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Aqua Metals and Dragonfly Announce LOI to Supply Lithium Hydroxide to Dragonfly Energy in Ongoing Development of Solid-State Li-ion Batteries

RENO, Nev., July 21, 2022 (GLOBE NEWSWIRE) -- Aqua Metals, Inc. (Nasdaq: AQMS) ("Aqua Metals" or the "Company"), an innovator in metals recycling with its AquaRefining™ technology, and Dragonfly Energy Corporation, a leading manufacturer of deep-cycle lithium-ion batteries, today announce they have entered into a non-binding letter of intent (LOI) for Aqua Metals to supply lithium hydroxide to Dragonfly.¹

Under the LOI, Dragonfly would purchase commercial quantities of lithium hydroxide from Aqua Metals to support Dragonfly's ongoing development of its solid state lithium-ion battery technologies and future manufacturing activities, as well as providing recycling services. Dragonfly expects to begin production of its solid-state pilot line in 2023, with a supply of lithium hydroxide from Aqua Metals to commence at the time of full-scale manufacturing.

"Aqua Metals continues to develop what we believe is the cleanest and most cost-efficient lithium-ion battery recycling solution that is fundamentally non-polluting," said Steve Cotton, President and CEO of Aqua Metals. "We are pleased to partner with Dragonfly Energy, a cutting edge company that recognizes our superior, high-value lithium (Li) recovery approach with the lowest environmental footprint of any technology currently under development."

"Dragonfly is focused on developing technologies to improve conventional and solid-state lithium-ion battery manufacturing and storage through a reduction in costs and expanding accessibility, without sacrificing quality," said Dragonfly Energy Chief Executive Officer, Dr. Denis Phares. "This partnership with Aqua Metals for the supply of cleanly recycled lithium hydroxide for use in our ongoing solid-state battery development efforts will enable the expansion of our LFP chemistry for applications where stability, longevity, and safety are key. And Aqua Metals' recycling services will further enable Dragonfly to reduce our environmental impact."

About Aqua Metals

[Aqua Metals](#), Inc. (Nasdaq: AQMS) is reinventing metals recycling with its patented hydrometallurgical AquaRefining™ technology. The modular Aqualyzers™ cleanly generate ultra-pure metal one atom at a time, closing the sustainability loop for the rapidly growing energy storage economy. The Company's offerings include equipment supply, services, and licensing of the AquaRefining™ technology to recyclers across the globe. Aqua Metals is based in Reno, Nevada.

About Dragonfly Energy

[Dragonfly Energy Corp.](https://www.dragonflyenergy.com), headquartered in Reno, Nevada, is a leading manufacturer of deep-cycle lithium-ion batteries. Dragonfly's battery products are designed and assembled in the USA, and the Company's research and development initiatives are revolutionizing the energy storage industry through innovative technologies and manufacturing processes. Today, Dragonfly'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 is also focused on delivering an energy storage solution to enable a more sustainable and reliable smart grid through the future deployment of the Company's proprietary and patented solid-state cell technology. To learn more, visit www.dragonflyenergy.com/investors.

Dragonfly previously announced an agreement for a business combination with Chardan NexTech Acquisition 2 Corp. (Nasdaq: CNTQ), which is expected to result in Dragonfly becoming a public company listed on the Nasdaq under the new ticker symbol "DFLI" in the second half of 2022, subject to customary closing conditions.

Aqua Metals Safe Harbor

This press release contains forward-looking statements concerning Aqua Metals, Inc. Forward-looking statements include, but are not limited to, our plans, objectives, expectations and intentions and other statements that contain words such as "expects," "contemplates," "anticipates," "plans," "intends," "believes", "estimates", "potential" and variations of such words or similar expressions that convey the uncertainty of future events or outcomes, or that do not relate to historical matters. The forward-looking statements in this press release include our ability to complete a definitive agreement with Dragonfly, our expectations concerning the benefits of any definitive agreement with Dragonfly, and our ability to successfully develop our AquaRefining technologies for the recycling of lithium-ion batteries. Those forward-looking statements involve known and unknown risks, uncertainties, and other factors that could cause actual results to differ materially. Among those factors are: (1) the risk we may not be able to conclude a definitive agreement with Dragonfly; (2) the risk we may not realize the expected benefits of our relationship with Dragonfly; (3) the risk that we may not be able to successfully recycle lithium-ion batteries using our AquaRefining process or, if we do, derive the expected benefits from such recycling, (4) the risk that licensees may refuse or be slow to adopt our AquaRefining process as an alternative to smelting in spite of the perceived benefits of AquaRefining; (5) the risk that we may not realize the expected economic benefits from any licenses we may enter into; (6) the risk that we may not be able to access additional capital, through the sale of our TRIC facilities and equipment or otherwise, as and when needed and (7) those other risks disclosed in the section "Risk Factors" included in our Annual Report on Form 10-K filed on February 24, 2022. Aqua Metals cautions readers not to place undue reliance on any forward-looking statements. The Company does not undertake and specifically disclaims any obligation to update or revise such statements to reflect new circumstances or unanticipated events as they occur, except as required by law.

