Lithium Americas

The Stock Report

Symbol LAC_NEW:xtse • ISIN CA53681J1030 • Currency CAD • Target market Medium risk

Lithium Americas
Ticker: LAC
TSX (Toronto)
ISIN: CA53681J1030

Date: 29 September 2025

Financing the Future of the USA Lithium supply

Introduction

Lithium Americas Corp. (LAC) is a Canadian company focused on developing a current lithium project in Nevada, to become less reliant (as America) of other continents. The company currently reports no revenue, as operations remain in the development phase. Financing the company is done by primarily equity issuance and government support. In 2024, the U.S. Department of Energy approved a USD 2.26 billion loan to fund construction, while General Motors committed USD 650 million in strategic investment.

For GM, securing access to lithium is critical for its long term strategy, Because the company plans to scale electric vehicle production significantly over the next decade and requires a stable, domestic supply of battery materials. Partnering with Lithium Americas reduces supply chain risk, ensures priority access to future production, and aligns with U.S. government policy to build local capacity.

The U.S. government's involvement reflects a clear objective: securing domestic lithium supply to reduce reliance on imports. For investors, this support reduces project risk and strengthens the company's financial position, despite ongoing net losses and rising debt levels.

Action: Hold/Overweight

Price at 29-Sept	7.990
Target:	8.550
Implied Return:	7.01%

Analysts consensus

Average rating	Overweight

Sell · Underweight · Hold · Overweight · Buy

Target price	7.990
Implied return	7.01%

Rating	Analysts
Buy	3
Overweight	1
Hold	8
Underweight	0
Sell	0

Returns

Year to date (YTD)	85,81%
1 Year	122,56%
3 Years	-77,95%

	*2025	2024	2023	2022
— Income statement				
Revenue	0 CAD	0 CAD	0 CAD	0 CAD
EBITDA	-41,5m CAD	-37,4m CAD	-36,7m CAD	-77,2m CAD
Net Income	-53,1m CAD	-58,3m CAD	-5,31m CAD	-88,3m CAD
— Balance Sheet				
Total Assets	2,48bn CAD	1,50bn CAD	580m CAD	37,7m CAD
Total Debt	895m CAD	32,6m CAD	4,10m CAD	61,2m CAD

** estimated revenue growth for 2025*

Financial Position

Profit / Net Income

Lithium Americas currently reports negative net income, reflecting its status as a the pre revenue development company. Without revenue, costs related to project development, exploration, and administration result in annual losses. This is typical for companies in the early stages of building large scale mining projects.

EBITDA

The EBITDA is negative throughout all reported years. In 2022 EBITDA stood at −77.2 million CAD, improving slightly to −36.7 million CAD in 2023 and −37.4 million CAD in 2024. The 2025 estimate is −41.5 million CAD. These figures show that losses are relatively stable rather than accelerating, suggesting LAC has proper cost control, although they confirm that the company is still in a pre-revenue stage with consistent negative operating cash flow.

Net Loss

In 2022, the company reported a net loss of −88.3 million CAD. This narrowed significantly to −5.31 million CAD in 2023, before widening again to −58.3 million CAD in 2024. The 2025 estimate stands at −53.1 million CAD. These figures illustrate the variability in losses, but they remain closely aligned with negative EBITDA and reflect ongoing development, financing, and administrative costs.

Debt

Total debt fluctuates over the years, but is expected to rise sharply in 2025 and 2026, with additional largescale project financing. In 2022, debt was 61.2 million CAD, declining to 4.10 million CAD in 2023 and 32.6 million CAD in 2024. For 2025, total debt is projected to grow rapidly to 895 million CAD, reflecting the drawdown of financing required for the Thacker Pass project. Please note this is an estimation of the bank! And can be incorrect.

Total Assets

Total assets have been expanded year over year, rising from 37.7 million CAD in 2022 to 580 million CAD in 2023 and 1.50 billion CAD in 2024. The 2025 estimate stands at 2.48 billion CAD. This growth is driven by capital inflows from equity issuance and government backed funding, highlighting the scale of investment being directed into project development rather than operational revenue, which is a strong and solid sign the company is creating value.

Competitor Analysis and Implications for LAC

We analyzed the financial results of NVIDIA, but how is the competition doing? Below are two of the largest names that are a real threat for the growth of NVIDIA, along with what their recent numbers suggest in terms of momentum and risk.

Albemarle Corporation (ALB)

Albemarle is one of the largest integrated lithium producers globally, operating across multiple countries with a diversified portfolio of chemical products. This diversification provides a buffer against fluctuations in lithium prices. The company benefits from economies of scale in production, processing, and logistics, which can enhance margins when lithium prices rise. Recently, Albemarle has implemented cost reduction measures to mitigate the impact of lower lithium prices.

However, Albemarle faces several challenges. It is exposed to global lithium price volatility, and sharp declines can put some pressure on margins. The company also relies on largescale capital investments to expand or renew projects.

