

Aqua Metals Provides First Quarter 2018 Corporate Update

Management to Host Call Today at 1:30 p.m. Pacific Daylight Time/4:30 p.m. Eastern Daylight Time

ALAMEDA, Calif., May 09, 2018 (GLOBE NEWSWIRE) -- Aqua Metals, Inc. (NASDAQ:AQMS), ("Aqua Metals" or the "Company"), which is proceeding to commercialize its proprietary electrochemical lead recycling technology called AquaRefining™, has provided a corporate update and announced results for the first quarter ended March 31, 2018.

Recent Company Highlights:

- Four Aqua Refining modules now in production; currently working to achieve 24-hour operations on four modules
- Shipped first 20 tonne batch of refined lead bullion blocks to Johnson Controls (JCI)
- Reached an agreement with Johnson Controls ("JCI") to extend the timelines of entering and executing their Equipment Supply Agreement by one year
- Entered settlement with Kanen Wealth Management to strengthen company's board and management team
- New Board and management members include:
 - Steve Cotton as President
 - Frank Knuettel II as Chief Financial Officer
 - Shariq Yosufzai, Sushil ("Sam") Kapoor, and Eric Prouty as independent directors

Company Update

Aqua Metals continues to work towards scaling up operations at the world's first AquaRefinery at the Tahoe Reno Industrial Center (TRIC) in McCarran, Nevada.

As anticipated from a previous communication, a fourth AquaRefining module has completed the conditioning period and has been transferred from technical control to production. The Company now has four AquaRefiners in production on one shift. The immediate focus is to achieve 24-hour operations with the four modules before bringing additional modules on line. The goal remains to have all 16 modules running for 24 hours; however, the Company believes that initial operation of four modules for 24 hours a day will allow the Company to reach full scale operations more rapidly. In addition, this operational strategy allows the company to maximize lead production, while enabling the remaining components of the plant to be synchronized in support of increased AquaRefining. Once the Company is satisfied with the operation of the first four modules, four more modules will be brought into production. This process will be repeated until full production is reached with all 16 modules. The company is currently adding staff and training for the additional shifts.

As announced previously, all AquaRefined lead produced is being melted in the refinery and cast into 2½ tonne blocks as refined bullion. The bullion is an alloy of AquaRefined lead and priming lead bullion previously purchased for the refinery start-up at TRIC. The first 20 tonne batch of refined lead bullion blocks was shipped from the plant in Reno, Nevada on May 7, 2018 and is currently en route to JCI. The Company expects shipments of lead to JCI to continue.

On April 12, 2018, Aqua Metals reached an agreement with JCI to extend the timelines for entering and executing their Equipment Supply Agreement by one year to April 30, 2019 and June 30, 2019, respectively.

The Equipment Supply Agreement details installation of new greenfield builds, as well as conversion of existing JCI's (and certain strategic partners of JCI) existing lead smelters to a lead recycling process utilizing the Company's proprietary and patented AquaRefining technology and equipment, know-how and services.

Management Changes and Board Enhancement

On May 2, 2018, Aqua Metals entered into a settlement agreement with Kanen Wealth Management, LLC ("Kanen"). Under the agreement, Aqua Metals has expanded the Board from five to seven directors—all of which are independent—and has appointed Kanen nominees S. Shariq Yosufzai and Sushil ("Sam") Kapoor to the Board, effective May 2, 2018. Mr. Yosufzai will serve as Aqua Metal's new Non-Executive Chairman and lead independent director.

In the first quarter, the Company's Board of Directors approved and was in the process of implementing a plan for CEO succession and board refreshment. As part of this process, Stephen Clarke resigned as President, Chief Executive Officer and Chairman of the Board. The Board also agreed to separate the roles of CEO and Board Chairman, and subsequently, elected Eric Prouty, an experienced sustainability-focused analyst and successful business development consultant, as an independent director.

As part of the settlement agreement with Kanen, Steve Cotton—the Company's former Chief Commercial Officer (from January 2015 to June 2017)—has rejoined Aqua Metals as the President. Selwyn Mould who has served briefly as the Company's interim CEO, will resign from that position after the filing of the Company's first quarter Form 10-Q and will remain with Aqua Metals as Chief Operating Officer.

