

Atlas Lithium raises \$20 million from investors led by former Allkem chairman

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Drill core at Atlas Lithium Minas Gerais project in Brazil. Credit: Atlas Lithium

Brazil-focused Atlas Lithium (NASDAQ: AT LX) has secured a strategic investment totalling \$20 million from a group of lithium investors led by Martin Rowley, the former chairman of lithium powerhouse Allkem and a lead advisor to Atlas.

The investment comes in the form of a three-year convertible note that carries a coupon of 6.5% per annum. It is convertible to Atlas' common stock at a price of \$28.225 per share, a 25% premium to the volume-weighted average price for the three trading days prior to the investment agreement.

"In the current environment where US Treasuries yield close to 5%, the fact that Atlas Lithium was able to raise new capital at 6.5% is a strong outcome and an indication of investor interest. In addition, the conversion price is at a substantial 25% upside to the current stock price," CEO Marc Fogassa, said in a press release on Wednesday.

However, the biggest benefit, Fogassa said, is to have the expertise of astute lithium investors, including Rowley, which aligned with the company's strategy.

In 1996, Rowley co-founded First Quantum Minerals, one of the largest copper companies in the world. In 2009, he recognized the potential of lithium and became chairman of Lithium One, and later chairman of Galaxy Resources after the two companies merged.

In the following years, Rowley led significant growth in Galaxy, ultimately resulting in its merger with Orocobre in 2021, creating the global lithium producer now known as Allkem. He retired as chairman of Allkem in November 2022.

“Atlas Lithium has an excellent asset base and a dedicated and hard-working team complemented by a strong collaborative culture,” Rowley said in the news release.

Atlas is focused on developing its 100% owned hard-rock lithium project located in Lithium Valley area of Minas Gerais. The property encompasses 54 mineral rights spread over approximately 240 km² of land, some of which are located next to those belonging to Sigma Lithium (TSXV: SGML), which has one of the world’s biggest lithium projects, Grota do Cirilo.

Earlier this year, [Atlas also raised \\$20 million](#) by selling a 3% gross overriding revenue royalty on the Das Neves project, which covers four of its mining claims, to Canada’s Lithium Royalty Corp. (TSX: LIRC). This was the biggest lithium royalty deal in Brazil to date.

“The Das Neves project exhibits high-grade coarse-grain spodumene ore that should lend itself to simple processing. Brazil is quickly developing into an important and environmentally friendly lithium jurisdiction, and we are excited to support Atlas Lithium on its accelerated path to production,” Lithium Royalty’s CEO said at the time.

Shares of Atlas Lithium rose 5.5% on the NASDAQ by 12:30 p.m. EDT. The Florida-based company has a market capitalization of \$258.4 million.

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