

Top Chinese lithium producers to fund Atlas project in Brazil

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Image: Atlas Lithium

Atlas Lithium (NASDAQ: AT LX) announced on Monday it has secured full funding for its Das Neves pegmatite lithium project in Minas Gerais, Brazil, where the company is aiming for first production in late 2024.

The company will partner with Chengxin and Yahua, suppliers of lithium hydroxide to Tesla, BYD, and LG, among others, [it said in a statement](#).

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Chengxin and Yahua have committed an aggregate of \$50 million to Atlas Lithium, with \$10 million as equity at \$29.77 per share and \$40 million as a non-dilutive prepayment. In exchange, they will receive 80% of Atlas Lithium's Phase 1 lithium concentrate production.

With these transactions, Atlas Lithium said it is now fully funded for its estimated total capex to reach first production, amounting to \$49.5 million.

According to the company, a dense media separation plant for Phase 1 has already been designed and purchased and will be air-freighted into Brazil next year.

Phase 1's annualized production targets up to 150,000 tonnes per annum of battery-grade spodumene concentrate by Q4 2024. Atlas Lithium's planned Phase 2 aims to increase capacity to 300,000 tpa by mid-2025.

The Minas Gerais lithium project comprises 54 mineral rights spread over 59,275 acres (240 km²), predominantly located within the Brazilian Eastern pegmatitic province. This area is also home to other projects, such as Sigma Lithium's Grota do Cirilo.

Shares of Atlas Lithium rose 4.7% by 12:10 p.m. EDT in New York. The lithium developer has a market capitalization of \$279 million.