UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): February 6, 2026

AQUA METALS, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**001-37515**	**47-1169572**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification Number)

5370 Kietzke Lane, Suite 201
Reno, Nevada 89511
(Address of principal executive offices)

(775) 446-4418
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions.

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☒ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14d-2(b)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b)
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Common stock: Par value $.001	AQMS	Nasdaq Capital Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 1.01. Entry into a Material Definitive Agreement.

Term Sheet

On February 6, 2026, Aqua Metals, Inc., a Delaware corporation (the "Company" or "Aqua Metals"), entered into a term sheet (the "Term Sheet") with Lion Energy, LLC, a Utah limited liability company ("Lion Energy"), and certain members of Lion Energy (the "Members"), as amended and restated on February 10, 2026, setting forth certain terms and conditions pursuant to which the Company intends to acquire all of the issued and outstanding equity interests of Lion Energy, subject to the negotiation and execution of a definitive acquisition agreement and the satisfaction of specified conditions. The parties to the Term Sheet have agreed to use commercially reasonable efforts to execute a definitive acquisition agreement for the proposed transaction by March 31, 2026.

The Term Sheet provides that the aggregate consideration payable at the closing of the proposed transaction, which will not exceed $94.9 million, would consist of a combination of (i) cash and other consideration in the total amount of $4.1 million of investment previously made by the Company in Lion Energy ("Cash Consideration"), (ii) $25.8 million of common stock, par value $0.001 per share, of the Company (the "Company common stock"), and subject to the Common Stock Cap, Series X Preferred Stock (as defined below) (together with the Company common stock, "Equity Consideration"), and (iii) up to $65 million in earn-out consideration ("Earn-Out Consideration").

The Term Sheet provides that the number of shares of Company capital stock to be issued to the Members as Equity Consideration at the closing of the proposed transaction ("Base Share Number") would be determined by dividing $25.8 million by the volume weighted average price of the Company common stock on Nasdaq over the 20 trading days preceding the closing date (the "closing price"), subject to the Common Stock Cap (as defined below). The issuance of the Company capital stock to the Members at Closing would be made in reliance on an exemption from the registration provisions of the Securities Act of 1933, as amended, set forth in Section 4(a)(2) thereof, relating to sales by an issuer not involving a public offering.

The Term Sheet also provides that the Earn-Out Consideration would be subject to Lion Energy realizing greater than $55 million of revenue over a period of 12 consecutive full calendar months following the closing date (the "Earn-Out Period") and, subject to realizing the minimum revenue amount, calculated based on a weighted performance score derived from Lion Energy's revenue and EBITDA over the Earn-Out Period using the following formula:

Earn-Out Consideration = $65,000,000 x ((RF x 0.70) + (EF x 0.30))

Where:

- $RF = \frac{\text{Revenue} - 55{,}000{,}000}{85{,}000{,}000}$
- $EF = \frac{\text{EBITDA Margin} - 8\%}{4\%}$

  Unless EBITDA Margin is greater than 12% in which case

  EF = 1.1 + (EBITDA Margin – 12%)
- Revenue = Lion Energy's cumulative revenue over the Earn-Out Period, calculated in accordance with U.S. GAAP, consistently applied, including ASC 606 and standard matching principles.
- EBITDA = Lion Energy's earnings before interest, taxes, depreciation, and amortization over the Earn-Out Period, calculated in accordance with U.S. GAAP, consistently applied.
- $\text{EBITDA Margin} = \frac{\text{EBITDA}}{\text{Revenue}}$
- EF shall be zero if either Lion Energy's EBITDA is zero or negative or if Lion Energy's EBITDA Margin is 8% or less.

Following the closing of the proposed transaction ("Closing"), it is anticipated that the board of directors of the Company will be initially comprised of five members, consisting of (i) three existing independent directors of the Company, Steve Cotton, the President and Chief Executive Officer of the Company, and the majority owner of Lion Energy. In addition, following the Closing, the board of directors of the Company would identify up to two additional independent directors, any such appointment to be subject to the Company's existing corporate governance and director nomination process and compliance with applicable Nasdaq, SEC rules and other requirements governing directors.

Execution of definitive agreements for the proposed transaction is subject to a number of conditions, including (i) receipt of a fairness opinion satisfactory to the Company; (ii) completion of quality of earnings and market/commercial diligence with no material adverse finding; (iii) closing of a fully executed and funded asset-based lending facility or similar credit facility providing for aggregate committed availability of not less than $25 million simultaneously with the Closing; (iv) execution of a supply and offtake agreement with American Battery Factory Inc.; (v) Nasdaq approval of the Company's listing of the shares to be issued to the Members; and (vi) receipt of all required board and stockholder approvals. The Term Sheet also contemplates that the definitive acquisition agreement would include customary closing conditions, including, without limitation, (1) delivery of the Closing deliverables referenced in the Term Sheet and other customary deliverables; (2) receipt of material, third-party consents; (3) there being no material adverse effect (as such term would be defined in the definitive acquisition agreement) from the effective date of the definitive acquisition agreement until closing; and (4) termination of any related party arrangements.

The Term Sheet provides that following the Closing, the Company would promptly prepare and file with the SEC a registration statement of the Company registering the resale by the Members of the Equity Consideration in connection with the proposed transaction and would use commercially reasonable efforts to cause the applicable registration statement to be declared effective no later than 90 days after the Closing. In addition, concurrent with the execution of the definitive acquisition agreement, the Members would enter into lock-up agreements, pursuant to which the Members will be subject to customary lock-up provisions for a 180-day period following the Closing date, subject to customary exceptions.

Under the Term Sheet, Lion Energy and the Members are subject to an exclusivity period until May 31, 2026, whereby such parties are restricted from (i) participating in any negotiations or soliciting, initiating or encouraging submission of inquiries, proposals or offers from any potential buyer relating to the disposition of its assets, its business or the equity of Lion Energy or any material part thereof; (ii) entering into any agreement or take any action that by its terms or effect could reasonably be expected to adversely affect the ability of the parties to consummate the proposed transaction on the terms and conditions set forth in the Term Sheet; or (iii) furnishing or authorizing any agent or representative to furnish any information concerning the Term Sheet or the transactions contemplated thereby to any party. In the event of a breach of such exclusivity provision, Lion Energy would pay the Company a break-up fee of $1 million.

