M E M O R A N D U M

TO: Board of Directors
Governor’s Board of Economic Development

FROM: Mike Dang, Director of Business Operations & Business Development

Date: September 9, 2016

SUBJECT: AQUA METALS
APPLICATION FOR REAL PROPERTY TAX ABATEMENTS

Aqua Metals Reno, Inc. (“Company”) applied for and was awarded the following incentives in the May 19, 2016 Board meeting:

1. Sales Tax Abatement (to 2%)
2. Modified Business Tax Abatement (50% for 4 years)
3. Personal Property Tax Abatement (50% for 10 years)

Due to timing of the project the Company was unable to include a request for a Real Property Tax Abatement in the May 19th GOED Board meeting in their request for the other abatements listed above.

The Company comes before the Board now to apply for a Real Property Tax abatement of 50% for 10 years, having an estimated value of $1,208,217. Approval of this amount, when combined with the other abatements described above and approved in the May 19th Board meeting would bring their total package of abatements to an estimated value of $3,614,319.

The Company is in the business of recycling lead acid batteries in its new plant in McCarran, Nevada. It is now constructing a new AquaRefinery in the Tahoe Reno Industrial Center.
Aqua Metals Reno, Inc. is a developer of a patent pending electrochemical battery recycling technology and is planning to launch the world's first AquaRefinery™ to begin production in mid-2016. Aqua Metals plans to enhance every aspect of lead acid battery recycling and their goal is to be the world's first smelter-less lead acid battery recycling company. Source: Aqua Metals Reno, Inc.
Cory Hunt
Northern Regional Director
Governor’s Office of Economic Development
808 W. Nye Lane
Carson City, Nv 89703

Dear Mr. Hunt,

Aqua Metals Inc. is requesting a Real Property Tax abatement for its new AquaRefinery® facility being constructed in Northern Nevada at the Tahoe Reno Industrial Center. They will be recycling LED Acid Batteries which will be obtained from numerous suppliers in Nevada and surrounding states, and will be recycling them through a liquid based process enabling them to be broken down into multiple components for resale. All components of the lead acid batteries will be recovered in the recycling process.

This facility is the first of its kind and Aqua Metals’ process will replace the traditional recycling smelting process which uses significant energy and produces a variety of pollutants. This facility has the potential to revolutionize lead acid battery recycling technology and put Nevada in the spotlight for innovation and green technology, at a time when recycled lead is in high demand.

EDAWN has been working with Aqua Metals Inc. since 2015 to support the launch of the company’s first AquaRefinery.® Due to fast pace of their project they were unable to include this component on their previous incentive application approved by the Governor’s Office of Economic Development on May 19, 2016.

Aqua Metals, based out of Northern California, is in the process of building a 137,000 square foot facility in Storey County at the Tahoe Reno Industrial Center and will be making a $22M investment in land and construction, an $25.5M investment over the next two years in capital equipment, and will be hiring 55 employees at an average wage of $22.58. They plan to be fully operational by the end of 2016.

EDAWN supports this application for Aqua Metals Inc. which will create jobs and help to further brand the region as a leader in environmentally focused advanced technologies.

Respectfully,

Nancy McCormick
Vice President Retention, Expansion, Workforce
EDAWN
Directed to Cory Hunt
Northern Nevada Regional Director
Governor’s Office of Economic Development
808 W. Nye Lane
Carson City, NV 89703

Dear Mr. Hunt and Board Members,

Aqua Metals Reno, Inc. is in the business of recycling lead acid batteries (LAB) in its new plant in McCarran, NV. LABs are the most recycled commodity in the world. Up to now the only way to recycle LABs is a process called smelting. Smelting involves high temperature, high energy usage, dangerous gas releases and lead byproduct into landfills. Unlike smelting, our new process, AquaRefining is a room temperature, water based process that is fundamentally non-polluting.

