



Lithium Americas Stock Just Jumped 10% in a Single Day: Is it a Buy Now?

Description

What happened?

Shares of **Lithium Americas** ([TSX:LAC](#)) jumped nearly 10% Tuesday to \$34.68 per share after receiving a favourable court ruling. With this, LAC stock posted its biggest single-day rally in February, extending its year-to-date gains to a solid 35%. By comparison, the **TSX Composite Index** has advanced by 6.9% so far in 2023 after last year's selloff, as investors continue to assess the possibility of a looming recession.

So what?

If you don't know it already, Lithium Americas is a Vancouver-headquartered company with a [market cap](#) of \$4.7 billion. The company is primarily focused on developing multiple [lithium mining](#) assets in North America. While it owns 100% interest in Nevada, U.S.-based Thacker Pass and Salta, Argentina-based Pastos Grandes projects, it also holds a 44.8% interest in the Jujuy, Argentina-based Caucharí-Olaroz project.

On February 7, Lithium Americas informed investors that it received a favourable ruling related to its Thacker Pass project from the U.S. District Court in Nevada. The company [noted](#) in a press release that the court ruling "confirms the permitting process for Thacker Pass was conducted thoroughly and responsibly."

While the court asked the Bureau of Land Management "to consider one issue under the mining law relating to the area designated for waste storage and tailings," the ruling didn't impose restrictions on the construction of the Thacker Pass project. Lithium Americas investors welcomed the court ruling, which led to a buying spree in its share prices.

Is LAC stock worth buying now?

LAC stock is currently among 2023's top-performing stocks on the [Toronto Stock Exchange](#). Tuesday's sharp rally in its share prices came just a week after the Canadian lithium-focused company [entered](#) a lithium supply agreement with the American auto giant **General Motors** on January 31. This news drove Lithium Americas stock up 13.5% that day to \$33.46 per share.

Based on the terms of the agreement, GM will support the development of the Thacker Pass project by making a US\$650 million equity investment in Lithium Americas. In return, GM will receive exclusive access to phase-one production at Thacker Pass, which is expected to start in the second half of 2026. In addition, the U.S. automaker will also have a right of first offer on phase-two production.

It's also important to note that Lithium Americas estimates that the Thacker Pass production could supply the lithium required for up to one million electric vehicles every year. Besides that, the company continues to focus on the development of its other lithium mining projects.

Overall, the demand for lithium is expected to skyrocket in the coming years with the fast-growing adoption of electric vehicles across the globe. That's why lithium prices have the potential to soar further in the coming years, which could eventually help Lithium Americas become highly profitable. Given these positive expectations and [fundamental](#) factors, I still find LAC stock very attractive for the long term, as it can help you earn outstanding returns on your investments — especially if you hold it for at least the next five years.

CATEGORY

1. Investing
2. Metals and Mining Stocks

TICKERS GLOBAL

1. TSX:LAC (Lithium Americas Corp.)

PARTNER-FEEDS

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

PP NOTIFY USER

1. jparashar
2. tmfwordnerd

Category

1. Investing
2. Metals and Mining Stocks

Date

2025/06/27

Date Created

2023/02/08

Author

jparashar

default watermark

default watermark