The Term Sheet contemplates that certain senior management employees of Lion Energy would enter into employment agreements with the Company and that the Company would use its commercially reasonable efforts to retain certain of its senior management employees following the Closing. The Term Sheet also provides that Lion Energy would deliver to the Company its financial statements for the fiscal years ended December 31, 2025 and 2024, prepared in accordance with U.S. GAAP and audited in accordance with AICPA standards, no later than February 20, 2026, in form and substance reasonably satisfactory to the Company. Furthermore, the Term Sheet contemplates that the first $10 million of capital raised by the Company post-Closing of the proposed transaction will be earmarked for Lion Energy's near-term growth initiatives.

The Term Sheet also provides that in the event the Base Share Number would represent greater than 45% of the Company's issued and outstanding common stock immediately following the Closing (the "Common Stock Cap"), then the Equity Consideration shall consist of no more than 45% of the outstanding shares of Company common stock immediately after the Closing, plus a number of shares of a new series of preferred stock (the "Series X Preferred Stock") equal to the shares of Company common stock the Members would be entitled to without regard to the Common Stock Cap less the shares of Company common stock to be issued based on the Common Stock Cap; provided further that the shares of Company common stock to be issued to the majority member of Lion Energy and his affiliates would not represent more than 40% of the outstanding shares of Company common stock immediately after the Closing. The anticipated rights, preferences and privileges of the Series X Preferred Stock are set forth immediately below:

Conversion: Each share of Series X Preferred Stock would automatically convert into one share of Company common stock on the third anniversary of the Closing. The Series X Preferred Stock would not be convertible at the option of the holder (subject to the anti-dilution provisions set forth below).

Voting Rights: Except as otherwise required by law, the Series X Preferred Stock would not have voting rights. However, as long as any shares of Series X Preferred Stock are outstanding, the Company would not, without the affirmative vote of the holders of a majority of the then outstanding shares of the Series X Preferred Stock, (i) alter or change adversely the powers, preferences or rights given to the Series X Preferred Stock or alter or amend its charter documents, if such action would adversely alter or change the rights, preferences and privileges of the Series X Preferred Stock, (ii) issue additional shares of Series X Preferred Stock or increase or decrease (other than by automatic conversion) the number of authorized shares of Series X Preferred Stock, or (iii) enter into any agreement with respect to any of the foregoing.

Dividends: Holders of Series X Preferred Stock would be entitled to receive dividends on shares of Series X Preferred Stock equal, on an as-converted-to-common-stock basis, and in the same form as dividends actually paid on shares of Company common stock.

Liquidation and Dissolution: The Series X Preferred Stock would rank on parity with Company common stock, on an as-converted-to-common-stock basis, upon any such liquidation, dissolution or winding-up of the Company, which would include any sale of the Company.

Anti-Dilution: There would be anti-dilution protection provisions such that to the extent that the Members' voting power falls below 45% at any time, the Series X Preferred Stock would be convertible into common stock to the extent such voting power is below the 45% cap.

There can be no assurance that a definitive acquisition agreement will be executed or that the proposed transaction will be consummated.

The foregoing description of the Term Sheet does not purport to be complete and is qualified in its entirety by reference to the full text of the Term Sheet, a copy of which is attached as Exhibit 1.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Subordinated, Last Out Participation Agreement

In connection with Company's execution of the Term Sheet, the Company made available to Lion Energy $4.1 million of working capital by way of the Company's purchase of a junior participation interest in Lion Energy's existing credit facility.

On February 6, 2026, the Company entered into a certain Subordinated, Last Out Participation Agreement (the "Participation Agreement"), by and between the Company and GRC SPV Investments, LLC, a Delaware limited liability company ("Assigning Lender"), in connection with that certain senior secured Loan and Security Agreement, dated as of December 20, 2024, by and among Lion Energy, the Assigning Lender and other lenders party thereto, among others (the "Lion Energy Loan Agreement"). Pursuant to the Participation Agreement, the Company purchased from the Assigning Lender a 100% subordinated, last out participation interest in the Lion Energy Loan Agreement in the amount of $4.1 million. The Company funded its participation through $2.0 million in cash paid to the Assigning Lender and $2.1 million in product previously delivered to Lion Energy, which became part of the collateral securing the senior facility. As a result of the Company's purchase of the participation interest, the lenders under the Lion Energy Loan Agreement made available to Lion Energy $4.1 million of credit under the facility. The Company's participation interest is fully secured by all of the assets of Lion Energy, among other security interests and guarantees, however it is fully subordinated to all other obligations under the senior credit facility, provides no voting or consent rights other than restrictions on reducing principal or interest, and entitles the Company to payment only after all senior obligations have been indefeasibly paid in full. The participation is without recourse to Assigning Lender, and the Company bears the full economic risk of its interest.

The foregoing description of the Subordinated, Last-Out Participation Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Subordinated, Last-Out Participation Agreement, a copy of which is attached as Exhibit 10.1 to this Current Report on Form 8-K and are incorporated herein by reference.

Item 2.01 Completion of Acquisition or Disposition of Assets

On February 6, 2026, the Company entered into the Participation Agreement with the Assigning Lender. The information set forth in Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item 2.01.

Item 8.01 Other Events

On February 10, 2026, the Company issued a press release announcing its entry into the Term Sheet. The full text of the press release is attached hereto as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Additional Information

The Company intends to file with the SEC a proxy statement and other relevant documents in connection with the proposed transaction contemplated by the Term Sheet. Investors and security holders are advised to read the proxy statement regarding the proposed transaction when it becomes available, because it will contain important information. Investors and security holders may obtain a free copy of this Current Report on Form 8-K, the proxy statement, when available, and other documents filed by the Company at the SEC's web site at www.sec.gov. The proxy statement and such other documents may also be obtained, when available, from the Company by directing such request to Aqua Metals, Inc., 5370 Kietzke Lane, Suite 201, Reno, Nevada 89511, Attention: Investor Relations. The Company and its executive officers and directors may be deemed to be participants in the solicitation of proxies from stockholders of the Company with respect to the transaction contemplated by the Term Sheet. A description of any interests that the Company's executive officers and directors have in the proposed transaction will be available in the proxy statement. Information regarding the Company's executive officers and directors is included in the Company's definitive proxy statement filed with the SEC on June 23, 2025.