We are requesting consideration for approval of a Real Property Tax Abatement for the new AquaRefinery being constructed in the Tahoe Reno Industrial Center. Due to timing of the project we were unable to include the Real Property Tax Abatement request on our previous application for other abatements with the Governor’s Office of Economic Development.

Our plans are initially to take in 150 tonnes of used LABs which will be sourced from Nevada and surrounding states. The LABs are drained and then broken apart. The pieces are then separated, into plastic, solid lead and lead paste/grids. This whole process is enclosed and water based. At this point the plastic is packaged for resale, the solid lead is melted (low temperature) into ingots and the lead paste is sent thru our AquaRefining process. Again this is an entirely enclosed, liquid based, electro-chemical process. The AquaRefined lead that is produced is melted into ingots. Virtually all of a LAB is recovered in the recycling process. Of the 150 tonnes of used LABs in the front end we produce approximately 80 tonnes of lead, 20 tonnes of sodium sulfate, 20 tonnes plastic chips, 15 tonnes separators and 15 tonnes water. All products can be sold, primarily to the LAB industry, except for the water.

Aqua Metals Reno, Inc.’s non-polluting electrochemical lead recycling technology is replacing the traditional recycling smelting process, a heavy energy user and polluting process. Recycling LABs is critical to the LAB industry as 80% of lead used in new LABs produced in the U.S. is recycled lead. We believe our Company meets the statutory requirements as defined in NRS 701A.210 and appreciate your consideration.

Sincerely,

[Signature]

Thom Murphy
Chief Financial Officer
Aqua Metals Reno, Inc.
REQUEST FOR CONFIDENTIALITY DETERMINATION

Pursuant to Assembly Bill No. 17, 78th (2015) Session of the Nevada Legislature, and upon the request of applicant Aqua Metals Reno, Inc. the Executive Director of the Office has determined the:

(i) The detailed schedule of Employment List, 5(B), and

(ii) The detailed schedule of Capital Equipment List, 5(A),

are confidential proprietary information of the business, are not public records, and shall be redacted in its entirety from the copy of the application that is disclosed to the public.

Steven D. Hill
Executive Director

Date: 9/9/16
August 18, 2016

Mr. Steve Hill
Executive Director
Nevada Governor's Office of Economic Development
555 E. Washington Avenue, Suite 5400
Las Vegas, NV 89101

RE: APPLICATION FOR INCENTIVES – REQUEST FOR CONFIDENTIALITY OF RECORDS AND DOCUMENTS

Dear Director Hill:

On August 4, 2016, Aqua Metals Reno, Inc. submitted an application to you as the Executive Director of the State of Nevada Governor's Office of Economic Development (“GOED”) requesting approval of economic incentives for the new operation in Storey, Nevada. The purpose of this letter is to request that any and all records and other documents in GOED’s possession concerning initial contact with, research and planning for Aqua Metals Reno, Inc., including but not limited to certain information in that application, and if amended, all be kept confidential pursuant to Section 4 of Assembly Bill No. 17 (2015 Regular Session) as codified in NRS 231.069.

Please be advised that Aqua Metals Reno, Inc. specifically deems the following information proprietary and confidential:

1. The detailed schedule of Employment List
2. The detailed schedule of Capital Equipment List

Thank you for your consideration. If you have any questions or require any further information, please do not hesitate to contact me.

Sincerely,

Thomas Murphy
Chief Financial Officer
Aqua Metals Reno, Inc.
ECONOMIC DEVELOPMENT
Incentive Application

Company Name: Aqua Metals Reno, Inc.
Date of Application: August 1, 2016

Section 1 - Type of Incentives
Please check all that the company is applying for on this application:
☐ Sales & Use Tax Abatement
☐ Modified Business Tax Abatement
☐ Personal Property Tax Abatement
☐ Other:
☐ Sales & Use Tax Deferral
☐ Recycling Real Property Tax Abatement
☐ Other:

Section 2 - Corporate Information

COMPANY NAME (Legal name under which business will be transacted in Nevada)
Aqua Metals Reno, Inc.