In Q2 2025, Albemarle reported a net income of $23 million a significant turnaround from a $188 million loss in the same period the previous year. This improvement was achieved despite a 7% decline in net sales to $1.33 billion, primarily due to lower lithium prices. The company's adjusted EBITDA was $336 million, reflecting effective cost management and operational efficiencies.

Implications for LAC, If LAC can achieve production margins similar to Albemarle through efficiency, scale, and cost management, there is significant upside potential assuming favorable market conditions.

Another lithium mining company SQM, has the same issues as Albemarle and potentially LAC. See below overview on impact the lithium pricing.

Metric	Albemarle (Q2 2025)	SQM (Q2 2025)
Net Sales	$1.33B	$1.04B
Adjusted EBITDA	$336M	Not disclosed
Net Income	$23M	$88.4M
Lithium Price Impact	-28% YoY	-34% YoY
Gross Profit	$196.9M	$253.6M
Margin Compression	Moderate	Significant

Considerations

Market Conditions for both Albemarle and SQM have experienced pressure on margin due to declining lithium prices, highlighting the sensitivity of the lithium sector to market fluctuations.

Operational Efficiency:

Albemarle's ability to reduce costs and maintain profitability, despite lower lithium prices, underscores the importance of operational efficiency.

Strategic Positioning:

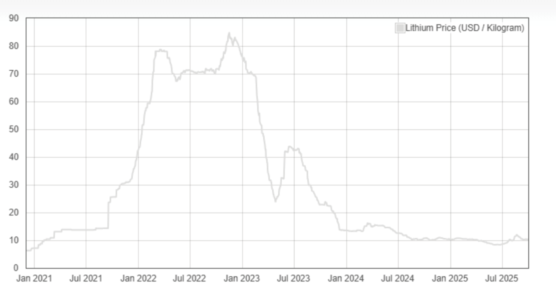
SQM's focus on cost cutting measures and workforce reductions indicates a proactive approach to managing market downturns.

Conclusion:

For LAC to strengthen its financial performance and investor confidence, focusing on cost optimization, creating stable revenue streams, and maintaining operational flexibility will be crucial in navigating the current market landscape.

Lithium pricing

As of September 30 2025, battery-grade lithium carbonate is trading at $9.35 per kilogram. This represents a significant decline from the peak prices from in 2022, which exceeded $80,000 per ton, which is $80 per kilogram. The lowest point has been around $8.5 per kilogram, while now stabilizing at 9 dollars.



Source: www.dailymetalprice.com

The current pricing reflects a market correction dominated by factors such as increased production, reduced demand, and inventory adjustments.

Forecast for 2025–2028
Analysts are expecting a recovery in lithium prices after 2025, influenced by factors such as increased EV production, advancements in battery technology, and strategic investments in lithium extraction and processing.
Source: Investing News Network (INN)

However, market volatility remains a consideration due to geopolitical factors and technological developments.

Fool.com estimates the following for 2028:
A further increase to $17,077 per ton is anticipated, assuming sustained market conditions and potential recovery of the market for lithium due to demand.

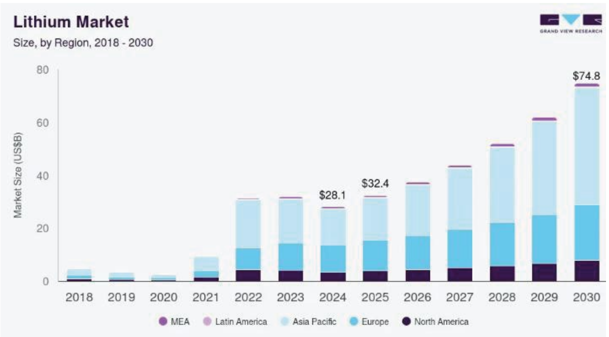
Implications for Lithium Americas Corp. (LAC)
The projected stabilization and increase in lithium prices over the next few years could have a positive impact on LAC's profitability. If LAC manages to bring its production online efficiently, lower operating costs combined with rising lithium prices would enhance margins and support positive cash flow. However, given the sectors volatility, LAC must carefully manage capital expenditures, production ramp up, and market timing to fully capitalize on favorable pricing conditions.

Strategic partnerships, cost control, and access to financing will be crucial for LAC to translate market recovery into sustainable growth and shareholder value.

Market Analyses 2030

Global Lithium Market Outlook (2025–2030)

The global lithium market was valued at approximately $28.08 billion in 2024 and is projected to reach $74.81 billion by 2030, which is a growth of about 250% in 5-6 years. growing at a Compound Annual Growth Rate (CAGR) of 18.2% during the forecast period.



Source: grandviewresearch.com

As visble is the chart above, the production of lithium comes mostly from Europe and Asia, which is why The U.S. government is investing heavily in domestic lithium production.

Acknowledging lithium's strategic value, the U.S. government classified it as a critical mineral in 2018, accelerating the permitting process for mining projects. A key example is the Thacker Pass Lithium Mine, approved in January 2021 by the Bureau of Land Management. Managed by Lithium Nevada Corporation, the project is expected to become the nation's largest lithium producer, with anticipated output of around 60 kilotons of battery-grade lithium carbonate per year by 2026.

