

May 24, 2016



# Aqua Metals Provides First Quarter 2016 Corporate Update

## Management to Host Call and Webinar Today at 8:30 a.m. Pacific Time

ALAMEDA, Calif., May 24, 2016 (GLOBE NEWSWIRE) -- Aqua Metals, Inc. (NASDAQ:AQMS), which is commercializing a non-polluting electrochemical lead recycling technology called AquaRefining™, has provided a corporate update and announced results for the first quarter ended March 31, 2016.

### Management Commentary

“Construction of our first AquaRefinery in the Tahoe Reno Industrial Center (TRIC) in McCarran, Nevada remained our key focus in the first quarter of 2016,” said Dr. Stephen Clarke, Chairman and CEO of Aqua Metals. “Equipment is arriving on site and module production for the facility remains on track. We’ve also hired a team of high-caliber lead and battery recycling industry professionals to build out our plant management capabilities.

“Over the last year, we have spent significant time deepening our strategic relationships and advancing discussions with major players throughout the lead industry. These players include lead-acid battery recyclers, distributors, manufacturers and end users. To this end, last week we announced a major strategic partnership with Interstate Batteries, the largest battery distributor and recycler in the U.S., which has agreed to invest \$10 million in our Company and agreed to supply more than a million automotive and other lead-acid batteries as feedstock.”

Dr. Clarke continued: “We believe this serves as a strong validation of our technology and we continue to see a tremendous amount of interest in our environmentally friendly and economically efficient recycling equipment and processes to supplement, and in some cases, replace conventional recycling and smelting operations altogether. Our goal for the remainder of the year is to solidify a clear path for national expansion of our AquaRefineries, enabling us to rapidly gain market share after a successful commercial production launch. We also expect to be in a position to license our equipment and processes and related services to qualified third parties, with whom we are already advancing discussions, beginning in 2017.

“With the additional capital from Interstate Batteries and other investors, we have decided to make certain enhancements to the AquaRefinery. As a result, we now expect to begin recycling lead-acid batteries early in the third quarter of 2016. Our plan remains to increase production to 80 metric tons of lead per day by the end of 2016. We expect to begin by taking feedstock supply from Battery Systems, Inc., our next-door neighbor in the TRIC, which will allow us to ramp the facility effectively in the commissioning and early growth period. We will then add to that supply with feedstock from Interstate Batteries and other sources, which we expect to begin receiving in the fourth quarter of 2016.”

## 2016 Milestone Update

- Finalized a key commercial relationship with Interstate Batteries, the largest battery distributor and recycler in the U.S; continued to make progress on agreements with additional supply and offtake partners
- Continued production of AquaRefining modules in Alameda, California, which remain on track for timely installation at the TRIC AquaRefinery
- Planned improvements to the TRIC AquaRefinery enabled by the additional capital provided by Interstate Batteries and other investors
- Updated anticipated initial lead production to begin early in the third quarter of 2016 at the TRIC AquaRefinery; remained on-track to expand production to a daily operating capacity of 80 metric tons of lead output per day by the end of 2016 and 160 metric tons per day by 2018
- Announced key appointments of AquaRefining operations team tasked with commissioning, operating and ensuring the TRIC AquaRefinery runs as efficiently as possible

## Corporate Update

After completing its Initial Public Offering in late July 2015, Aqua Metals broke ground on construction of its new AquaRefinery recycling facility, located on 11.7 acres in the TRIC in McCarran, Nevada. In October, the Company poured concrete for the new facility. As visitors to the Aqua Metals website can see, the building housing the recycling facility is largely complete. The Company is making certain enhancements to the facility as a result of obtaining additional capital from Interstate Batteries and other investors, and is therefore now planning to begin lead production early in the third quarter of 2016. Recent images of the facility construction will be included in the conference call presentation that accompanies this release.

Aqua Metals has implemented a plan for its TRIC AquaRefinery to achieve a production rate of 80 metric tons of lead per day by the end of 2016 and then to expand production to 160 metric tons of lead per day by 2018. The Company designed the facility specifically to enable this expansion. This planning included battery-breaking and supporting processes sized for 160 metric tons per day of production, as well as enough unused space for the additional AquaRefining modules needed to support that level of operation.