Forward Looking Statements

Safe Harbor Statements under The Private Securities Litigation Reform Act of 1995: This release contains forward-looking statements, including statements regarding expectations for Aqua Metals acquisition of Lion Energy, the anticipated value of the proposed transaction, expectations for utilization of Lion Energy's products and technology following the completion of the transaction, and other activities expected to occur as a result of the transaction. Such statements are subject to certain risks and uncertainties, and actual circumstances, events or results may differ materially from those projected in such forward-looking statements. Factors that could cause or contribute to differences include, but are not limited to, (i) the risk that the acquisition transaction may not be completed in the second quarter of fiscal 2026, or at all, (ii) risks related to the integration of Lion Energy's products, technology and operations with Aqua Metals' existing and planned products, technology and operations, (iii) risks related to the inability to obtain, or meet conditions imposed for, governmental and other approvals of the transaction, including approval by stockholders of Aqua Metals, (iv) risks related to any uncertainty surrounding the transaction, and the costs related to the transaction, (v) the risk that the impact on Aqua Metals' ongoing operational results from the transaction will be more adverse to Aqua Metals than anticipated, (vi) the risk that Aqua Metals may not be able to obtain the additional capital necessary to expand its recycling facilities or even sustain its current level of operations, and (vii) those other risks disclosed in the section "Risk Factors" included in Aqua Metals' Annual Report on Form 10-K filed with the SEC on March 31, 2025. Aqua Metals cautions readers not to place undue reliance on any forward-looking statements. Aqua Metals 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.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

The following exhibits are filed with this Current Report on Form 8-K:

Exhibit Number	Exhibit Description
1.1	Term Sheet, dated February 10, 2026, by and among the Company, Lion Energy, LLC and the members of Lion Energy, LLC
10.1	Subordinated, Last-Out Participation Agreement, dated as of February 6, 2026, by and between the Company and GRC SPV Investments, LLC
99.1	Press release, dated February 10, 2026
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AQUA METALS, INC.

Dated: February 11, 2026

/s/ Eric West
Eric West
Chief Financial Officer

Exhibit 1.1

TERM SHEET
WITH RESPECT TO POTENTIAL ACQUISITION OF LION ENERGY, LLC

This binding term sheet (this "**Term Sheet**"), dated as of February 10, 2026, sets forth the general terms of a potential transaction among Aqua Metals, Inc. (the "**Buyer**"), on the one hand, and Lion Energy, LLC (the "**Company**") and the stockholders of the Company (collectively, the "**Stockholders**"), on the other hand, involving a potential acquisition by Buyer of all of the issued and outstanding equity interests of the Company, subject to the terms set forth herein (the "**Acquisition**"). The Buyer, the Company and the Stockholders are collectively referred to as the "**Parties**," and individually, the "**Party**". This Term Sheet amends, restates and supersedes that Term Sheet dated February 6, 2026 between the Parties relating the subject matter set forth herein.

The Parties acknowledge and agree that this Term Sheet will be memorialized by a more definitive long-form agreement governing the Acquisition among the Parties (the "**Acquisition Agreement**") that will include additional customary terms. The Parties, acting reasonably and in good faith, will use commercially reasonable efforts to negotiate the Acquisition Agreement consistent with this Term Sheet and other customary terms, and will use commercially reasonable efforts to execute and deliver such Acquisition Agreement by March 31, 2026. This Term Sheet is intended to be binding solely with respect to the provisions relating to confidentiality, exclusivity, break-up fee, expenses and fees, governing law and venue, and this paragraph, and is otherwise intended only as the non-binding agreement in principle of the Parties to use their good faith commercially reasonable efforts to negotiate and conclude the Acquisition Agreement consistent with this Term Sheet and other customary terms. The consummation of the Acquisition shall be subject to the execution and delivery of the Acquisition Agreement, and the terms of the Acquisition Agreement may contain additional or more detailed provisions than those set forth in this Term Sheet and shall control in the event of any conflict with this Term Sheet. No Party shall have any obligation to consummate the Acquisition unless and until the Acquisition Agreement has been executed and delivered by all Parties.

Reference is made to that certain Mutual Non-Disclosure Agreement, dated September 12, 2025 (as amended, the "**Confidentiality Agreement**"), by and between Buyer and the Company, which is incorporated herein by reference. For the avoidance of doubt, this Term Sheet and any discussions with respect to the terms hereof shall be kept confidential, subject to the terms of the Confidentiality Agreement. If any Party is advised by counsel that it is necessary to disclose information relating to the proposed Acquisition under applicable law or regulation (the "**Disclosure**"), such Party shall make the Disclosure only after having advised the other Parties of the intended Disclosure in advance of such Disclosure as to allow such other Parties to review and comment on the proposed Disclosure.

The principal terms relating to the proposed Acquisition are as follows:

Acquisition Structure	Buyer shall acquire all of the issued and outstanding equity interests of the Company, subject to the terms set forth herein. Parties shall endeavor to structure the Acquisition in a manner that optimizes tax outcome for the Parties.
Consideration	The aggregate consideration payable by the Buyer in connection with the Acquisition (the "**Aggregate Consideration**") shall be a combination of (i) **Cash Consideration** (as defined below), (ii) **Equity Consideration** (as defined below), and (iii) **Earn-Out Consideration** (as defined below). The Aggregate Consideration shall not exceed One Hundred Million Dollars ($100,000,000) (the "**Maximum Consideration**"). An upfront consideration payable by Buyer at the closing of the Acquisition (the "**Closing**") shall equal Thirty-Five Million Dollars ($35,000,000) (the "**Upfront Consideration**") consisting of (i) Nine Million and Two Hundred Thousand Dollars ($9,200,000) of investment previously made by Buyer in the Company (the "**Cash Consideration**") and (ii) Twenty-Five Million and Eight Hundred Thousand Dollars ($25,800,000) of common stock, par value $0.001 per share, of Buyer (the "**Equity Consideration**"). In addition to the Upfront Consideration, Stockholders shall be eligible to receive an earn-out consideration of up to Sixty-Five Million Dollars ($65,000,000) (the "**Earn-Out Consideration**"), which shall be contingent upon post-Closing performance as described below in section entitled "*Earn-Out*".

