



2 Lithium Stocks to Buy to Ride the EV Wave

Description

Unlike gold, silver, and iron, metals that had an important role in shaping human history, lithium has been overlooked for centuries. This metal started getting into the limelight with the rise of battery-powered electronics since lithium-ion battery is so far the best technology we have. But electronic gadgets are relatively small, and their batteries don't require a lot of lithium.

EV batteries, on the other hand, require a lot of Lithium. One typical EV may need about 8 kilograms of lithium in batteries. And that's just for the typical vehicles. If you add in heavy-duty units, the average might go way up.

EVs are not the only demand "source" driving the value of lithium. Power banks that accompany renewables are another variable in this equation, though EVs dominate the scene. And if lithium demand keeps going up for the foreseeable future, you may consider investing in the metal now (via lithium stocks). It would also be a smart move from an [ESG investment](#) perspective.

A single-project lithium company

Neo Lithium (TSXV:NLC) is a Toronto-based Lithium company with a market capitalization of \$895 million and one project in Argentina. The 3Q Project is located in Argentina's Catamarca province and has proven (and probable) reserves of 1.3 million metric tons of Lithium Carbonate Equivalent (LCE), 3 million more are inferred.

The project is extensive, and the mine life is estimated at 35 years, so the company is well-positioned to take advantage of the steadily growing lithium demand till the market is saturated.

The stock has already spiked in resonance with lithium demand prospects. If you had bought into the company at the beginning of 2020, you would have grown your capital 10 times by now. That's incredible growth in two years. Another spike like this might be a possibility in the future, but for that, you will have to wait to buy the dip.

A dual-project Lithium company

If you want your lithium stock to have a diversified project base, **Lithium Americas** ([TSX:LAC](#)) might be more to your liking. It has [two projects](#), one in Argentina and the other in the U.S. The geographic distribution of the portfolio is not just good from a diversification perspective but also offers more logistics options to the company.

The proven and probable reserves in the Argentina operations (which has 40 years anticipated age) are 1.9 million tonnes, and the U.S.-project's are close to 3 million. Like Neo Lithium, the LAC stock saw the light of day after the pandemic. It has grown almost 758% from the beginning of 2020. And it has started to come down from its peak, which might indicate a correction growing into a massive dip.

Foolish takeaway

[Lithium's demand](#) and supply dynamics have changed radically over the years. China is simultaneously the largest buyer *and* the largest producer of lithium by far, which indicates that it has a lot of sway over the market dynamics. Since it's also the largest EV-producing country in the world, it would be a good idea to keep an eye on publicly-available bids and contracts originating from the country to anticipate major supply-demand shuffles in the industry.

CATEGORY

1. Investing
2. Metals and Mining Stocks

TICKERS GLOBAL

1. TSX:LAC (Lithium Americas Corp.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. adamothonman
2. gsmiley

Category

1. Investing
2. Metals and Mining Stocks

Date

2025/08/14

Date Created

2021/12/16

Author

adamothonman

default watermark

default watermark