In April 2018, Aqua Metals appointed Frank Knuettel II as Chief Financial Officer, and he will assume the role immediately following the filing of the Company's first quarter Form 10-Q. Mr. Knuettel will succeed Thomas Murphy, who was named interim CFO on March 5, 2018. Mr. Knuettel joins Aqua Metals with extensive strategic and operational financial leadership, with over 20 years of management and business experience in public and venture-backed firms.

First Quarter 2018 Financials

Total revenues in the first quarter of 2018 were \$1.7 million, compared to \$0.9 million in the fourth quarter of 2017 and no revenue in the first quarter of 2017.

The Company incurred an operating loss of \$7.0 million during the first quarter of 2018, compared to an operating loss of \$4.5 million in the first quarter of 2017.

Net loss for the first quarter of 2018 was \$7.5 million, or (\$0.27) per diluted share, compared to a net loss of \$4.9 million, or (\$0.26) per diluted share, in the first quarter of 2017.

The Company had \$17.5 million in cash and cash equivalents as of March 31, 2018, compared to \$30.6 million as of March 31, 2017. In the fourth quarter of 2017, the Company raised approximately \$13.8 million in net proceeds from an underwritten public offering. In January 2018, the Company received an additional \$2.1 million in net proceeds from the underwriter exercising its overallotment option from the December 2017 capital raise.

Conference Call and Webinar

Aqua Metals will host a conference call today, Wednesday, May 9, 2018 at 1:30 p.m. Pacific Daylight time (4:30 p.m. Eastern Daylight time) to discuss its financial results for the first quarter ended March 31, 2018.

Selwyn Mould, Chief Operating Officer, 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: Wednesday, May 9, 2018

Time: 1:30 p.m. Pacific Daylight time (4:30 p.m. Eastern Daylight time)

Dial-in: 1-855-327-6837

International Dial-in: 1-631-891-4304

Passcode: 10004831

Webcast: <http://public.viavid.com/index.php?id=129640>

A telephone replay will be available approximately two hours after the call and will run through June 9, 2018 by dialing 1-844-512-2921 from the U.S., or 1-412-317-6671 from international locations, and entering replay pin number: 10004831.

The webcast will be available for replay for 60 days on the investor relations section of the company's website at www.aquametals.com.

About Aqua Metals

Aqua Metals, Inc. (NASDAQ:AQMS) is reinventing lead recycling with its patented and patent-pending AquaRefining™ technology. AquaRefining is a room temperature, water-based process that is fundamentally non-polluting. These modular systems allow the Company to reduce environmental impact and scale lead acid recycling production capacity both by building its own AquaRefineries and licensing the AquaRefining technology to partners. Aqua Metals is based in Alameda, California, and has built its first recycling facility in Nevada's Tahoe Reno Industrial Complex. To learn more, please visit www.aquametals.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" and variations of such words or similar expressions that predict or indicate future events or trends, or that do not relate to historical matters. The forward looking statements in this release include the strength and efficacy of Aqua Metals' portfolio of patent applications and issued patents, 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 and efficiency 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 risk that the Company may not be able to produce and market AquaRefined lead on a commercial basis or, if the Company achieves commercial operations, that such operations will be profitable, (2) the fact that the Company only recently commenced production and has not generated any significant revenue to date, thus subjecting the Company to all of the risks inherent in a pre-revenue start-up; (3) the risk no further patents will be issued on the Company's patent applications or any other application that it may file in the future and that those patents issued to date and any patents issued in the future will be sufficiently broad to adequately protect the Company's technology, (4) the risk that the Company's initial patents and any other patents that may be issued to it may be challenged, invalidated, or circumvented, (5) risks related to Aqua Metals' ability to raise sufficient capital, as and when needed, to develop and operate its recycling facilities and fund continuing losses from operations as the Company endeavors to achieve profitability; (6) changes in the federal, state and foreign laws regulating the recycling of lead acid batteries; (7) the Company's ability to protect its proprietary technology, trade secrets and know-how and (8) those other risks disclosed in the section "Risk Factors" included in the Company's Quarterly Report on Form 10-Q filed on May 9, 2018 and the Company's Annual Report on Form 10-K to be filed with the SEC. 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.

