

FINANCIALS

- Cash: \$4.1M at end of Q4 2024 (higher than previous quarter due to focus on cash preservation)
 - Subsequent to year-end, received remaining \$100k from LiNiCo (receivable)
- CapEx: Largely unchanged QoQ; strategic shift toward lithium carbonate production led to asset impairment
 - \$2.6M impairment recognized on vendor equipment deposits for Sierra ARC (equipment no longer needed under new plan)
- Warrant Liability: \$1.5M (up from \$986k at issuance); \$507k increase recognized as noncash interest expense in FY 2024
- Plant Operations Expense: \$931k (+15% YoY; much driven by additional hires for pilot plant; payroll and related fees up \$758k YoY; fell in Q4 as hiring abated)
 - 2025 plant ops expenses expected to be lower
- G&A Expense: \$329k (+3% YoY); 2025 G&A expected to be lower than 2024
- Interest Expense: \$1.1M (FY 2024), up from \$621k in 2023—primarily due to warrant revaluation
- Net Loss: \$24.6M (FY 2024, -\$3.83 per share); vs. \$24M (-\$5.10/share) in 2023
- Cash Flow:
 - Operations: net loss, adjusted for noncash/depreciation/stock comp; change in working capital
 - Investing: fixed assets, deposits, and note proceeds
 - Financing (FY 2024):
 - \$5M from ATM facility
 - \$1.5M bridge note (Dec 2024; significant insider board participation)
 - \$7.3M from May 2024 public offering
 - \$2.2M tax abatement from Nevada (projected economic/employment impact)
- Funding Mix: \$15M+ raised in FY 2024; >2/3 from insiders
- Financing Strategy: Remains focused on project/debt-based finance for expansion and Sierra ARC buildout
 - Engaged with lenders; terms discussed; timeline depends on reaching certain milestones
 - Internal bridge financing continues for ongoing initiatives
 - Revised plant architecture and product focus improving financial model for lenders/investors (lower CapEx, improved margins, more attractive structure)

GUIDANCE

- Strategic Priorities for 2025:
 - Advance colocation and licensing opportunities (for accelerated/commercial deployment)
 - Focus on closing feedstock and offtake agreements (critical for commercial operations)
 - Secure strategic funding with minimal dilution to execute growth
 - Continue supplying battery-grade recycled materials (from pilot plant) for customer validation and partnerships
- CapEx requirements reduced via revised plant/process architecture
- 2025 costs (plant operations & G&A) expected to be lower than 2024
- Sierra ARC commissioning: “Move-in ready”; building and much equipment secured; new plan involves building an “outbuilding” for feedstock/lithium processing
 - Can scale from 3,000 to 7,000 tonnes black mass processed per year in new configuration
 - Phase 1 commissioning timing: “2-3 quarters post-financing” (unchanged)
- Market focus: Licensing, JV, co-location, and tolling models to minimize capital intensity, spread reach

PRODUCTS / TECHNOLOGY

- AquaRefining (Lithium focus)
 - 2024: Successful continuous 24/7 endurance run at pilot plant (3 weeks in Dec 2024)
 - Produced >600 lbs of battery-grade lithium carbonate (99.5%+ purity) at pilot scale—leading for US peers
 - High rates of recovery/purity for lithium, cobalt, nickel (samples delivered to potential partners/customers globally)
 - Recycled domestic nickel converted to CAM with downstream partner, now under validation with multiple battery manufacturers (US/Asia)
 - Process produces 83% less CO₂ than traditional hydro methods (independently validated)
- Process/IP: 70+ patents issued, 40+ pending worldwide; unique ability to deliver battery-grade lithium carbonate
- Product focus (2025+): Battery-grade lithium carbonate and nickel-rich, clean MHP (mixed hydroxide precipitate) as primary products
 - Simplification from initial broader product set (“streamlined product set”) for faster time-to-revenue, higher plant margins, and faster scale
 - Phase 2: Future full metals recycling as market develops
- Validation/Awards:
 - Selected by US Dept. of Energy for ACME Revive initiative (critical minerals/circular supply chain)
 - Named “Top Project of 2024” by Environment + Energy Leader
 - Best Places to Work finalist (Northern Nevada; only lithium-focused company)

