



3 Top TSX Stocks to Buy With \$10 in July 2021

Description

One of the things almost all people who've entered the workforce understand is that there is a world of difference between theory and practice. No matter how thorough and up to date their courses were, there are a lot of things they learn while on the job.

The same can be said about investing. You can teach a lot of theory to someone and try to instill [good practices](#), but until they invest their own money and experience the thrill of a rising stock (and the horror of a sinking one), they can't fully appreciate the investing experience.

Whether you are teaching someone else about the virtues of investing or want to experience it yourself [for the first time](#), the good news is that you can start as small as \$10 in capital. There are quite a few stocks you can get multiple units of with just \$10.

A mining company

Foraco International ([TSX:FAR](#)) is a France-based drilling company with a market capitalization of \$144 million, an obscenely high price-to-book ratio (10.5 times), and a price tag of just \$1.7 per share. You can buy five (and fractional) shares of this company with \$10, although right now might not be the most prudent time to buy. The company rode the after-crash momentum to over 500% growth in the last 12 months.

The stock is now moving towards a normalization (or a full-fledged correction). The good news is that the company's revenue stream isn't suffering from the same level of fluctuations the stock is, and stable financials might keep the company afloat and the stock steadily growing after the impending correction.

Despite its small-cap status, the company has an impressive presence in its sphere. It's the world's third-largest global mineral driller and has both mineral and water projects in 22 countries.

A discovery-oriented company

Toronto-based **Sokoman Minerals** (TSXV:SIC) has a market capitalization of just \$141.8 million and a price tag of \$0.67 per share. It's a discovery-oriented company with two gold projects and a stake in five others. All the projects are in Newfoundland & Labrador. It's currently in phase six of the drilling phase of its largest project called Moosehead.

Sokoman Minerals was valued much higher in the good, old days before the recession. In the last eight years, it's the first time the company has come this close to a \$1 price tag. The share price has grown 378% in the last 12 months; it might keep going higher for a while yet, especially if the gold prices start rising at a rapid pace again.

A Calgary-based energy company

If you are looking for a more [modestly priced company](#), consider buying **Gear Energy** (TSX:GXE) stock. It's currently trading at \$0.85 per share, for a price-to-earnings ratio of 6.9 and price-to-book ratio of two times. The company is currently riding the momentum of the energy sector, and the share price has grown over 200% in 2021 alone.

The growth prospects, along with the valuation, make Gear Energy a good bet. If the energy sector can sustain its momentum, and we don't see a repeat of demand shortage like 2020 or OPEC countries or Russia flooding the market with oil, Gear Energy stock might keep growing relatively steadily.

Foolish takeaway

Not all three stocks are a good buy right now. Foraco is likely to be a better buy if it dips nearer to the \$1-a-share mark. Gear Energy, however, is worth considering right now. The company has ways to go in terms of valuation and its 2018 share price, and if that's the mark the stock is going for, you might want to get in as soon as possible.

CATEGORY

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

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