CORPORATE ADDRESS
2500 Peru Dr.

MAILING ADDRESS TO RECEIVE DOCUMENTS (If different from above)
1010 Atlantic Ave

TELEPHONE NUMBER
510-479-7635

COMPANY CONTACT TITLE
CFO

COMPANY CONTACT NAME
Thomas Murphy

E-MAIL ADDRESS
thomas.murphy@aquametals.com

WEBSITE
aquametals.com

FEDERAL TAX ID #
47-3293812

Has your company ever applied and been approved for incentives available by the Governor's Office of Economic Development?
☐ Yes  ☐ No

If Yes, list the program awarded, date of approval, and status of the accounts (attach separate sheet if necessary):
May 19, 2016 - Sales Tax Aabatment, Modified Business Tax Abatement and Personal Property Tax Aabetment. All active.

Section 3 - Program Requirements

Please check two of the boxes below; the company must meet at least two of the three program requirements:

☐ A capital investment of $1,000,000 in eligible equipment in urban areas or $250,000 in eligible equipment in rural areas are required. This criteria is businesses. In cases of expanding businesses, the capital investment must equal at least 20% of the value of the tangible property owned by the business.

☐ New businesses locating in urban areas require fifty (50) or more permanent, full-time employees on its payroll by the eighth calendar quarter quarter in which the abatement becomes effective. In rural areas, the requirement is ten (10) or more. For an expansion, the business must increase employees on its payroll by 10% more than its existing employees prior to expansion, or by 25 (urban) or 6 (rural) employees, whichever is greater.

☐ In urban areas, the average hourly wage that will be paid by the business to its new employees is at least 100% of the average statewide hourly wage in rural areas, the average hourly wage will equal or exceed the lesser of the county-wide average hourly wage or statewide average hourly wage.

Note: Criteria is different depending on whether the business is in a county whose population is 100,000 or more or a city whose population is 60,000 or more (i.e., “urban” area), or if the business is in a county whose population is less than 100,000 or a city whose population is less than 60,000 (i.e., “rural” area).

Section 4 - Nevada Facility

Type of Facility:
☐ Headquarters
☐ Technology
☐ Back Office Operations
☐ Research & Development / Intellectual Property
☐ Service Provider
☐ Distribution / Fulfillment
☐ Manufacturing
☐ Other: Lead acid battery recycling plant

PERCENT OF COMPANY'S MARKET OUTSIDE OF NEVADA: 100%
EXPECTED DATE OF NEW / EXPANDED OPERATIONS (MONTH / YEAR): Sep-2016

NAICS CODE / SIC
SIC 5093, NAICS 331492
INDUSTRY TYPE
Recycling

DESCRIPTION OF COMPANY'S NEVADA OPERATIONS
Lead acid battery recycling plant

PROPOSED / ACTUAL NEVADA FACILITY ADDRESS
2500 Peru Dr.

CITY / TOWN
McCarran
COUNTY
Storey County
ZIP
89434

WHAT OTHER STATES / REGIONS / CITIES ARE BEING CONSIDERED FOR YOUR COMPANY'S RELOCATION / EXPANSION / STARTUP?
Texas, Indiana
**Section 5 - Complete Forms (see additional tabs at the bottom of this sheet for each form listed below)**

Check the applicable box when form has been completed.