Equity Consideration; Exchange Ratio	The number of equity securities of Buyer to be issued as Equity Consideration ("**Base Share Number**") shall equal (i) $35 million value, less the $9.2 million of Cash Consideration, divided by (ii) Buyer's Volume Weighted Average Price (" **VWAP**") over the 20 trading days preceding the Closing date (the "**Closing Price**").
Earn-Out	The measurement period subject to the Earn-Out Consideration shall be twelve (12) consecutive full calendar months following the Closing date (the "**Earn-Out Period**"). Determination of the Earn-Out Consideration shall be based on cumulative results for the Earn-Out Period. Buyer shall deliver to the Company a written statement setting forth its calculation of the Earn-Out Consideration and will pay the Earn-Out Consideration within 30 days after determination. Any disputes about Buyer's calculation of the Earn-Out Consideration shall be resolved pursuant to customary independent accountant review provisions to be set forth in the Acquisition Agreement. Additionally, the Stockholders may, at their own discretion, request and review financial performance of the Company on a quarterly basis for monitoring purposes. Earn-Out Consideration shall be calculated based on a weighted performance score derived from: (i) seventy percent (70%) based on cumulative revenue performance ("**Revenue Performance Factor**" or "**RF**") and (ii) thirty percent (30%) based on cumulative EBITDA margin performance ("**EBITDA Performance Factor**" or "**EF**"), as follows:
	Earn-Out Consideration = $65,000,000 x ((RF x 0.70) + (EF x 0.30))

	For purposes of calculating the Earn-Out Consideration, the following Revenue Performance Factor (RF) and EBITDA Performance Factor (EF) shall be used:
	
	Revenue Performance Factor*
	
	$$RF = \frac{\text{Revenue} - 55{,}000{,}000}{85{,}000{,}000}$$
	
	* Revenue shall mean cumulative revenue of the Company recognized during the Earn-Out Period in accordance with U.S. GAAP, including ASC 606 and standard matching principles.
	
	No Earn-Out Payment shall be made by the Buyer if the Revenue is below Fifty-Five Million Dollars ($55,000,000).
	
	EBITDA Performance Factor**
	
	If EBITDA is less than 0, then EF shall be 0.
	
	If EBITDA Margin ranges between 0% to 8%, then EF shall be 0.
	
	If EBITDA Margin ranges between 8% to 12%, then
	
	$$EF = \frac{\text{EBITDA Margin} - 8\%}{4\%}$$
	
	If EBITDA Margin is greater than 12%, then
	
	$$EF = 1 + \alpha + (\text{EBITDA Margin} - 12\%)$$
	
	** "EBITDA Margin" shall equal EBITDA of the Company divided by Revenue, and α (alpha) shall equal 0.10. "EBITDA" means earnings before interest, taxes, depreciation, and amortization, calculated in accordance with U.S. GAAP, consistently applied.
	
	No changes in accounting policies, reserves, classifications, or estimation methodologies shall be made for the purpose of impacting RF or EF, other than changes required by US GAAP or applicable law, without the Buyer's prior written consent.

Interim Financing; Forbearance Agreement	Concurrent with the execution of this Term Sheet, Buyer shall make $4.2 million of financing available to the Company pursuant to the Subordinated, Last-Out Participation Agreement to be entered into between Buyer and GRC SPV Investments, LLC and related Amendment and Forbearance Agreement by and among Buyer, the Company and GRC SPV Investments, LLC, among others.
Company Audited Financial Statements	The Company shall deliver to Buyer financial statements of the Company for the fiscal years ended December 31, 2025 and 2024**,** prepared in accordance with U.S. GAAP and audited in accordance with AICPA standards, no later than February 20, 2026, in form and substance reasonably satisfactory to Buyer.

Representations, Warranties; Covenants; Indemnification	The Acquisition Agreement shall include customary representations, warranties, covenants and indemnification for an acquisition transaction of this nature.
Employee Matters	As a condition to Closing, Tyler Hortin, Ryan Mackerell, Troy Asberry, and Brady Hoggan (collectively, the "**Key Employees**") shall each enter into an employment agreement on terms that are mutually acceptable to the respective Key Employee and Buyer. From the date hereof until at least twelve (12) months after the Closing, Buyer shall use its commercially reasonable efforts to retain the current composition of its senior management team, including Steve Cotton, Eric West, and Benjamin Taecker. As a condition to Closing, Buyer shall make available to the Key Employees a long-term incentive program that is substantially similar to Buyer's senior management at Closing.
Resale; Lock-Up	Promptly following the Closing, Buyer shall prepare and file with the SEC a registration statement of Buyer registering the resale by the Stockholders of the Equity Consideration in connection with the Acquisition and use commercially reasonable efforts to cause the applicable registration statement to be declared effective no later than 90 days after Closing. Concurrently with the execution of the Acquisition Agreement, the Stockholders shall enter into lock-up agreements, pursuant to which such Stockholders will be subject to customary lock-up provisions for a 180-day period following the Closing date, subject to customary exceptions to be agreed in the definitive agreements.
Governance	Immediately following the Closing, the board of directors of the combined company shall be comprised of (5) members, consisting of (i) three (3) existing independent directors of Buyer, (ii) Steve Cotton, and (iii) Jimmy Ge. Following the Closing, the board of directors of the combined company shall identify up to two (2) additional independent directors, any appointment to be subject to Buyer's existing corporate governance and director nomination process and compliance with applicable Nasdaq, SEC rules and other requirements governing directors.
Post-Closing Growth Capital	The first Ten Million Dollars ($10,000,000) of capital raised by Buyer post-Closing shall be earmarked for the Company's near-term growth initiatives.
Series X Preferred Stock*	*This "*Series X Preferred Stock*" provision shall be applicable to the Parties and the Acquisition if and only if at the time of the Closing, the Base Share Number, as may be adjusted, would exceed more than 45% of the outstanding shares of common stock of Buyer immediately following the Closing. If applicable, the Series X Preferred Stock shall have the following rights, preferences and privileges: ***Conversion:*** Each share of Series X Preferred Stock shall automatically convert into one share of Buyer common stock on the third (3rd) anniversary of the Closing. The Series X Preferred Stock shall not be convertible at the option of the holder, except as provided below.

