeves with its dealings with convenience store kingpin **Alimentation Couche-Tard**, an established value creator that clearly sees something in the cannabis retailer, as demonstrated by past strategic investments and ventures.

Fire & Flower has done a great job of capitalizing on the "experiential" factor with its physical stores, and its e-commerce presence, I believe, holds great promise for those looking to invest in the budding cannabis scene without having to place a bet on the wildly volatile licensed producers (LPs) themselves.

At the time of writing, FAF stock trades at \$0.85 per share, with a 1.8 times sales multiple. I think the name is cheap versus its growth potential and would encourage Canadian small-cap investors to add the name to their shopping lists.

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