- 5 (A) ☐ Equipment List
- 5 (B) ☐ Employment Schedule
- 5 (C) ☐ Evaluation of Health Plan

**Section 6 - Real Estate & Construction (Fill in either New Operations/Startup or Expansion, not both.)**

<table>
<thead>
<tr>
<th>New Operations / Start Up - Plans Over the Next Ten Years</th>
<th>Expansions - Plans Over the Next 10 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part 1. Are you currently/planning on leasing space in Nevada?</td>
<td>Part 1. Are you currently leasing space in Nevada?</td>
</tr>
<tr>
<td>If No, skip to Part 2. If Yes, continue below:</td>
<td>If No, skip to Part 2. If Yes, continue below:</td>
</tr>
<tr>
<td>How much space (sq. ft.)?</td>
<td>How much space (sq. ft.)?</td>
</tr>
<tr>
<td>Annual lease cost of space:</td>
<td>Annual lease cost at current space:</td>
</tr>
<tr>
<td>Do you plan on making building tenant improvements?</td>
<td>Due to expansion, will you lease additional space?</td>
</tr>
<tr>
<td>If No, skip to Part 2. If Yes *, continue below:</td>
<td>If No, skip to Part 3. If Yes, continue below:</td>
</tr>
<tr>
<td>When to make improvements (month, year)?</td>
<td>Expanding at the current facility or a new facility?</td>
</tr>
<tr>
<td></td>
<td>What year(s)?</td>
</tr>
<tr>
<td></td>
<td>How much expanded space (sq. ft.)?</td>
</tr>
<tr>
<td></td>
<td>Annual lease cost of expanded space:</td>
</tr>
<tr>
<td></td>
<td>Do you plan on making building tenant improvements?</td>
</tr>
<tr>
<td>If No, skip to Part 3. If Yes *, continue below:</td>
<td>If No, skip to Part 3. If Yes *, continue below:</td>
</tr>
<tr>
<td>Part 2. Are you currently/planning on buying an owner occupied facility in Nevada?</td>
<td>Part 2. Are you currently operating at an owner occupied building in Nevada?</td>
</tr>
<tr>
<td>If No, skip to Part 3. If Yes *, continue below:</td>
<td>If No, skip to Part 3. If Yes, continue below:</td>
</tr>
<tr>
<td>Purchase date, if buying (month, year):</td>
<td>How much space (sq. ft.)?</td>
</tr>
<tr>
<td>How much space (sq. ft.)?</td>
<td>Current assessed value of real property?</td>
</tr>
<tr>
<td></td>
<td>Due to expansion, will you be making building improvements?</td>
</tr>
<tr>
<td>Do you plan on making building improvements?</td>
<td>If No, skip to Part 3. If Yes *, continue below:</td>
</tr>
<tr>
<td>If No, skip to Part 3. If Yes *, continue below:</td>
<td>When to make improvements (month, year)?</td>
</tr>
<tr>
<td>When to make improvements (month, year)?</td>
<td></td>
</tr>
<tr>
<td>Part 3. Are you currently/planning on building a build-to-suit facility in Nevada?</td>
<td>Part 3. Do you plan on building or buying a new facility in Nevada?</td>
</tr>
<tr>
<td>If Yes *, continue below:</td>
<td>If Yes *, continue below:</td>
</tr>
<tr>
<td>When to break ground, if building (month, year):</td>
<td>Purchase date, if buying (month, year):</td>
</tr>
<tr>
<td>Estimated completion date, if building (month, year):</td>
<td>When to break ground, if building (month, year):</td>
</tr>
<tr>
<td>How much space (sq. ft.)?</td>
<td>Estimated completion date, if building (month, year):</td>
</tr>
<tr>
<td>136,500</td>
<td>How much space (sq. ft.)?</td>
</tr>
</tbody>
</table>

* Please complete Section 7 - Capital Investment for New Operations / Startup.

**BRIEF DESCRIPTION OF CONSTRUCTION PROJECT AND ITS PROJECTED IMPACT ON THE LOCAL ECONOMY (Attach a separate sheet if necessary):**

We are constructing a 136,500 square foot lead acid battery recycling plant. The general contractor is Miles Construction based in Carson City, NV. The majority of subcontractors are from the Northern Nevada region.
### Section 7 - Capital Investment (Fill in either New Operations/Startup or Expansion, not both.)

