



## Top Under-\$2 Canadian Stocks to Buy Hand Over Fist in September 2022

### Description

Stocks in Canada have seen a sharp [selloff](#) in the last few months. Despite starting 2022 on a positive note, high inflationary pressures and rising interest rates have taken a toll on investors' sentiments by raising the possibility of a near-term recession. Nonetheless, it could still be the right for long-term investors to buy some fundamentally strong stocks in bulk at a big bargain.

In this article, I'll highlight two top Canadian stocks that currently trade under \$2 per share but might not remain cheap for very long.

### Denison Mines stock

**Denison Mines** ([TSX:DML](#))(NYSE:DNN) is my first stock pick to consider if you're looking to buy some cheap stocks in Canada right now. It's a Toronto-based uranium mining firm with a market cap of about \$1.4 billion. DML stock currently trades at \$1.76 per share without any major change on a year-to-date basis.

Notably, Denison Mines has about 95% interest in the Wheeler River project, which is the biggest undeveloped uranium project in the eastern Athabasca Basin. The first production at the Wheeler River project is expected to start in 2024. Also, the company has about 22.5% and 66.9% interest in other uranium projects like McClean Lake Uranium Mill and Waterbury Lake project, respectively.

In recent weeks, many developed nations, including Japan and some western countries, have shown [willingness](#) to increase their nuclear power generation capacity by restarting their idled nuclear reactors. As uranium is the main fuel used in nuclear reactors, the demand outlook for uranium is getting brighter, which could lead to a big long-term rally in uranium prices. These developments also could trigger a sharp rally in DML stock as higher uranium prices help miners expand their profit margins. That's why I consider this cheap, under-\$2 Canadian stock worth buying right now to hold for the long term.

## IAMGOLD stock

**IAMGOLD** ([TSX:IMG](#))([NYSE:IAG](#)) is another cheap Canadian stock to consider buying in September. The shares of this mid-tier [gold mining](#) company currently trade with 58% year-to-date losses at \$1.66 per share, despite starting 2022 on a strong note.

Apart from operating its three main mines in West Africa, Canada, and South America, IAMGOLD is currently focusing on the development of its Côté Gold project in northeastern Ontario. The first production at its new Côté Gold project is likely to start in the first quarter of 2024, with an expected initial mine life of about 18 years.

In the second quarter, IAMGOLD's total revenue rose by 25.8% YoY (year over year) to \$334 million based on an average realized gold price of around US\$1,799 per ounce. With the help of its strong production activity at its Essakane mine during the quarter, the company reported a 15.3% YoY rise in its adjusted EBITDA (earnings before interest, taxes, depreciation, and amortization) for the quarter to \$110 per share.

While IAMGOLD's financial growth might not look very impressive in the near term due to rising inflationary pressures, its long-term growth outlook remains solid, with high expectations from its Côté Gold project's output. Considering these expectations, a massive year-to-date decline in its stock makes it look cheap to buy for the long term.

### CATEGORY

1. Investing
2. Metals and Mining Stocks

### TICKERS GLOBAL

1. NYSE:IAG (IAMGOLD Corporation)
2. NYSEMKT:DNN (Denison Mines Corp.)
3. TSX:DML (Denison Mines Corp.)
4. TSX:IMG (IAMGOLD Corporation)

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