COMMERCIALIZATION / STRATEGY

- Strategy: Diversified, capital-efficient go-to-market
 - Co-location: Deploy tech beside third-party recycling/BM manufacturing ops (lower logistics, faster revenue)
 - Toll processing: Process partner feedstock for fee (low capex)
 - Licensing/JV: Partners deploy AquaRefining in their own facilities
 - Multiple parties in active discussions across these models
- 6K Energy Partnership (flagship):
 - Aqua Metals to supply up to 30% of recycled content for 6K's US cathode plant
 - Progressing on both sides (CAM suppliers, OEMs)
- Feedstock/Offtake:
 - Active negotiation to secure partners for Sierra ARC or other sites
 - Chicken-and-egg dynamic (facility vs. offtake), but progress aided by pilot plant production/validation
- Sierra ARC Facility:
 - Site/building/most equipment secured & upfit completed ("move-in ready")
 - On hold pending project/debt financing
 - Revised plant architecture (including "outbuilding" to support higher black mass throughput)
 - Designed for EBITDA-positive operation at plant level at full volume
- Government Engagement:
 - Frequent visits (including US federal and international like Dutch contingent)
 - Seeking DOE and executive-order-related grants as additional (non-dilutive) funding options (potential outcomes in next 1-2 quarters)

SUPPLY CHAIN & OPERATIONS

- Pilot plant: Continues to operate, generate production, validate technology, and provide product samples
- New product/process configuration increases throughput from 3,000 to 7,000 tonnes of black mass per year in Sierra ARC plan
- Strong cost advantage: Minimal reagent use, automated process, low labor, clean energy focus—low-cost leader claim (based on pilot data)
- Focus on domestic supply chain ("closed loop") for batteries with partners (CAM, OEMs)

LEADERSHIP & BOARD

- Board expansion (2024): Added two members from battery and finance sectors
 - Eric Gangloff (finance/debt background): Bringing new finance perspectives/opportunities
 - Steve Henderson (battery industry): Opens OEM doors, boosts credibility with industry connections
 - Both actively contributing to strategic/tactical initiatives and partnership cultivation
- Insider (leadership/board) significant financial support for bridge financings (confidence in direction)

PARTNERS & CUSTOMERS

- Pilot product samples delivered to:
 - Multiple CAM producers
 - Battery manufacturers (North America & Asia)
 - Downstream validation with global battery manufacturers/OEMs
- 6K Energy (commercial supply agreement—up to 30% of recycled content for 6K's US cathode plant)
- Ongoing partnership and "chicken-and-egg" commercial discussions for feedstock/offtake
- Recognized by government/industry groups (DOE, ACME Revive, E+E Leader etc.)

CATALYSTS & OUTLOOK

- Key 2025 catalysts:
 - Secure project/debt financing for Sierra ARC and new outbuilding
 - Commission and scale Sierra ARC (Phase 1)
 - Lock in feedstock/offtake agreements (progressing, aided by pilot sample validation)
 - Advance commercialization via co-location, licensing/JV and tolling models
 - Potential government grant/funding (execution of recent executive order on critical minerals)
 - Ongoing product production and delivery from pilot plant for customer development
- Macro:
 - Persistent headwinds from low battery metal prices/tight capital markets
 - Supportive policy (executive order, DOE attention) may aid funding/outlook for US critical minerals supply chain

RISKS / HEADWINDS

- Capital markets remain tight for project-level funding; financing risk persists until terms/funds secured

- Battery metal pricing volatility remains a risk to economics and partner appetite
 - “Chicken-and-egg” challenge: need offtake/feedstock for financing (and vice versa)
 - Project/debt funding timeline still subject to external factors; government funding timeline likely to be 1-2 additional quarters
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