<table>
<thead>
<tr>
<th></th>
<th>New Operations / Start Up</th>
<th>Expansions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Purchase (if buying):</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Building Costs (if building / making improvements):</td>
<td>$21,000,000</td>
<td>$0</td>
</tr>
<tr>
<td>Land:</td>
<td>$1,050,000</td>
<td>$0</td>
</tr>
<tr>
<td>Equipment Cost:</td>
<td>$25,569,870</td>
<td>$0</td>
</tr>
<tr>
<td>Total:</td>
<td>$47,619,870</td>
<td>$0</td>
</tr>
</tbody>
</table>

Is the equipment purchase for replacement of existing equipment? [ ]
Current assessed value of personal property in NV: [ ]
(Must attach the most recent assessment from the County Assessor’s Office.)

### Section 8 - Employment (Fill in either New Operations/Startup or Expansion, not both.)

<table>
<thead>
<tr>
<th></th>
<th>New Operations / Start Up</th>
<th>Expansions</th>
</tr>
</thead>
<tbody>
<tr>
<td>How many full-time equivalent (FTE*) employees will be created by the end of the first eighth quarter of new operations?:</td>
<td>55</td>
<td></td>
</tr>
<tr>
<td>Average hourly wage of these new employees:</td>
<td>$22.58</td>
<td></td>
</tr>
</tbody>
</table>

How many full-time equivalent (FTE*) employees will be created by the end of the first eighth quarter of expanded operations?: [ ]
Average hourly wage of these new employees: [ ]
How many FTE employees prior to expansion?: [ ]
Average hourly wage of these existing employees: [ ]
Total number of employees after expansion: [ ]

* FTE represents a permanent employee who works an average of 30 hours per week or more, is eligible for health care coverage, and whose position is a “primary job” as set forth in NAC 360.474.

### Section 9 - Employee Health Insurance Benefit Program

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Is health insurance for employees and an option for dependents offered?:</td>
<td>[ ] Yes (copy of benefit plan must be attached)</td>
<td>[ ] No</td>
</tr>
</tbody>
</table>

Package includes (check all that apply):
- Medical
- Vision
- Dental
- Other: [ ]

Qualified after (check one):
- Upon employment
- Three months after hire date
- Six months after hire date
- Other: 30 days after employment

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Insurance Costs:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of health insurance for company (annual amount per employee):</td>
<td>$ 8,560.00</td>
<td></td>
</tr>
<tr>
<td>Health Plan annual out-of-pocket maximum (individual):</td>
<td>$ 12,700.00</td>
<td></td>
</tr>
</tbody>
</table>

Percentage of health insurance coverage by:
- Company: 100%
- Employee: 0%

[Signature page follows]
I, the undersigned, hereby grant to the Governor's Office of Economic Development access to all pertinent and relevant records and documents of the aforementioned company. I understand this requirement is necessary to qualify and to monitor for compliance of all statutory and regulatory provisions pertaining to this application.

Being owner, member, partner, officer or employee with signatory authorization for the company, I do hereby declare that the facts herein stated are true and that all licensing and permitting requirements will be met prior to the commencement of operations. In addition, I and/or the company's legal counsel have reviewed the terms of the GOED Tax Abatement and Incentives Agreement, the company recognizes this agreement is generally not subject to change, and any material revisions have been discussed with GOED in advance of board approval.