	Voting Rights: Except as otherwise required by law, the Series X Preferred Stock shall not have voting rights. However, as long as any shares of Series X Preferred Stock are outstanding, Buyer will not, without the affirmative vote of the holders of a majority of the then outstanding shares of the Series X Preferred Stock, (i) alter or change adversely the powers, preferences or rights given to the Series X Preferred Stock or alter or amend its charter documents, if such action would adversely alter or change the rights, preferences and privileges of the Series X Preferred Stock, (ii) issue additional shares of Series X Preferred Stock or increase or decrease (other than by automatic conversion) the number of authorized shares of Series X Preferred Stock, or (iii) enter into any agreement with respect to any of the foregoing. ***Dividends:*** Holders of Series X Preferred Stock shall be entitled to receive dividends on shares of Series X Preferred Stock equal, on an as-converted-to-common-stock basis, and in the same form as dividends actually paid on shares of Buyer common stock. ***Liquidation and Dissolution:*** The Series X Preferred Stock shall rank on parity with Buyer common stock, on an as-converted-to-common-stock basis, upon any such liquidation, dissolution or winding-up of Buyer, which would include any sale of Buyer. ***Anti-Dilution:*** There shall be anti-dilution protection provisions such that at any time and from time to time prior to the third anniversary of the Closing, to the extent that the Stockholders' aggregate voting power falls below 45% for any reason, the Series X Preferred Stock will automatically convert into Buyer common stock in such amount (including by partial conversions) as necessary so that the Stockholders, in the aggregate, maintain 45% of the outstanding voting power of Buyer. In the proposed Acquisition, AQMS shall issue to the Stockholders the Base Share Number than in shares of Buyer common stock representing 45% of the outstanding voting power of Buyer common stock immediately after the Closing, plus a number of shares of Series X Preferred Stock equal to the shares of common stock the Stockholders would be entitled to based on the final valuation analysis (and without regard to the aforementioned 45% cap) less the shares of common stock to be issued based on the aforementioned 45% cap; provided further that the shares of Buyer common stock to be issued to Jimmy Ge and his affiliates at Closing would not represent more than 40% of the outstanding shares of Buyer common stock immediately after the Closing, with any excess voting power necessary to achieve the aggregate 45% Stockholders' voting position allocated among the other Stockholders.
Financing Condition	As a condition to Closing, the Company shall have in place, simultaneously with the consummation of the Acquisition, a fully executed and funded asset-based lending facility or similar credit facility (an "**ABL**") providing for aggregate committed availability of not less than Twenty-Five Million Dollars ($25,000,000). The ABL shall be on terms reasonably acceptable to Buyer, remain in full force and effect following the Closing, and provide sufficient ongoing liquidity to support the combined company's operations following the Acquisition. Buyer will cooperate in good faith with the Company's efforts to obtain the ABL. Failure to close the ABL concurrently with the Acquisition shall discharge Buyer of any obligation to consummate the Acquisition, unless such failure results primarily from Buyer's breach of the terms of the Acquisition Agreement.

Closing Conditions	The consummation of the Acquisition shall be subject to: (i) receipt of a fairness opinion by Buyer's board of directors in connection with its approval of the Acquisition Agreement; (ii) completion of quality of earnings and market/commercial diligence the results of which are not materially inconsistent with the financial, operational, and commercial information previously provided by the Company (diligence shall include, among other areas, financial, accounting, operational, supply chain and supplier, commercial, environmental, legal, tax, managerial and executive personnel, customer and end market, and related party transaction reviews); (iii) closing of the ABL simultaneously with the Closing (as described in the above section entitled "Financing Condition");(iv) execution of a supply and offtake agreement with American Battery Factory Inc.;(v) Nasdaq approval of the Buyer's listing of the shares to be issued to the Stockholders; (vi) the Parties' determination, based on the advice of the Parties' respective independent auditors, that that Buyer will be treated as the accounting acquirer under U.S. GAAP and SEC accounting rules; and (vii) receipt of all required board and stockholder approvals. The Acquisition Agreement shall include customary Closing conditions, including, without limitation, (i) delivery of the Closing deliverables referenced herein and other customary deliverables (*e.g.*, duly executed payoff letters); (ii) receipt of material, third-party consents; (iii) there being no Material Adverse Effect (as such term would be defined in the Acquisition Agreement) since the effective date of the Acquisition Agreement until Closing; and (iv) termination of any related party arrangements.
Documentation	Counsel for Buyer would prepare initial drafts of the Acquisition Agreement and the ancillary agreements referenced therein.
Expenses and Fees	All fees and expenses of the Company or Buyer owed to any attorney, broker, investment banker, accountant, or other third party in connection with the Acquisition would be borne by the party incurring the fee or expense.

Exclusivity; Break-Up Fee	From the date hereof until May 31, 2026 (the "**Exclusivity Period**"), none of the Company or the Stockholders will, directly or indirectly, through any officer, director, employee, agent or otherwise, (i) participate in any negotiations in connection with, or solicit, initiate or encourage submission of inquiries, proposals or offers from any potential buyer (other than Buyer) relating to, the disposition of all or substantially all of the Company's assets or business or the acquisition of a majority of the outstanding equity of the Company (an "**Acquisition Transaction**"); (ii) enter into any agreement (other than with Buyer) relating to a possible Acquisition Transaction; or (iii) furnish or authorize any agent or representative to furnish any non-public information concerning this Term Sheet or the transactions contemplated hereby to any party other than to its representatives or as may be required by applicable law or regulations or with the prior written consent of Buyer. The Company will promptly notify the Buyer during the Exclusivity Period of the receipt by the Company of any unsolicited inquiry, proposal or offer from any potential buyer relating to a possible Acquisition Transaction (without disclosing the terms or the identity of the third party) and will refrain from engaging in negotiations or providing any information during the Exclusivity Period. In the event that the Company or any of the Stockholders breaches this exclusivity provision or enters into, consummates, or agrees to consummate an Acquisition Transaction with a third party during the Exclusivity Period, the Company shall pay Buyer a break-up fee of One Million Dollars ($1,000,000). The Parties acknowledge and agree that such amount represents a reasonable and good-faith estimate of the costs, expenses, and internal and external resources incurred by Buyer (including professional fees and opportunity costs) in connection with the proposed Acquisition and is intended as liquidated damages, not as a penalty.
Governing Law; Venue	This Term Sheet will be governed by Delaware law and any and all disputes arising out of this Term Sheet shall be submitted to the exclusive jurisdiction of the state and federal courts located in the District of Delaware.

[*Signature Page Follows*]

ACKNOWLEDGED AND AGREED as of this 10th day of February, 2026.

BUYER:

AQUA METALS, INC.,
a Delaware corporation

By: /s/ Steve Cotton

Name: Steve Cotton
Title: CEO and President

COMPANY:

LION ENERGY, LLC,
a Utah limited liability company

By: /s/ Tyler Hortin

Name: Tyler Hortin
Title: CEO

STOCKHOLDERS:

/s/ Zhenfang Ge
Zhenfang Ge

/s/ Spencer Frank Davis
The Davis Legacy Trust dated October 25, 2021
Spencer Frank Davis, Trustee

/s/ Tyler Hortin
Tyler Hortin

Exhibit 10.1

EXECUTION VERSION

SUBORDINATED, LAST-OUT PARTICIPATION AGREEMENT

THIS SUBORDINATED, LAST-OUT PARTICIPATION AGREEMENT (as amended, restated, supplemented or otherwise modified from time to time, this "Agreement"), dated as of February 6, 2026 is entered into between AQUA METALS, INC. ("Participant"), and GRC SPV INVESTMENTS, LLC ("Assigning Lender").

