

February 3, 2026



Aqua Metals and American Battery Factory Announce Proposed Strategic Collaboration to Advance Domestic Circular Supply of Battery Materials

Strategic collaboration would highlight a cost-competitive, domestic alternative to overseas battery materials processing

TUCSON, Ariz. and RENO, Nev. , Feb. 03, 2026 (GLOBE NEWSWIRE) -- Aqua Metals, Inc. (NASDAQ: AQMS), a pioneer in clean metals recycling and refining, and American Battery Factory (ABF), a lithium iron phosphate (LFP) battery cell manufacturer, today announced a proposed strategic collaboration focused on advancing a more competitive, domestic battery materials supply chain through recycling and circular manufacturing.

Under a non-binding Memorandum of Understanding (MOU), the companies intend to evaluate the co-location of a commercial Aqua Metals lithium-ion battery recycling facility adjacent to ABF's planned battery cell manufacturing operations in Tucson, Arizona. The proposed collaboration would enable Aqua Metals to recycle lithium-ion battery manufacturing scrap generated by ABF and return battery-grade lithium carbonate for reuse in U.S. based battery production.

The collaboration is designed to address a key challenge facing the U.S. battery industry: how to economically process battery materials domestically rather than exporting manufacturing scrap and black mass to overseas markets, primarily in Asia, for conventional hydrometallurgical processing. By integrating recycling directly with battery manufacturing, the companies aim to improve cost competitiveness, reduce logistics complexity, and strengthen domestic supply chain resilience.

Aqua Metals' proprietary AquaRefining™ technology replaces high-temperature furnaces and chemical-intensive hydrometallurgical processes with an electricity-powered, closed-loop system. This approach is designed to operate more efficiently in the U.S. regulatory and labor environment while creating safer, higher-quality manufacturing jobs and producing battery-grade materials suitable for direct reuse.

"This strategic collaboration reflects our belief that domestic battery recycling must be economically viable, not just environmentally preferable," said Steve Cotton, President and CEO of Aqua Metals. "By working alongside American Battery Factory, we are evaluating a model that would keep valuable materials in circulation, support U.S. manufacturing jobs, and offer a realistic alternative to exporting battery scrap overseas for processing methods that simply do not translate well to the United States."

American Battery Factory is developing large-scale LFP battery cell manufacturing capacity

in the United States, supported by federal and state initiatives aimed at expanding domestic battery production. Through the contemplated collaboration, Aqua Metals would develop a co-located recycling facility that would process manufacturing scrap using AquaRefining™ and supply battery-grade lithium carbonate back into ABF's supply chain or to designated downstream partners.

"This collaboration is intended to reflect the next evolution of battery manufacturing in the United States," said John S. Kem, President of American Battery Factory. "Integrating nearby-adjacent recycling directly into the production ecosystem supports our commitment to domestic sourcing, supply security, and long-term competitiveness."

The MOU also outlines plans to evaluate a commercial-scale recycling facility capable of processing up to 10,000 metric tons of lithium-ion battery materials annually, including both manufacturing scrap and third-party feedstock. Co-locating recycling and manufacturing operations is expected to improve logistics efficiency, reduce transportation costs, and enhance overall operational economics.

The companies also expect to evaluate how domestic manufacturing incentives, including the 45X Advanced Manufacturing Production Tax Credit, could further support the economic competitiveness of U.S.-based battery materials production relative to foreign supply chains.

Any definitive agreements would be subject to financing, permitting, and regulatory approvals, with a targeted start of commercial operations in 2028.

For Aqua Metals, the collaboration builds on recent progress advancing its lithium-ion battery recycling strategy, including pilot-scale operations producing battery-grade materials, a growing portfolio of strategic partnerships across the battery materials ecosystem, and ongoing bench-scale testing and partnership development focused on rare earth element recovery. Through a closed-loop, made-in-USA recycling and refining platform, Aqua Metals is advancing the commercialization of critical battery materials including lithium, nickel, cobalt, copper, and manganese, while progressing rare earth recovery at the laboratory and bench scale. Together, these capabilities position the Company as an innovative leader in developing economically competitive, domestic recycling solutions aligned with emerging federal initiatives supporting secure processing, storage, and strategic stockpiling of critical minerals.

About Aqua Metals

Aqua Metals (NASDAQ: AQMS) is revolutionizing metals recycling with its proprietary AquaRefining™ technology, delivering high-purity, low-carbon battery materials to meet the growing demand for sustainable energy storage. The Company's innovation-driven approach reduces emissions, eliminates waste streams, and supports the establishment of a circular supply chain for critical minerals essential to electric vehicles and grid storage. For more information, visit www.aquametals.com

About American Battery Factory

American Battery Factory Inc., a lithium iron phosphate (LFP) battery cell manufacturer, is dedicated to making an American-made supply of cells for energy storage, at scale, with the very latest equipment technology and enabling a domestic battery material-supply chain for

LFP battery cells. Along with creating domestic manufacturing jobs, ABF cells are critical for reliable, abundant, and affordable power in the USA for energy grid and national security applications. For more information on American Battery Factory, please visit americanbatteryfactory.com.

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 enter into a definitive agreement with American Battery Factory, our acquisition of the capital required to design and construct our co-located recycling facility and American Battery Factory's ability to construct its manufacturing facility to be co-located with our recycling facility. 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 that we may not be able to enter into a definitive agreement with American Battery Factory, (2) the risk that we may not be able to acquire the necessary capital to construct our recycling facility, (3) the risk that American Battery Factory may not be able to construct its manufacturing facility, (4) the risk that we may not achieve the expected benefits from such relationship, (5) the risk that we may not be able to obtain the additional capital necessary to expand our recycling facilities or even sustain our current level of operations; and (5) those other risks disclosed in the section "Risk Factors" included in our Annual Report on Form 10-K filed on March 31, 2025. 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.

Contacts

For Media and Investor Inquiries: aquametals@icrinc.com



Source: Aqua Metals