[Signature]
Name of person authorized for signature
Title

Date

Nevada Governor's Office of Economic Development
555 E. Washington Ave., Ste 5400 • Las Vegas, Nevada 89101 • 702.466.2700 • (Fax) 702.466.2701 • www.diversifynevada.com
5(C) Evaluation of Health Plans Offered by Companies

Company Name: Aqua Metals Reno, Inc.  County: Storey County

Total Number of Full-Time Employees: 55

Average Hourly Wage per Employee $22.58
Average Annual Wage per Employee (implied) $46,958.46

Annual Cost of Health Insurance per Employee $8,560.00
Percentage of Cost Covered by:
  Company 100%
  Employee 0%

Health Plan Annual Out-of-Pocket Maximum $12,700

Generalized Criteria for Essential Health Benefits (EHB) following requirements outlined in the Affordable Care Act and US Code, including 42 USC Section 18022:

| Covered employee's premium not to exceed 9.5% of annual wage | 0.0% | MMQ |
| Annual Out-of-Pocket Maximum not to exceed $6,600 (2015) | $6,350 | MMQ |

Minimum essential health benefits covered (Company offers PPO):
- (A) Ambulatory patient services
- (B) Emergency services
- (C) Hospitalization
- (D) Maternity and newborn care
- (E) Mental health/substance use disorder/behavioral health treatment
- (F) Prescription drugs
- (G) Rehabilitative and habilitative services and devices
- (H) Laboratory services
- (I) Preventive and wellness services and chronic disease management
- (J) Pediatric services, including oral and vision care

No Annual Limits on Essential Health Benefits

I, the undersigned, hereby declare to the Governor's Office of Economic Development that the facts herein stated are true, and that I have attached sufficient plan information for GOED to independently confirm the same.

[Signature]

Name of person authorized for signature CFO

Date 4/14/16
**Site Selection Factors**

Company Name: Aqua Metals Reno, Inc.  
County: Storey County

### Section 1 - Site Selection Ratings

Directions: Please rate the select factors by importance to the company's business (1 = very low; 5 = very high). Attach this form to the Incentives Application.

<table>
<thead>
<tr>
<th>Factor</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Availability of qualified workforce:</td>
<td>4</td>
</tr>
<tr>
<td>Labor costs:</td>
<td>3</td>
</tr>
<tr>
<td>Real estate availability:</td>
<td>4</td>
</tr>
<tr>
<td>Real estate costs:</td>
<td>5</td>
</tr>
<tr>
<td>Utility infrastructure:</td>
<td>5</td>
</tr>
<tr>
<td>Utility costs:</td>
<td>5</td>
</tr>
<tr>
<td>Transportation infrastructure:</td>
<td>4</td>
</tr>
<tr>
<td>Transportation costs:</td>
<td>4</td>
</tr>
<tr>
<td>State and local tax structure:</td>
<td>3</td>
</tr>
<tr>
<td>State and local incentives:</td>
<td>5</td>
</tr>
<tr>
<td>Business permitting &amp; regulatory structure:</td>
<td>5</td>
</tr>
<tr>
<td>Access to higher education resources:</td>
<td>3</td>
</tr>
</tbody>
</table>

**OTHER FACTORS & RATINGS:**
Equipment Schedule, Detailed

The Office has determined the detailed equipment schedule as described in this application constitutes confidential proprietary information of Aqua Metals Reno, Inc., and is not a public record.
Employment Schedule, Detailed

The Office has determined the detailed employment schedule as described in this application constitutes confidential proprietary information of Aqua Metals Reno, Inc., and is not a public record.
NEVADA STATE BUSINESS LICENSE

AQUA METALS RENO, INC.
Nevada Business Identification # NV2015133913

Expiration Date: May 31, 2017

In accordance with Title 7 of Nevada Revised Statutes, pursuant to proper application duly filed and payment of appropriate prescribed fees, the above named is hereby granted a Nevada State Business License for business activities conducted within the State of Nevada.

Valid until the expiration date listed unless suspended, revoked or cancelled in accordance with the provisions in Nevada Revised Statutes. License is not transferable and is not in lieu of any local business license, permit or registration.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of State, at my office on May 27, 2016

BARBARA K. CEGAVSKE
Secretary of State

You may verify this license at www.nvsos.gov under the Nevada Business Search.

