



Top Canadian Lithium Stocks of 2023

Description

Lithium is an elemental metal that's become widespread in our technology-driven world. Among the more notable of its uses is the manufacturing of rechargeable batteries for both [electric vehicles](#) and renewable power sources, such as solar and wind.

Rechargeable battery production, however, is only one use for this versatile metal. From consumer electronics, such as laptops, tablets, cellphones, and digital cameras, to products that use non-rechargeable batteries, such as heart pacemakers and toys, all the way to making plates for high-speed trains and glass and ceramics, lithium shows up in many industries.

And our use of lithium is only growing by the year. In 2021 alone, lithium sales grew by 400%. And with countries and major companies vowing to become carbon neutral by 2050 (if not earlier), lithium will likely become a hot commodity, one that Canadian investors should take note of.

For those who want to invest in this metal for the long term, here's what you should know about lithium stocks.

What are lithium stocks?

Lithium stocks are publicly traded companies that mine, process, or distribute lithium. At the moment, investing in lithium stocks is the only way investors can gain exposure to this elemental metal. Unlike other metals, such as [gold](#) and [silver](#), investors cannot invest in lithium as a commodity.

That said, there are plenty of great opportunities among lithium-producing companies, especially with the electric vehicle revolution underway.

Investors should note that lithium companies can produce two types of lithium: lithium carbonate and lithium hydroxide. Putting chemical differences aside, these two types of lithium differ in how they're produced, as well as how long they last.

Lithium carbonate is extracted from underground brine pools and man-made lakes. While lithium

hydroxide is a by-product of lithium carbonate, it's also found in spodumene ore, which is basically a fancy colourful rock.

The advantage of lithium hydroxide is that it often outlasts lithium carbonate, which makes it more valuable to electric car manufacturers, who want their batteries to have the longest life possible.

For that reason, investors might want to look closely at what type of lithium a company is producing.

Top lithium stocks in Canada

Though Canada has some of the largest mining companies in the world, it isn't a major producer of lithium. Most of the world's largest reserves of lithium are in China, Chile, Argentina, and Australia.

That said, Canada does have a few companies that engage in lithium mining. All-in-all, here are the top lithium stocks that you can find on exchanges.

Lithium Stock	Description
Albemarle (NYSE:ALB)	A durable mining company and one of the world's largest suppliers of lithium.
Ganfeng Lithium (GNEN.F)	China's largest producer of lithium and the third-largest producer in the world.
Sociedad Quimica y Minera de Chile (NYSE:SQM)	A Chilean commodities producer with a significant output of lithium.
Lithium Americas Corps (TSX:LAC)	A Canada-based company with plans to advance lithium operations in both Nevada, U.S., and Argentina.

Albemarle

Based in Charlotte, North Carolina, Albemarle is one of the largest producers of lithium for electric vehicles in the world. The company's two biggest clients are **Panasonic** and **Samsung**, who rely on Albemarle's product to manufacture lithium ion batteries for consumer electronics.

Albemarle has historically been a relatively steady lithium stock, which is rare for an industry that's seeing huge spikes in demand outpacing supply. That said, Albemarle stock is no stranger to volatility.

In addition to producing lithium, Albemarle is also a large chemicals manufacturing company with production plants in China, Australia, France, Germany, and the U.K., along with a handful of other European nations. For investors who want a relatively safe lithium stock with plenty of room for growth, Albemarle could be a good place to start.

Ganfeng Lithium Group

Ganfeng Lithium is China's largest producer of lithium and one of the largest in the world.

The company engages in nearly every aspect of lithium production, from research and development to

refinement and processing. Its lithium products are mostly used in electric vehicle batteries, but also in chemicals, pharmaceuticals, and energy storage.

Ganfeng mines for lithium in China, Australia, and Argentina, and recently landed a three-year supply deal with [Tesla](#). The company has a large market cap, with low debt and plenty of cash on hand.

Sociedad Quimica y Minera de Chile

Based in Chile, Sociedad Quimica y Minera (SQM) is another major producer of lithium, as well as a chemical and minerals company.

The company benefits from a home field advantage: Chile boasts some 9.2 million metric tons of lithium, making it one of the world's largest known sources.

SQM is profiting handsomely from its lithium-rich lands. The company carries little debt and has plenty of cash reserves to finance its expansion.

Lithium Americas Corps

Lithium Americas Corps is a Canadian-based mining company with plans to operate lithium reserves in both Argentina and the U.S.

Right now, Lithium Americas is a “pre-revenue” stock, meaning it’s not generating any revenues. That said, many analysts, including U.S. investment bank J.P. Morgan, believe that 2022 is the year Lithium Americas starts generating revenues.

The expected mine openings in Nevada and Argentina, along with a potential contract with Tesla, could push this company toward profitability. Still, investors should be aware that Lithium Americas is a speculative stock.

Are lithium stocks right for you?

Lithium is the future of energy. As a key ingredient in the production of batteries, lithium is the cornerstone of every [renewable power](#) source, including wind power, solar power, and hydro power, as well as the manufacturing of electric vehicles. For investors who are looking to buy into a cleaner future, lithium stocks could be a great long-term opportunity.

Lithium stocks aren’t without risks, however. Given the global demand for lithium, which continues to outpace supply, these stocks can be highly volatile. Even the companies listed above, which are anchored by large [market caps](#) and low levels of debt, can experience fidgety price movements, especially as demand for lithium continues to grow.

For investors who don’t want to buy individual stocks, there are also lithium-focused [exchange-traded funds \(ETFs\)](#).

Some top lithium ETFs include:

- Global X Lithium & Battery ETF

- Amplify Lithium & Battery Technology ETF
- Horizons Global Lithium Producers Index ETF

TICKERS GLOBAL

1. NYSE:ALB (Albemarle Corporation)
2. NYSE:SQM (Sociedad Quimica y Minera de Chile S.A.)
3. TSX:LAC (Lithium Americas Corp.)

PP NOTIFY USER

1. jguest
2. metienne
3. tmfbwelch

Date

2025/08/12

Date Created

2022/05/26

Author

sporrello

default watermark

default watermark