Important Additional Information and Where to Find It

This press release may be deemed to contain solicitation material in respect of the solicitation of proxies from the Company's stockholders in connection with the Company's 2018 Annual Meeting (the "Annual Meeting"). The Company has filed with the SEC, and mailed to the Company's stockholders, an amended definitive proxy statement relating to the Annual Meeting, as well as the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2017, filed with the SEC on March 15, 2018 (the "Annual Report"). The definitive proxy statement contains important information about the Company, the Annual Meeting and related matters. Stockholders may obtain a free copy of the Company's amended definitive proxy statement, including any amendments and supplements thereto, and other documents that the

Company files with the SEC on the SEC's website, at www.sec.gov. INVESTORS AND STOCKHOLDERS ARE URGED TO READ THE AMENDED DEFINITIVE PROXY STATEMENT (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THERETO), AND ANY OTHER RELEVANT SOLICITATION MATERIALS BECAUSE THESE DOCUMENTS CONTAIN IMPORTANT INFORMATION.

Aqua Metals, its directors and certain of the Company's executive officers may be deemed to be participants in the solicitation of proxies from the Company's stockholders in connection with the Annual Meeting. Information regarding the names of the Company's directors and executive officers and their respective interests in the Company was set forth in the Company's amended definitive proxy statement filed with the SEC on May __, 2018 and other relevant solicitation materials filed by the Company. Additional information regarding the participants in the solicitation of proxies from the Company's stockholders in connection with the Annual Meeting, including updated information as to their direct or indirect interests, by security holdings or otherwise, are included in the Company's amended definitive proxy statement and other relevant documents to be filed by the Company with the SEC in connection with the Annual Meeting. These documents, and any and all other documents filed by the Company with the SEC, may be obtained by investors and stockholders free of charge on the SEC's website at www.sec.gov. Copies will also be available at no charge on the Company's website at www.aquametals.com.

Aqua Metals, Inc.
Condensed Consolidated Balance Sheets
(in thousands)
(unaudited)

ASSETS

	March 31, 2018	December 31, 2017
Current assets		
Cash and cash equivalents	\$ 17,497	\$ 22,793
Restricted cash	-	-
Accounts receivable	1,327	882
Inventory	933	1,239
Prepaid expenses and other current assets	638	770
Total current assets	20,395	25,684
Non-current assets		
Property and equipment, net	46,583	45,733
Intellectual property, net	1,414	1,461
Other assets	1,564	1,564
Total non-current assets	49,561	48,758
Total assets	\$ 69,956	\$ 74,442

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities		
Accounts payable	\$ 2,084	\$ 1,436
Accrued expenses	1,671	1,801
Deferred rent, current portion	196	192
Notes payable, current portion	382	405
Total current liabilities	4,333	3,834

Deferred rent, non-current portion	722	771
Asset retirement obligation	712	701
Notes payable, non-current portion	8,763	8,839
Convertible note payable, non-current portion	1,742	1,332
Total liabilities	<u>16,272</u>	<u>15,477</u>
Stockholders' equity		
Common stock and Additional paid-in capital	116,058	113,807
Accumulated deficit	(62,374)	(54,842)
Total stockholders' equity	<u>53,684</u>	<u>58,965</u>
Total liabilities and stockholders' equity	<u>\$ 69,956</u>	<u>\$ 74,442</u>

Aqua Metals, Inc.
Condensed Consolidated Statements of Operations
(in thousands, except share and per share data)
(unaudited)

	Three months ended	
	March 31, 2017	March 31, 2018
Product sales	\$ -	\$ 1,726
Operating cost and expense		
Cost of product sales	-	5,436
Research and development cost	2,987	1,475
General and administrative expense	1,528	1,775
Total operating expense	<u>4,515</u>	<u>8,686</u>
Loss from operations	<u>(4,515)</u>	<u>(6,960)</u>
Other income and expense		
Interest expense	(388)	(587)
Interest and other income	11	17
Total other income (expense), net	<u>(377)</u>	<u>(570)</u>
Loss before income tax expense	(4,892)	(7,530)
Income tax expense	<u>(2)</u>	<u>(2)</u>
Net loss	\$ (4,894)	\$ (7,532)
Weighted average shares outstanding, basic and diluted	<u>18,792,850</u>	<u>27,768,008</u>
Basic and diluted net loss per share	<u>\$ (0.26)</u>	<u>\$ (0.27)</u>

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Source: Aqua Metals