

Brazil Set to Join the Lithium Producer Ranks with Multiple Projects Underway in 2023

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LITHIUM



Back in late Summer 2022, it was still too early to say whether Brazil had the potential to be a global player in the lithium industry. However, as a new Brazilian mine is set to produce lithium in 2023, the world is taking notice. German Chancellor Olaf Scholz recently returned from a trip to South America, visiting Argentina, Chile, and Brazil, with an intent to expand collaboration on green energy.

Securing battery and EV metals from Brazil is clearly a priority for many larger interests, including Warren-Buffett-backed Chinese EV giant BYD Company Limited (OTCPK: BYDDY) (OTCPK: BYDDF) even considering production in Brazil.

Now research analysts at Benchmark Minerals are predicting that Brazil is set to more than double its share of global lithium mining this decade, as Sigma Lithium Corporation (NASDAQ: SGML) (TSXV: SGML) ramps up towards production in April 2023. Joining Sigma in the Brazil lithium scene are other developers such as Lithium Ionic Corp. (TSXV: LTH) (OTCQB: LTHCF), Atlas Lithium Corporation (NASDAQ: AT LX), and the latest entrant to the region, Infinity Stone Ventures Corp. (CSE: GEMS) (OTCQB: GEMSF).

Within the Minas Gerais state of Brazil, Infinity Stone Ventures Corp. (CSE: GEMS) (OTCQB: GEMSF) recently announced it has optioned 38,441 hectares (~95k acres) comprised of a combination of the Sugar Loaf Project and Little Dipper Project.

Perhaps most notable of the two is the Sugar Loaf Project, which comprises 13 exploration permits and is located just 15km from both the Groto do Cirilo Project of Sigma Lithium Corporation (NASDAQ: SGML) (TSXV: SGML), and the Itinga Project of Lithium Ionic Corp. (TSXV: LTH) (OTC: LTHCF).

Now Brazil has so far been recognized as one of the world's major high-grade lithium producers, with a prominent example coming from LG Energy Solutions recently securing a 6-year offtake agreement with Sigma's Brazilian subsidiary. LG is a battery supplier to multiple EV companies, including Tesla Inc (NASDAQ: TSLA).

Within Brazil's mining-friendly Minas Gerais State, Sigma's properties are located in the municipalities of Araçuaí and Itinga, approximately 450 kilometres northeast of the state capital of Belo Horizonte. Sigma holds 27 mineral rights in four properties spread over 191 square kilometres (19,100 hectares), which include nine past-producing lithium mines.

Infinity Stone has already indicated that the company intends to conduct a satellite imagery-based spectral analysis to determine areas of interest for targeted exploration, followed by mobilizing an exploration team immediately to the Projects to conduct initial groundwork, including grab and channel sampling, trenching, and mapping.





There will be a focus on identifying pegmatites across the claim blocks that have the potential for lithium-cesium-tantalum (LCT) mineralization.

Recently Lithium Ionic also delivered high-grade results of 1.69% Li₂O over 9.6m, 1.27% Li₂O over 10m, and 1.61% Li₂O over 4.7m at its Bandeira property, also located in Minas Gerais.

Bandeira is located approximately 500 metres South of Companhia Brasileira de Lítio's (CBL) Cachoeira mine, which has been producing lithium since 1993, and approximately 700 metres North of Sigma Lithium's Barreiro lithium deposit, forming part of the largest hard rock lithium deposit in the Americas.

Blake Hylands, CEO of Lithium Ionic, said:

“Results from Bandeira continue to impress us, with latest intercepts returning some of the strongest grades and thicknesses encountered to date at this target.”



Lithium Ionic followed up the results by announcing an option to acquire another 3,140 hectares in the same state. Meanwhile, Sigma Lithium moved forward in the commissioning of its dense medium separation processing plant, gaining more traction towards becoming a lithium producer. The soon-to-be-producer also filed a NI 43-101 technical report for production expansion supporting the previously announced 60% increase in mineral reserves and US\$15.3 billion NPV—representing a 3X valuation compared to what the company was saying the project was worth back in May 2022. The company also wrapped up 2022, by securing \$100 million in a debt-financing deal that extends until August 2023.

Getting out ahead of its own project's development, back in January **Atlas Lithium Corporation (NASDAQ: AT LX)** announced it had signed a Memorandum of Understanding with multi-billion-dollar Japanese asset manager Mitsui & Co. to potentially acquire Atlas' future lithium concentrate production.

As per the deal, the MOU contemplates potential funding from Mitsui to Atlas Lithium of up to \$65 million, which would give Mitsui the right to buy up to 100% of Atlas Lithium's production from its planned plant with output capacity of 150,000 tons of lithium concentrate per year.



Marc Fogassa, Chairman and CEO of Atlas Lithium, said:

“Our lithium assets are world-class and therefore we are enthusiastic about the prospects of a long-lasting and mutually rewarding partnership with such a well-known and global-reaching company as Mitsui,

Also in January, Atlas Lithium acquired an additional five mineral rights for lithium, bringing its 100%-owned Minas Gerais Lithium Project to approximately 75,040 acres (304 km²) in total hard-rock lithium exploration area.

All of this activity is highlighting the kind of reasoning that majors such as BYD Company Limited (OTC: BYDDY) (OTC: BYDDF) are using as they contemplate opening manufacturing operations in Brazil. Back in November 2022, it was reported that BYD was considering production in Brazil, having signed a letter of intent with the government of the state of Bahia to set up three production lines in the city of Camaçari.

According to a report, final details still need to be clarified, but according to the information so far, the construction of the BYD plants in Camaçari is to begin in June 2023, and that the raw material processing plant will produce lithium and iron phosphate from Brazilian sources for use in BYD's batteries. Both the states of Minas Gerais and Bahia are adjacent to one another, with Camaçari as an industrial hub for the country. As well, the industrial city hosts an important port for exports, known as the Port of Aratu— which handles 60% of the cargo volume as well as the traffic from the petrochemical site in Camacari and mineralogical activities in the state. ◆