License must be cancelled on or before its expiration date if business activity ceases. Failure to do so will result in late fees or penalties which by law cannot be waived.
Dr. Stephen R Clarke, Chairman & CEO

“The World’s First Smelterless Lead Recycling Company”
Safe Harbor

This document contains forward-looking statements concerning Aqua Metals, Inc., including statements regarding the Company’s development of its commercial lead acid battery recycling facility 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 production at its initial facility to 160 tonnes per day and to develop and operate its additional recycling facilities; (3) changes in the federal, state and foreign laws regulating the recycling of lead acid batteries; and (4) 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.
Summary

- Lead is a growing $22B market opportunity, supporting the $60B lead acid battery industry
  - Lead acid batteries are critical to many high growth industries
  - Recycled lead is >60% of the world’s supply but reliant on smelting - an antiquated, often polluting, inefficient and expensive process
- AquaMetals plans to enhance every aspect of lead production and use
  - AquaRefining makes high purity lead at a lower cost, with an inherently non-polluting process
  - We don’t need large scale to be cost effective and can locate close to collection and distribution centers
- Interest in our process is growing rapidly
  - Our first recycling facility will start at 40 tonnes/day in 2016 and we plan to expand to 160 tonnes/day
  - Evaluating multiple additional locations across the US
  - Evaluating provision of equipment to 3rd parties
  - Evaluating higher value products
Lead Acid Batteries (LABs) Dominate Global Battery Production

- LABs are used in gas-powered, electric vehicles and even Li-ion powered electric vehicles
- LABs dominate data center, telecom and emerging energy storage applications
- LABs are, by far the world’s most recycled consumer product and the only recycled battery
Lead smelting is an inherently dirty and inefficient process

- Inefficient >1400°F endothermic reduction process with high CO$_2$ and other GHG emissions
- Generates fine lead dust which is difficult and expensive to contain
- Generates slag and other solid waste
- Needs large scale operation to be viable
- Does not produce ultra-pure lead
- Difficult to achieve ISO 14000 certification

Three US smelters have been shut down due to pollution and non-compliance.
AquaRefining™ clean, efficient, scalable & cost effective alternative

- Uses far less energy than smelting - clean and renewable fuels
- Scalable, pre-assembled and tested modular systems support flexible deployment and distributed operation
- Automated and continuous process which can be turned on and off with impunity
- All aqueous material handling is inherently dust free - no slag, lost lead, or polluted wastewater.
- Permit-friendly and supports ISO 14000

Bank of 3 Electrolysers

AquaRefining supports multiple business models - We chose to demonstrate our technology’s effectiveness by building our own lead recycling operation first
AquaRefining delivers substantially lower energy and waste costs.
Protecting our intellectual property is a central part of our business

- 22 patent applications and have invested in a robust patent strategy
- We have an IP “greenfield” opportunity in front of us
  - Smelting is a millennia-old technology that has seen little recent innovation
  - We came at the problem from a specialized electrochemical perspective, which is unique to this industry
- We can also protect our IP in other ways
  - We control key equipment, electrolyte formulations, process parameters
  - We will also phase roll-out of technology updates
The World’s first AquaRefinery™

- 12 acre site, 138,000 sq. ft. building
- 75T scrap batteries input per day
- 40T lead output per day – 50% refined alloys / 50% pure lead
- Low emission facility
- 24 hour, 7 day a week operation

AquaRefinery construction on schedule
Wirtz Manufacturing supplying proven, support equipment

- Key elements:
  - Pre-crushing acid collection system
  - Breaking and separation system
    - Separates metallic lead, lead compounds, separators, plastics and acid
    - Entirely wet process – zero dust
  - Paste de-sulfurization system delivers wet product to AquaRefining modules
    - Impossible to achieve with charge preparation for smelting
  - Water treatment plant
  - Lead ingot casting system

“All wet” material handling - eliminates dust and other emissions associated with battery breaking and charge preparation processes required for smelters
Why Tahoe Reno Industrial Center?