W I T N E S S E T H:

WHEREAS, LION ENERGY, LLC, a Utah limited liability company ("Lion Energy" and, together with any other Person that becomes a Borrower under the Loan Agreement, each a "Borrower" and, collectively, the "Borrowers"), LION ENERGY INSTALLATION, LLC, a Utah limited liability company ("Lion Installation"), SELECTRIC MANAGEMENT, LLC, a Utah limited liability company ("Selectric"; and together with Lion Installation, each a "Guarantor" and, collectively, the "Guarantors"), Assigning Lender and the other Lenders party thereto (collectively, the "Lenders"), and GREAT ROCK CAPITAL PARTNERS MANAGEMENT, LLC, as administrative agent (in such capacity, together with its successors and assigns in such capacity, " Agent") for the Lenders entered into that certain Loan Agreement, dated as of December 20, 2024 (as amended by that certain Letter Re: Amendment and Forbearance Agreement, dated as of February 6, 2026, by and among Administrative Agent, Lenders and Loan Parties (the "2/26 Amendment and Forbearance") and as amended, restated, amended and restated, supplemented or otherwise modified from time to time, by and among Borrowers, Agent and Lenders, "Loan Agreement"), pursuant to which the Agent and Lenders made and agreed to make certain Loans to Borrowers;

WHEREAS, in addition to other advances and financial accommodations made by Lenders to Borrowers pursuant to the terms and provisions of the Loan Agreement, Borrowers have requested that Lenders make a Supplemental Advance (as defined in the 2/26 Amendment and Forbearance) to Borrowers in one single funding on the Forbearance Agreement Amendment Effective Date (as defined in the 2/26 Amendment and Forbearance), subject to the agreement of Participant to purchase a one hundred percent (100%) subordinated, last-out, participation interest in such Supplemental Advance as herein provided;

NOW, THEREFORE, in consideration of the agreements herein contained, and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Definitions. All capitalized terms not otherwise defined herein and defined in the Loan Agreement or the 2/26 Amendment and Forbearance shall have the meanings ascribed to such terms in the Loan Agreement or the 2/26 Amendment and Forbearance, as applicable.

2. Subordinated, Last-Out Participation.

(a) In General. The Participant hereby agrees to participate in, and hereby purchases from Assigning Lender, a one hundred percent (100%) subordinated, last-out participation interest in Assigning Lender's interests in the principal amount of the Supplemental Advance made by Assigning Lender to Borrowers in accordance with the 2/26 Amendment and Forbearance (the "Participation Interest"), subject to the terms and conditions of this Agreement. For the avoidance of doubt, it being understood and agreed that it is a condition precedent to the funding by Assigning Lender to the Borrowers of the Supplemental Advance that the Assigning Lender receives from Participant an amount, in cash, equal to the Supplemental Advance prior to Assigning Lender funding such Supplemental Advance to the Borrower.

(b) Payment. Contemporaneously with the execution of this Agreement, Participant shall pay to Assigning Lender an amount equal to Participant's Participation Interest in respect of the outstanding principal amount of Supplemental Advance, and, in connection therewith, Participant is funding Participant's Participation Interest in the amount of $4,100,000 (representing the principal amount of the Supplemental Advance) as follows: (i) Participant transfer to Borrower good and marketable title to $2,100,000 of product which shall then become part of the Collateral, and (ii) Participant is depositing, via wire transfer, the sum of $2,000,000 into the account set forth on Exhibit A. Upon receipt of the funds set forth in Section 2(b), Assigning Lender acknowledges receipt of Participant's Participation Interest in the amount of $4,100,000 which is a condition precedent to Assigning Lender making the Supplemental Advance to the Borrowers under the 2/26 Amendment and Forbearance.

(c) Characterization of Participation Interest. The aforesaid sale of the Participation Interest by Assigning Lender to Participant shall be absolute, without recourse and, except as expressly provided herein, without representation or warranty of any kind by Assigning Lender. Participant shall be fully and irrevocably at risk to the extent of its Participation Interest. This Agreement shall only evidence a sale to Participant of its Participation Interest, and shall not evidence or create, and shall not be construed as evidencing or creating, an extension of credit from Participant to Assigning Lender, a security issued by Assigning Lender, an investment by Participant in Assigning Lender, or a partnership, trust, fiduciary relationship, or other legal relationship whatsoever between Assigning Lender and Participant.

(d) Exclusion of Other Loans. Notwithstanding any provision of this Agreement to the contrary, upon Participant's purchase of its Participation Interest pursuant to Section 2, Participant shall be entitled to its Participation Interest in the Supplemental Advance and interest payable with respect thereto in accordance with the terms of Section 1.2 of the Loan Agreement (as amended by the 2/26 Amendment and Forbearance), but in no event, before or after Participant's purchase of its Participation Interest, shall Participant have any interest in any of the other Loans, fees (including, without limitation, any closing fee, servicing fee, unused line fee, audit fee, capital adequacy charge, amendment fees, or prepayment or early termination fee), expense reimbursements or other amounts payable by Borrowers to Agent, Assigning Lender or any other Lender under the Loan Agreement or any of the other Loan Documents. All of the Obligations (including without limitation Obligations pertaining to Post-Petition Interest, Fees and Other Costs (as defined below)) owing to Agent, Assigning Lender and each other Lender, other than principal and interest due in respect of Participant's Participation Interest of the Supplemental Advance, are collectively referred to as the "Non-Participated Obligations". The term "Obligations" is used herein as defined in the Loan Agreement, and shall include interest, fees and costs accruing at the then applicable rate provided in the Loan Agreement after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, with respect to Borrowers or any Guarantor under the Loan Agreement, whether or not a claim for post-filing or post-petition interest, fees and costs is allowed in such proceeding (collectively, "Post-Petition Interest, Fees and Other Costs").

3. Payments in respect of Loans.

(a) Payments Received by Assigning Lender from Borrowers. All payments received by Assigning Lender pursuant to the Loan Agreement or the other Loan Documents shall be applied to the Obligations in accordance with the terms of the Loan Agreement and such other Loan Documents. Assigning Lender shall have no obligation to apply any principal or interest payments, proceeds of Collateral, distributions in bankruptcy or other amounts received by it pursuant the Loan Documents or otherwise to Participant's Participation Interest until payment in full of all Non-Participated Obligations and the Loan Agreement and the other Loan Documents are terminated. Subject to the foregoing, all payments received by Assigning Lender in accordance with the Loan Agreement in respect of the Supplemental Advance, including any interest thereon, shall promptly be remitted to Participant on a last out basis as set forth in Section 4.2 of the Loan Agreement, as amended by the 2/26 Amendment and Forbearance.

