

January 25, 2016



Aqua Metals Issues Annual Letter to Shareholders

ALAMEDA, Calif., Jan. 25, 2016 (GLOBE NEWSWIRE) -- [Aqua Metals, Inc.](#) (NASDAQ:AQMS) ("Aqua Metals" or the "Company"), which is commercializing a non-pollutive electrochemical lead recycling technology called AquaRefining™, has released its annual letter from Chief Executive Officer, Steve Clarke, to the Company's shareholders.

Dear Aqua Metals Shareholder,

2015 was transformative for Aqua Metals. We launched our company into the public markets, broke ground on our first AquaRefining facility in the Tahoe-Reno Industrial Center (TRIC) in Nevada, and have continued to deepen strategic relationships with major players throughout the lead industry.

Our most important commercial activity right now is the construction of our TRIC AquaRefinery. We are pleased to report that construction remains on-schedule and within our budget. You can follow our progress on our website at www.aquametals.com.

We remain on track to begin lead production in the second quarter of 2016, with plans to increase production to 80 metric tons of lead per day by the fourth quarter of 2016. We designed the facility to accommodate future additional growth in production capacity to up to 160 metric tons of lead per day.

To support this and the future expansion of our business, we have moved to our new corporate headquarters in Alameda, CA and have commenced construction of our AquaRefining modules. We have also added key members to our senior team and will be making announcements about them in due course.

We are tracking closely to our financial plan. Our cash position was primarily built with the proceeds of our \$36.2 million IPO in July of 2015, and it was further buttressed by a \$10 million loan that was guaranteed by the U.S. Department of Agriculture. We believe we have the cash on hand to get the TRIC AquaRefinery to lead production and to 80 tons of lead per day by the fourth quarter of 2016.

Our commercial progress has also been on-track as we evaluate plans for future recycling facilities. Our collaborations with Battery Systems, Inc. and Wirtz Manufacturing have remained an important role in our go-forward strategy.

In addition, we have continued discussions with regional and large battery manufacturers and battery recyclers to explore the supply of our process and equipment to supplement, and in some cases, replace conventional recycling and smelting operations. We view our budding equipment and licensing business as a key means to expedite the rollout of AquaRefining with meaningful worldwide market share gains, while generating the highest

ROI for Aqua Metals.

One pleasant surprise is the widespread interest and acceptance by the overall lead and lead-acid battery industries. We frequently receive inbound inquiries from large companies in the space and have received positive media coverage from important industry sources such as *BESTMag*, *American Metal Market* and *Metal Bulletin*, as well as mainstream sources such as *Fortune*, *CleanTechnica* and *The Washington Examiner*.

This attention adds to our belief that the environmental impact of conventional smelters is becoming increasingly recognized as a major challenge for the \$60B+ worldwide lead-acid battery industry – tarnishing what otherwise would be an exemplar of recycling and sustainability compared to all other battery technologies. Our unique ability to materially impact this issue is being well received and we expect to see additional coverage and interest as we get closer to bringing the TRIC AquaRefinery on-line.

As both grid and non-grid battery storage solutions gain momentum, lead-acid batteries continue to find favor with integrators who are building and implementing these solutions. It's important to note that lead-acid batteries remain the *only* battery type that it is commercially viable to recycle.

In March, we plan to attend several conferences to strengthen awareness about what we do, which include investor conferences hosted by ROTH Capital Partners and Northland Capital Markets, as well as industry conferences such as NAATBatt in California and the World Lead Conference in Brussels. The latter will specifically address the environmental impact and sustainability of the lead industry and we are looking forward to contributing to this in a meaningful way.

In conclusion, we are working tirelessly to build and open our first AquaRefinery on time and on budget. We expect 2016 to be a pivotal year in the history of our company and the lead industry as a whole. We thank you for your support and look forward to delivering a clean, affordable and efficient alternative to smelted lead in the coming months.

Sincerely,
Steve

About Aqua Metals

Aqua Metals is reinventing lead recycling with its patented AquaRefining technology. Unlike smelting, AquaRefining is a room temperature, water-efficient process that is fundamentally non-polluting. These modular systems allow the lead acid battery industry to simultaneously improve environmental impact and scale production to meet rapidly growing demand. Aqua Metals is based in Alameda, California, and is building its first recycling facility in Nevada's Tahoe Reno Industrial Complex. To learn more, please visit www.aquametals.com

Safe Harbor

This letter contains forward-looking statements concerning Aqua Metals, Inc., including statements regarding the prospects for the lead acid battery recycling industry, the future of lead acid battery recycling via traditional smelters, the Company's development of its commercial lead acid battery recycling facilities and the quality, efficiency and profitability of the Company's proposed lead acid battery recycling operations. 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 fact that Company has not yet commenced revenue producing operations or developed its initial commercial recycling facility, thus subjecting the Company to all of the risks inherent in a pre-revenue start-up; (2) risks related to Aqua Metals' ability to raise sufficient capital, as and when needed, to expand the lead output at its initial facility from 80 tonnes to 160 tonnes per day and develop and operate additional its recycling facilities; (3) risks that Aqua Metals may be unable to reach positive cash flow from operations with its cash on hand; (4) changes in the federal, state and foreign laws regulating the recycling of lead acid batteries; (5) the Company's ability to protect its proprietary technology, trade secrets and know-how and (6) those other risks disclosed in the section "Risk Factors" included in the final prospectus filed by Aqua Metals with the SEC on July 31, 2015. 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.

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