- **Key features**
  - 20 min East of Reno on Hwy 80
  - 32M population within 8 hour drive
  - Growing hub for logistics and energy
  - Excellent talent and infrastructure
  - Acceptable energy costs
  - Support from State of Nevada

- **Timeline**
  - 2015 Q3: start construction
  - 2016 Q2: start production
  - 2016 40 Tonne/day
  - 2018 160 Tonne/day
Our Technology Supports Multiple Business Models

<table>
<thead>
<tr>
<th>$22B Lead Market</th>
<th>Capacity tonnes/day</th>
<th>Modules (6 electrolyzers)</th>
<th>% lead used Worldwide</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reno</td>
<td>40</td>
<td>8</td>
<td>0.1%</td>
</tr>
<tr>
<td>Future Growth</td>
<td>800</td>
<td>160</td>
<td>2.1%</td>
</tr>
<tr>
<td>World</td>
<td>38,000</td>
<td>7,500</td>
<td>100%</td>
</tr>
</tbody>
</table>

- Phase 1: Build additional facilities
- Phase 2: Provide equipment and services to 3rd parties
- Phase 3: Add higher value materials and services
  - Exploring higher value lead products
  - Exploring other metals (copper, zinc, etc.)
Management developed the vision and founded the company

**Dr. Stephen Clarke, Chairman and Chief Executive Officer**
- Materials, chemistries and selective separations technologies for advanced batteries (Flow Batteries, Advanced Lead Acid, Metal Air), mining and water
- Energy storage policy (AB 2514, CESA, ESA, CPUC)
- Prior careers in Aerospace and Environmental Remediation

**Selwyn Mould, Chief Operating Officer**
- Chemistries and processes for advanced batteries (Flow Batteries, Advanced Lead Acid, Metal Air)
- Formerly at Chloride, Pilkington and Lotus in manufacturing & supply
- 7 years at Gemini Consulting leading large-scale corporate turnarounds

**Thomas Murphy, Chief Financial Officer**
- Expertise in IPO’s, public companies, international finance
- Tax efficient structures & high value equipment leasing

**Steve Cotton, Chief Commercial Officer**
- Formerly CEO of Canara, a leader in packaged LAB-based industrial UPS
- Managed a successful exit through the sale of Canara to a major PE company
Our Board has Metals, Operational and Public Company Expertise

Mark Slade

- Former lead trader and Board Member of the London Metal Exchange
- Former CEO of MAREX Financial (co-founded with Marathon Asset Management)
- Former Board Member of the Futures and Options Association

Vincent DiVito

- 30 years of financial reporting experience in chemicals and production companies
- Audit Committee Chair, Entertainment Gaming Asia (Nasdaq: EGT)
- Former Chairman, Riviera Holding Corporation (Amex: RIV)
- President and CFO, Lonza America (sub. of $3B Swiss chemicals company)
Select Media Coverage

“Smelting’s death knell”

- Aqua Metals on Track to Revolutionize Lead Recycling
- ‘Tis the season to acknowledge the nation’s addiction to lead
- Tesla JustGot a New Neighbor That Can Clean Up Batteries
- Aqua Metals – shaking off lead recycling’s dirty heritage
- Aqua Metals Announces Pricing of Initial Public Offering
- Battery recycler Aqua Metals prices IPO at $5

- $30M battery recycling plant breaks ground in Nevada
- Aqua Metals to Open World’s First Clean Battery Recycling Facility in Tahoe Reno Industrial Center
- EXCLUSIVE: Water set to drown lead’s recycling reputation
- Aqua Metals breaks ground on new battery recycling plant
- AquaMetals’ $30M battery recycling plant breaks ground in Nevada - Meet Tesla’s New Neighbor
- Aqua Metals confirms battery lead recycling plans
- Aqua Metals - No Revenue Yet, But The Future Is Very Bright
- Aqua Metals: Disruptor in A $22B Industry