(b) Payments Received by a Participant. All payments with respect to the Obligations (including, without limitation, any payment by way of setoff, banker's lien, counterclaim, realization on Collateral or otherwise) received by Participant at any time, from any source other than Assigning Lender as provided in this Agreement, shall be immediately forwarded to Agent for application pursuant to the terms of this Agreement.

4. Return of Payments.

(a) Payment by Assigning Lender. If Assigning Lender pays an amount to Participant under this Agreement in the belief or expectation that a related payment has been or will be received by Assigning Lender, and such related payment is not received by Assigning Lender, then Assigning Lender will be entitled to recover such amount from Participant, and Participant will immediately pay such amount to Assigning Lender on demand, without set-off, counterclaim, or deduction of any kind by Participant.

(b) Indemnity for Suits. If Assigning Lender is sued or threatened with suit by a receiver or trustee in any bankruptcy or other insolvency proceeding involving any Borrower or any other Person, (i) on account of any alleged preferential or fraudulent transfer received or alleged to have been received, directly or indirectly, from any Borrower or any other Person, which is attributable in whole or in part to the Supplemental Advance or the Participation Interests, or (ii) relating to the equitable subordination of any of the Obligations or the recharacterization of any of the Loans as equity, which is attributable in whole or in part to the Supplemental Advance or the Participation Interests or the actions or omissions of Participant, then Participant shall, (A) indemnify, defend and hold Assigning Lender harmless from any such suit, claim or action and (B) repay or reimburse Assigning Lender on demand for all expenses, costs and attorneys' fees paid or incurred, or payments made by Assigning Lender, in connection therewith. Without limiting the foregoing, if any court of competent jurisdiction deems Assigning Lender to be the transferee of a preferential or other avoidable transfer with respect to the Obligations, then, to the extent Participant received payment from, or the benefit of, such alleged transfer, Participant shall repay to Assigning Lender on demand the amount of such transfer, together with interest at such rate, if any, as Assigning Lender is required to pay, without set-off, counterclaim, or deduction of any kind by Participant. To the extent that any amounts previously paid in respect of the Obligations are recovered from Assigning Lender, such amounts owing, at Assigning Lender's election, shall be reinstated as part of the Obligations, repayable in accordance with the priorities established herein and in the Loan Agreement. The provisions of this Section 4(b) shall survive the termination of this Agreement.

(c) Obligations Absolute. Participant's obligations under Section 2(b) and this Section 4 are absolute, unconditional, and continuing, and will be unaffected by any one or more of the following: (i) any amendment or waiver of any term of the Loan Agreement or any of the other Loan Documents; (ii) any extension, indulgence, settlement or compromise granted or agreed to in relation to the Obligations (other than the Supplemental Advance, subject to the provisions of Section 6(a)) ; (iii) any release of any security for, or any guarantee of, any of the Obligations in accordance with the provisions of the Loan Documents; (iv) the invalidity, unenforceability, or insufficiency of the Loan Agreement or any of the other Loan Documents; (v) any default by, or insolvency of, any Borrower or any other Person under the Loan Agreement or any of the other Loan Documents; (vi) any act or omission on Assigning Lender's, Agent's or any other Lender's part relating to this Agreement, the Loan Agreement, any of the other Loan Documents, the Obligations or the Collateral; (vii) any failure to give notice to Participant of any of the foregoing; (viii) any requirement that Assigning Lender, Agent or any other Lender take any action under the Loan Documents against any Borrower or any other Person or against their respective assets; (ix) any defenses at law or in equity which Participant may have to the full discharge of any of its obligations under this Agreement; or (x) termination or expiration of this Agreement or the Loan Agreement.

5. Participant's Acknowledgments, Representations, Warranties, and Covenants.

(a) Information. Participant hereby acknowledges that Assigning Lender has made available to Participant copies of the Loan Agreement, including the 2/26 Amendment and Forbearance, the other Loan Documents and any other information or documentation that Participant has requested.

(b) Representations. Participant hereby represents, warrants, and covenants to Assigning Lender as follows:

(i) this Agreement constitutes the legal, valid and binding obligation of Participant, and is enforceable in accordance with its terms, subject to the effect of any bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors' rights generally;

(ii) Participant's execution of this Agreement and the performance of its obligations hereunder will not require any registration with, notice to, or consent or approval by any federal, state or local governmental or regulatory body;

(iii) Participant is familiar with transactions of the kind and scope reflected in this Agreement, the Loan Agreement and the other Loan Documents;

(iv) Participant is a sophisticated investor and has made and will continue to make its own independent investigation and appraisal of the financial condition and affairs of each Borrower, has conducted and will continue to conduct its own evaluation of the Loan Agreement and the other Loan Documents, the Obligations, the Collateral and the creditworthiness of each Borrower, and has made its decision to acquire the Participation Interests independently and without reliance upon Assigning Lender;

(v) Participant is entering into this Agreement and will be acquiring its Participation Interest for its own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and Participant has no present intention of selling, granting any participation in, or otherwise distributing the same;

(vi) Participant shall not obtain or seek to obtain any security interest in all or any portion of the Collateral independently of this Agreement;

(vii) Participant is not entering into this Agreement and will not be purchasing its Participation Interest on behalf of one or more employee benefit plans, or with proceeds which constitute "plan assets," as defined in the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder; and

(viii) Participant acknowledges its receipt of a copy of the Loan Agreement and all of the other Loan Documents requested by Participant. Such Participant further acknowledges that Assigning Lender may possess material information not known to Participant regarding or relating to Borrowers or their Affiliates or the Collateral, that it has not requested such information, and that Assigning Lender shall have no liability whatsoever with respect to non-disclosure of such information, whether before or after the date hereof.