In February, the Company moved into the tenant-improved office area of its new global headquarters in Alameda, California and began ramping the assembly line. The assembly line has the capacity to produce 160 modules annually, or enough to support 10 AquaRefineries the size of the TRIC AquaRefinery.

Aqua Metals added to its senior operations management team during the quarter for the first AquaRefining facility. Keith King has joined the team as Plant Manager and Michael Krickel as Director of Recycling Technology. Keith and Michael are well into the process of leading the startup and commissioning of the world's first AquaRefining facility. The two leaders bring deep expertise in lead recycling, as well as facility operations and management.

On May 19th, the Company announced the signing of definitive agreements with Interstate Batteries, the No. 1 replacement battery brand, the largest independent battery distribution system in North America and the country's leading battery recycler. Upon the closing of

these agreements, Interstate Batteries has agreed to supply lead-acid batteries to Aqua Metals before the end of 2016, scaling up to more than a million automotive and other lead-acid batteries over the next year, as feedstock for Aqua Metals' AquaRefineries, starting with the first facility in the TRIC. Interstate Batteries will also make a strategic investment of approximately \$10 million into Aqua Metals. Aqua Metals raised additional gross proceeds of approximately \$5.1 million from certain institutional and other accredited investors. All of these agreements are expected to close on or before May 25, 2016, subject to customary closing conditions. Additional details of all of the agreements are included in the Aqua Metals' recently filed Quarterly Report on Form 10-Q.

Also on May 19th, Aqua Metals was named the winner of the *Rising Star* category in the 2016 [Platts Global Metals Awards](#) program, which honors the top performers, leaders and innovators in the metals industries. The Company was also named a finalist in the *Industry Leadership Award – Base Metals* category. All finalists and awardees were chosen from more than 100 nominees across 17 countries.

Aqua Metals' longer-term goal is to bring AquaRefining to the battery sources, significantly reducing logistics costs by building additional regional AquaRefining facilities. These facilities will be strategically located across the U.S. near battery distribution/collection and manufacturing points.

### **First Quarter 2016 Financials**

The Company incurred an operating loss of \$2.2 million during the first quarter of 2016 and an operating loss of \$0.7 million for the three months ended March 31, 2015.

Net loss for the first quarter of 2016 was \$2.2 million, compared to a net loss of \$4.9 million in the first quarter of 2015.

The Company had \$23.1 million in cash and cash equivalents as of March 31, 2016, compared to \$31.8 million as of December 31, 2015.

The total number of shares outstanding was 14.1 million as of March 31, 2016.

### **Conference Call and Webinar**

Aqua Metals will host a conference call on Tuesday, May 24, 2016 at 8:30 a.m. Pacific time (11:30 a.m. Eastern time) to discuss its financial results for the first quarter ended March 31, 2016.

Dr. Stephen Clarke, Chairman and CEO, and Thomas Murphy, Chief Financial Officer, will host the call followed by a question and answer session.

To access the call, please use the following information:

Date: Tuesday, May 24, 2016

Time: 8:30 a.m. Pacific time (11:30 a.m. Eastern time)

Dial-in: 1-888-455-2296

International Dial-in: 1-719-325-2420

Passcode: 8954447

Webcast: <http://public.viavid.com/index.php?id=119505>

A telephone replay will be available approximately two hours after the call and will run

through June 24, 2016 by dialing 1-877-870-5176 from the U.S., or 1-858-384-5517 from international locations, and entering replay pin number: 8954447.

The webcast will be available for replay for 60 days at <http://public.viavid.com/index.php?id=119505> and on the investor relations section of the Company's website at [www.aquametals.com](http://www.aquametals.com).

### **About Aqua Metals, Inc.**

Aqua Metals is reinventing lead recycling with its patent-pending AquaRefining technology. Unlike smelting, AquaRefining is a modular, room temperature, water-based 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 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](http://www.aquametals.com).

### **Safe Harbor**

This press release contains forward-looking statements concerning Aqua Metals, Inc., 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 develop and operate its recycling facilities; (3) changes in the federal, state and foreign laws regulating the recycling of lead-acid batteries; (4) the Company's ability to protect its proprietary technology, trade secrets and know-how and (5) those other risks disclosed in the section "Risk Factors" included in the Annual Report on Form 10-K filed with the SEC on March 28, 2016. 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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