Dragonfly Forward-Looking Statements

This press release contains certain "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended, including certain financial forecasts and projections. All statements

other than statements of historical fact contained in this press release, including statements as to future results of operations and financial position, revenue and other metrics, planned products and services, business strategy and plans, objectives of management for future operations of Aqua Metals, market size and growth opportunities, competitive position and technological and market trends, are forward-looking statements. 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. All forward-looking statements are subject to risks, uncertainties, and other factors (some of which are beyond the control of Aqua Metals) which could cause actual results to differ materially from those expressed or implied by such forward-looking statements. All forward-looking statements are based upon estimates, forecasts and assumptions that, while considered reasonable by Aqua Metals and its management, are inherently uncertain and many factors may cause the actual results to differ materially from current expectations. The forward-looking statements in this press release include our ability to complete a definitive agreement with Dragonfly, our expectations concerning the benefits of any definitive agreement with Dragonfly, and our ability to successfully develop our AquaRefining™ technologies for the recycling of lithium-ion batteries. Those forward-looking statements involve known and unknown risks, uncertainties, and other factors that could cause actual results to differ materially. Among those factors are: (1) the risk we may not be able to conclude a definitive agreement with Dragonfly; (2) the risk we may not realize the expected benefits of our relationship with Dragonfly on a timely basis or at all, with Dragonfly’s potential demand for recycled lithium hydroxide for use in its LFP batteries dependent on, among other things, Dragonfly’s (x) successful and timely development of its solid-state battery technologies and related production efforts and (y) securing of related financing these efforts, including through its previously announced business combination (both of which may not occur); (3) the risk that we may not be able to successfully recycle lithium-ion batteries using our AquaRefining process or, if we do, derive the expected benefits from such recycling; (4) the risk that licensees may refuse or be slow to adopt our AquaRefining process as an alternative to smelting in spite of the perceived benefits of AquaRefining; (5) the risk that we may not realize the expected economic benefits from any licenses we may enter into; (6) the risk that we may not be able to access additional capital, through the sale of our TRIC facilities and equipment or otherwise, as and when needed; and (7) those other risks disclosed in (x) the section “Risk Factors” included in our Annual Report on Form 10-K filed on February 24, 2022 and (y) the proxy statement/prospectus related to the previously announced business combination. Aqua Metals cautions readers not to place undue reliance on any forward-looking statements. The Company does not undertake and specifically disclaims any obligation to update or revise such statements to reflect new circumstances or unanticipated events as they occur, except as required by law.

Additional Information and Where to Find It

This press release references a proposed transaction between CNTQ and Dragonfly. CNTQ has filed a registration statement on Form S-4 with the SEC, which is subject to change and includes a document that serves as a prospectus and proxy statement of CNTQ, referred to as a proxy statement/prospectus. The definitive proxy statement/prospectus will be sent to all CNTQ stockholders. CNTQ has also filed other documents regarding the proposed transaction with the SEC. Before making any voting decision, investors and security holders of CNTQ are urged to read the registration statement, the proxy statement/prospectus and

all other relevant documents filed or that will be filed with the SEC in connection with the proposed transaction because they contain important information about the proposed transaction.

CNTQ investors and security holders are able to obtain free copies of the registration statement, the proxy statement/prospectus and all other relevant documents filed or that will be filed with the SEC by CNTQ through the website maintained by the SEC at www.sec.gov.

The documents filed by CNTQ with the SEC also may be obtained by contacting Chardan NexTech Acquisition 2 Corp. at 17 State Street, 21st Floor, New York, New York 10004, or by calling (646) 465-9001.

NEITHER THE SEC NOR ANY STATE SECURITIES REGULATORY AGENCY HAS APPROVED OR DISAPPROVED THE TRANSACTIONS DESCRIBED IN THIS PRESS RELEASE, PASSED UPON THE MERITS OR FAIRNESS OF THE BUSINESS COMBINATION OR RELATED TRANSACTIONS OR PASSED UPON THE ADEQUACY OR ACCURACY OF THE DISCLOSURE IN THIS PRESS RELEASE. ANY REPRESENTATION TO THE CONTRARY CONSTITUTES A CRIMINAL OFFENSE.

Participants in the Solicitation

Dragonfly, CNTQ and certain of their respective directors, executive officers and other members of management and employees may, under SEC rules, be deemed to be participants in the solicitation of proxies from CNTQ's shareholders in connection with the proposed business combination. A list of the names of such persons and information regarding their interests in the proposed business combination are contained in the definitive proxy statement/prospectus. You may obtain free copies of these documents free of charge by directing a written request to CNTQ or Dragonfly. The definitive proxy statement will be mailed to CNTQ's shareholders as of a record date to be established for voting on the proposed business combination when it becomes available.

No Offer or Solicitation

This press release is and the information contained therein are not intended to and does not constitute an offer to sell or the solicitation of an offer to buy, sell or solicit any securities or any proxy, vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be deemed to be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act or an exemption therefrom.

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