Key Market Drivers

The lithium market is mostly driven by the growth of electric vehicles, which significantly increases demand for battery materials (as predicted). Expanding renewable energy deployment also fuels the need for efficient energy storage solutions, while advances in battery technology improve performance and storage capacity, further supporting market growth.

However, the sector faces some challenges. Limited mining capacity creates uncertainties, which can disrupt supply chains, while lithium extraction raises environmental concerns, creating pressure for more sustainable practices.

Additionally, price fluctuations and variable demand contribute to market volatility, requiring careful planning and risk management.

Smart move?

The rationale behind Lithium Americas Corp. (LAC) is clear and strategic. The United States aims to reduce its dependence on Europe and China for critical materials needed in the automotive and energy sectors. To achieve this, the U.S. government, in partnership with General Motors, has heavily invested in LAC his lithium mining projects. This collaboration ensures that LAC is not just another lithium company, but a cornerstone of America's strategy for energy security and technological independence.

Geopolitical tensions have created uncertainty in global supply chains for critical minerals, including lithium, which is essential for batteries powering electric vehicles EVs and renewable energy storage. By supporting LAC, the USA is mitigating the risk of future shortages and securing domestic production. This makes LAC a key player in a sector that is expected to grow in the coming decade, driven by the increasing adoption of EVs, advancements in energy storage, and rising demand for sustainable technologies.

For investors, this strategic backing provides a level of security rarely seen in the mining sector. LAC benefits not only from private capital but also from government support, which significantly reduces the risk of failure. Projects like the Thacker Pass Lithium Mine, with expected production of up to 60 kilotons of battery-grade lithium carbonate annually, are supported by longterm partnerships and substantial funding.

In its essence, LAC is positioned as a resilient and well capitalized company. The combination of strategic importance, government and industry backing, and a rapidly expanding lithium market makes LAC a relatively safe and forward looking investment. While all mining operations carry inherent risks, the geopolitical and financial support surrounding LAC ensures it has the resources, stability, and strategic purpose to succeed over the long term.

Technical chart analyses

technical indicators suggest that a rally just might be beginning. Recently the stock went from 3 dollar per share to 7 dollars per share now giving indicators of being overbought.

Let analyse this with investing.com:

Price Trend:
The stock has experienced extreme volatility over the past decade. After a peak above $40 in 2022, it retraced sharply and is now trading around $5.54. Recent months show a modest uptrend from prior lows, suggesting potential stabilization.

RSI (Relative Strength Index):
The current RSI reading of 94.13 indicates extremely overbought conditions. Historically, readings above 70-75 have often preceded short term pullbacks, so caution is warranted.

Although on the 1 hour chart, a bottom might be created going back for a second attempt.

MACD (Moving Average Convergence Divergence):
The MACD line is recovering from deep negative levels, with a bullish crossover visible. This suggests potential momentum shift to the upside, though confirmation is needed.

Volume Analysis:
Trading volume has surged recently, with spikes above the 100M mark. This indicates strong market interest and can amplify price movements, both up and down.

Short-Term Forecast:
Upside potential: 20% probability
if bullish momentum from the MACD crossover continues and no major market disruptions occur.

(Mayor) Downside risk: 5% probability
in the event of a minor pullback due to the extremely overbought CRSI levels or profit taking.

Sideways movement (potential rally):
50–55% probability
over the next 4–6 weeks as the stock consolidates recent gains and sets up for a potential upward breakout.

Conclusion:
Lithium Americas Corp shows encouraging signs of bullish momentum, and consolidation could act as a base for a renewed rally. Investors may find attractive entry points during these sideways movements, positioning for potential upside as the lithium market continues to attract attention.

Conclusion on Lithium Americas Corp. (LAC)

Lithium Americas recently experienced a increase in its share price following reports that former President Trump expressed interest in acquiring a 10% equity stake in the company.

This move reflects a strategic decision by the U.S. government. As highlighted in industry reports, the United States currently has limited lithium mining capacity, despite a strong desire to achieve self sufficiency for emerging technologies and electric vehicle production. To meet these objectives, a largescale mining operation like Lithium Americas' Thacker Pass project is essential.

This positions LAC as a candidate for potential growth. In the short term, however, the stock may experience heightened volatility, as demonstrated by the recent price surge triggered by government involvement.

Financially, LAC shows disciplined expense management even while undertaking substantial capital investments. Although investing in large scale lithium projects carries some risks, the potential backing from the U.S. government enhances the companies stability and long term prospects.

Given these factors, we assign Lithium Americas a **Hold/Overbought rating**. The rapid recent growth suggests caution, but the company's underlying fundamentals indicate the stock is worth more than its current price. We recommend waiting for a more favorable entry point. Our target price is $8.55, implying a potential return of 7.01%, contingent on a consolidation period before further upward movement.

Action: Hold/Overweight

Price at 29-Sept	**7.990**
Target:	**8.550**
Implied Return:	**7.01%**

Investing involves risks!
This report is intended to support your decision making, but we cannot be held responsible for any gains or losses!