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Atlas Lithium soars on Neves permit in Brazil

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

Atlas Lithium (NASDAQ: ATIX) has received the operational permit for its hard-rock lithium Neves project from the state of Minas Gerais in Brazil.

This permit authorizes Atlas to assemble and operate its lithium processing plant, process mined ore from one of its deposits at the facility, and sell the lithium concentrate produced, Atlas said on Monday. Once operational, annual production at Neves is projected to reach 300,000 tonnes.

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Shares of Atlas Lithium jumped 34% to \$11.05 apiece in New York by early afternoon, bringing the company’s market capitalization to \$168.5 million.

“Atlas Lithium’s permit reflects 14 months of our team’s meticulous work throughout the licensing process and showcases our unwavering commitment to developing an environmentally responsible and sustainable operation in Brazil’s Lithium Valley,” Atlas CEO Marc Fogassa said in a release.

The plan is to install a modular plant with components manufactured in South Africa. The dense media separation unit is designed to have a reduced height and physical footprint compared to others in the industry, Atlas said.

The company is aiming to be environmentally sustainable and minimize water usage with recycling. The project is to employ dry stacked tailings without using dams, it added.

Seven clusters

Atlas’ lithium project encompasses 85 mineral rights covering about 468 sq. km. It includes seven main clusters of prospective mineralization: Neves, Coronel Murta, Eastern Properties, Itinga, Salinas, Santa Clara and Tesouras.

This month, the company said exploration crews at Salinas, 100 km north of Neves, discovered additional spodumene-rich pegmatites. The team is now pursuing further geological and geophysical studies before launching a drilling campaign.

In May 2023, Atlas announced what is considered the largest lithium royalty deal in Brazil by selling a 3% gross overriding revenue royalty on the Neves project to Canada’s Lithium Royalty (TSX: LIRC) for an upfront cash consideration of \$20 million.

In March this year, Japan’s Mitsui & Co. paid \$30 million to acquire a 12% stake in the company.

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