



Why Lithium Americas Stock Jumped 11% on Monday

Description

Lithium Americas ([TSX:LAC](#))([NYSE:LAC](#)) shares jumped 10% on Monday after the lithium miner reported its fourth-quarter and full-year 2021 results last week.

What happened?

Lithium Americas stock reported earnings for the fourth quarter and full year that beat out analyst estimates. This comes after a few consecutive quarters of reporting below [estimates](#). The lithium company reported a net loss of US\$38.5 million compared to US\$36.2 million the year before. However, that was due to the investment in the Thacker Pass project.

Meanwhile, Lithium Americas stock saw its assets explode over the last year. The company reported assets of US\$817.3 million, up from US\$326.7 million the year before. Furthermore, management stated there are even more projects underway.

So what?

The shift towards clean energy solutions is evident this year. Countries and companies are making the transition. However, it's become even more clear this has to happen due to the ongoing war between Russia and Ukraine. European countries in particular have become fairly reliant on [Russian](#) oil. But a clean energy solution in their home country would mean no more relying on others for power.

But what every clean energy project needs is lithium. Lithium powers the batteries that power the world. And that's why Lithium Americas stock continues to do so well, even with a larger loss. The long-term plans the company has in place, along with the increasing assets, shows the company won't be slowing down and continues to try and meet ongoing demand.

Now what?

Construction is underway for Lithium Americas stock and its Caucharí-Olaroz mine in Argentina. It's now 85% complete with a target to open up by the second half of this year. The company also acquired Millennial Lithium this year and increased its stake in Arena Minerals.

In the United States, the Thacker Pass mine is now set to have its own business dedicated totally to the pass — or, at the very least, to its U.S. operations. This comes as more and more costs creep up, which is expected in the next year as well.

Shares of Lithium Americas stock were up 8% on Monday and 106% in the last year.

CATEGORY

1. Investing
2. Metals and Mining Stocks

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