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# Dragonfly Energy Successfully Manufactures Lithium Battery Cell Using High-Purity Recycled Battery Materials from Aqua Metals

- *Dragonfly Energy successfully used high-purity lithium hydroxide recovered by Aqua Metals Inc. from recycled lithium-ion batteries to manufacture a lithium-based battery cell using Dragonfly Energy's patented dry battery electrode coating technology*
- *This proof of concept is another milestone in the commitment of Dragonfly Energy and Aqua Metals to help create a closed lithium loop in Nevada, in which lithium battery material sourcing, manufacturing, and recycling all happen within the state*

RENO, Nev., Sept. 19, 2023 (GLOBE NEWSWIRE) -- Dragonfly Energy Holdings Corp. (Nasdaq: DFLI) ("Dragonfly Energy" or the "Company"), maker of Battle Born Batteries *TM* and an industry leader in energy storage, in collaboration with Aqua Metals, Inc. (Nasdaq: AQMS) ("Aqua Metals"), a pioneer in sustainable lithium battery recycling, has successfully used high-purity lithium hydroxide recovered by Aqua Metals from recycled lithium-ion batteries to manufacture a lithium-based battery cell using Dragonfly Energy's patented dry battery electrode coating technology. The successful recovery of battery-grade lithium hydroxide and cycle testing of a sustainably manufactured lithium battery cell is a significant advancement for sustainable lithium-ion battery production for the companies.

The process demonstrates a potential path towards a more circular and sustainable lithium battery manufacturing industry that addresses the finite and costly nature of battery materials.


“This is an exciting step forward for the emerging lithium battery industry, as we have qualified the high-purity lithium hydroxide Aqua Metals recovers from recycled lithium batteries to manufacture new battery cells,” said Dr. Vick Singh, Director of Research and Development for Dragonfly Energy. “This is yet another way Dragonfly continues to develop energy storage solutions with widespread applications using sustainable measures.”

Aqua Metals, a clean battery recycling innovator also based in Reno, Nevada, recovers high-purity lithium hydroxide from lithium-ion battery ‘black mass’, which is the industry term for the metallic mixture of crushed and shredded end-of-life battery cells that contain valuable minerals, including lithium. Aqua Metals provided this high-purity lithium hydroxide to Dragonfly Energy, where it was used in the production of a standard CR2032 cell using the Company’s patented dry powder coating process. This strategic initiative confirms that sustainably recycled materials can meet the high standards for advanced battery cell production and can be an essential part of building a circular supply chain for the domestic battery industry.

“This is an exciting milestone for us in establishing the efficacy of our sustainable recycling process and affirming that our high-purity recovered material is battery grade and of equal quality to virgin mined material - with a much lower carbon and waste footprint,” said Steve Cotton, President and Chief Executive Officer of Aqua Metals. “Dragonfly Energy is at the forefront of manufacturing high-performance lithium batteries, and we believe our continued collaboration is demonstrating why building a circular supply chain for critical minerals in Nevada is integral to our clean energy future.”

The process demonstrates the strong potential for a future closed lithium loop in Nevada in which all stages of lithium battery production, from exploration to manufacturing and then recycling, happen within the state. Nevada is well-positioned as the starting and ending point

for lithium batteries. The state is believed to have the largest source of lithium in North America and is a growing market for electric vehicles, consumer electronics, and the many consumer and industrial end-user applications for energy storage technologies.

“The use of recycled lithium addresses two major initiatives for Dragonfly Energy; it helps close the loop by filling in that all-important recycling component, and it provides a ready and sustainable supply of lithium for use in upcoming cell production,” said Dr. Denis Phares, Chief Executive Officer of Dragonfly Energy. “Dragonfly Energy is committed to securing a robust supply chain that is compliant with the 2022 Inflation Reduction Act — relating to both mineral processing and battery recycling goals — to support our growth and our future expansion efforts while practicing material circularity and sustainability.”

To learn more about Dragonfly Energy, visit DragonflyEnergy.com.

**About Dragonfly Energy**
Dragonfly Energy Holdings Corp. (Nasdaq: DFLI) headquartered in Reno, Nevada, is a leading supplier of deep cycle lithium-ion batteries. Dragonfly Energy’s research and development initiatives are revolutionizing the energy storage industry through innovative technologies and manufacturing processes. Today, Dragonfly Energy’s non-toxic deep cycle lithium-ion batteries are displacing lead-acid batteries across a wide range of end-markets, including RVs, marine vessels, off-grid installations, and other storage applications. Dragonfly Energy is also focused on delivering an energy storage solution to enable a more sustainable and reliable smart grid through the future deployment of its proprietary and patented solid-state cell technology. To learn more, visit www.dragonflyenergy.com/investors.

**About Aqua Metals**
Aqua Metals, Inc. (NASDAQ: AQMS) is reinventing metals recycling with its patented AquaRefining™ technology. The company is pioneering a sustainable recycling solution for materials strategic to energy storage and electric vehicle manufacturing supply chains. AquaRefining™ is a low-emissions, closed-loop recycling technology that replaces polluting furnaces and hazardous chemicals with electricity-powered electroplating to recover valuable metals and materials from spent batteries with higher purity, lower emissions, and minimal waste. Aqua Metals is based in Reno, NV and operates the first sustainable lithium battery recycling facility at the company’s Innovation Center in the Tahoe-Reno Industrial Center. To learn more, please visit www.aquametals.com.

**Forward-Looking Statements**
This press release contains forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements include all statements that are not historical statements of fact and statements regarding the Company’s intent, belief, or expectations, including, but not limited to, statements regarding the Company’s collaboration with Aqua Metals and use of recycled materials, the Company’s future results of operations and financial position, planned products and services, business strategy and plans, market size and growth opportunities, competitive position and technological and market trends. Some of these forward-looking statements can be identified by the use of forward-looking words, including “may,” “should,” “expect,” “intend,” “will,” “estimate,” “anticipate,” “believe,” “predict,” “plan,” “targets,” “projects,” “could,” “would,” “continue,” “forecast” or the negatives of these terms or variations of them or similar expressions.

These forward-looking statements are subject to risks, uncertainties, and other factors (some of which are beyond the Company's control) which could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Such factors include those set forth in the sections entitled "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 and in the Company's subsequent filings with the SEC available at www.sec.gov. If any of these risks materialize or any of the Company's assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. There may be additional risks that the Company presently does not know or that it currently believes are immaterial that could also cause actual results to differ from those contained in the forward-looking statements. All forward-looking statements contained in this press release speak only as of the date they were made. Except to the extent required by law, the Company undertakes no obligation to update such statements to reflect events that occur or circumstances that exist after the date on which they were made.

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Source: Dragonfly Energy Holdings Corp.

A photo accompanying this announcement is available at https://www.globenewswire.com/NewsRoom/AttachmentNg/9d6c2f26-cebd-4b03-ae1e-42d14882ac9f

**recovered by Aqua Metals from recycled lithium-ion batteries**

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Source: Dragonfly Energy Holdings Corp.