6. Management of Financing Arrangements; Enforcement.

(a) Rights of the Parties. Until payment in full of all Non-Participated Obligations and the Loan Agreement and the other Loan Documents are terminated, Participant shall not have any voting rights, or consent or approval rights, in respect of the Loan Agreement or the other Loan Documents, provided that, except in connection with a settlement or other resolution of litigation or a claim that also pertains to Non-Participated Obligations, the principal balance of the Supplemental Advance, rate of interest thereon or obligation to pay interest shall not be reduced without the prior written consent of Participant. Without limiting the foregoing, as among Assigning Lender and Participant, Assigning Lender shall have the exclusive right, in Assigning Lender's names alone, to carry out the provisions of the Loan Agreement and the other Loan Documents, and, without the consent of Participant, Assigning Lender may vote to amend the Loan Agreement or the other Loan Documents in any respect, waive any of the terms of the Loan Agreement or the Loan Documents, and release any Collateral for, or guaranty of, the Obligations pursuant to the terms of the Loan Documents, enforce and collect the Obligations, exercise and enforce all rights and privileges granted to Assigning Lender under the Loan Agreement and the other Loan Documents, and take or refrain from taking legal action to enforce or protect Participant's and/or Assigning Lender's interests with respect to the Loan Agreement, the other Loan Documents, the Collateral and the Obligations, provided that, except in connection with a settlement or other resolution of litigation or a claim that also pertains to Non-Participated Obligations, the principal balance of the Supplemental Advance, rate of interest thereon or obligation to pay interest shall not be reduced without the prior written consent of Participant. The Participant has no, or shall not seek to exercise, any right of legal or equitable redress against any Borrower or any Collateral in connection with the Supplemental Advance, the Loan Agreement, any Loan Document or this Agreement.

(b) Notices and Reports. Assigning Lender shall have no duty to provide, or liability for failure to provide, notices, reports and other financial information to Participant, and Assigning Lender shall have no obligation to share with Participant any analysis of Assigning Lender that Assigning Lender may make with respect to the business or financial condition of any Borrower, its Affiliates or any of their property.

(c) Failure to Enforce. No failure or delay by Assigning Lender to exercise any power, right or privilege under this Agreement or under the Loan Agreement or any of the other Loan Documents will impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein. No single or partial exercise of any such power, right or privilege will preclude other or further exercise thereof or of any other right, power or privilege. All rights and remedies of Assigning Lender under this Agreement are cumulative with, and not exclusive of, any rights or remedies otherwise available to Assigning Lender against Participant.

7. Limitation of Liability.

(a) Representations by Assigning Lender. Assigning Lender hereby represents and warrants that, as of the date hereof, (i) it is the legal and beneficial owner of the interest sold by it hereunder and that such interest is free and clear of any adverse claim, lien, or encumbrance of any kind; (ii) this Agreement constitutes the legal, valid and binding obligation of Assigning Lender, and is enforceable in accordance with its terms, subject to the effect of any bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors' rights generally; and (iii) Assigning Lender's execution of this Agreement and the performance of its obligations hereunder will not require any registration with, notice to, or consent or approval by any federal, state or local governmental or regulatory body.

(b) No Further Representations by Assigning Lender. Assigning Lender makes no representations or warranties of any kind, express or implied, and assume no responsibility or liability whatsoever, with regard to (i) the Loan Agreement, the other Loan Documents or the Obligations or the validity, genuineness, enforceability or collectability of any of them, (ii) the performance of, or compliance with, any of the terms or provisions of the Loan Agreement or any of the other Loan Documents, (iii) any of the property, books or records of any Borrower, (iv) the validity, enforceability, perfection, priority, condition, value or sufficiency of any of the Collateral or (v) the present or future solvency or financial worth of any Borrower, any Affiliate or any other Person obligated with respect to the Obligations.

(c) No Duty. Assigning Lender does not, and will not, have any duty, either initially or on a continuing basis, to make any inquiry, investigation, evaluation or appraisal on Participant's behalf, nor will Assigning Lender have any responsibility or liability with respect to the accuracy or completeness of any information provided to Participant which has been provided to Assigning Lender by any Borrower or any other Person.

(d) Not a Trustee. Assigning Lender will not be deemed to be a trustee or agent for Participant in connection with this Agreement, the Loan Agreement, the other Loan Documents, the Obligations or the Collateral, nor will Assigning Lender be considered to have a fiduciary relationship with Participant by virtue of this Agreement or any other document or by operation of law.

(e) Right to Act. Assigning Lender may use its sole discretion in administering the Supplemental Advance and the Collateral, and in exercising or refraining from exercising any rights or taking or refraining from taking any actions to which Assigning Lender may be entitled under this Agreement, the Loan Agreement, the other Loan Documents or applicable law. In exercising such discretion, Assigning Lender may, without incurring any liability to Participant, rely upon the advice of legal counsel, accountants and other experts, including those retained by Borrowers.

(f) No Liability. Assigning Lender will not be liable to Participant for any action or failure to act or any error of judgment, negligence, mistake or oversight on Assigning Lender's part or on the part of Assigning Lender's agents, officers, employees or attorneys, except for such matters resulting from Assigning Lender's gross negligence or willful misconduct. Assigning Lender will not be liable to Participant for any action or failure of action taken by Assigning Lender at Participant's direction or request.

8. Indemnification. In addition to, and not in limitation of, Section 4(b) above, Participant hereby indemnifies Assigning Lender (to the extent Assigning Lender have not been reimbursed by Borrowers), in accordance with its Participation Interest, against, and agrees to hold Assigning Lender harmless from, any and all claims, demands, actions, controversies, suits, obligations, losses, damages, judgments, awards, costs and expenses (collectively, "Losses"), including without limitation, all reasonable attorneys' fees and disbursements, arising by reason of or resulting from (a) any breach of Participant's representations, warranties or covenants contained herein, (b) any sale, assignment or transfer of, or grant of a subparticipation in, all or any part of its Participation Interest or (c) Assigning Lender's following any direction or request of Participant with respect to its Participation Interest. The provisions of this Section 8 shall survive termination of this Agreement.

9. Repurchase. Assigning Lender may, at any time in its sole discretion, repurchase all of Participant's Participation Interest (and Participant shall not sell same) for an amount equal to the unpaid balance of the Participant's Participation Interest, together with accrued interest to the date of repurchase.

10. Termination. The parties hereto hereby agree that this Agreement shall terminate and be of no further force and effect (except for those rights and obligations that expressly survive the termination of this Agreement) on the date of the Supplemental Advance is paid in full.

11. Notices. Any notices, demands, requests or communications under this Agreement shall be in writing and shall be personally delivered, sent by facsimile or sent by certified mail, return receipt requested, at the addresses set forth in the Loan Agreement (with respect to Assigning Lender) and set forth below (with respect to Participant). Notices delivered shall be effective as and when provided in the Loan Agreement. Addresses and facsimile numbers for notices may be changed by either party by written notice to the other.

12. Bankruptcy Rights. Without limiting the terms of Section 6(a) of this Agreement:

(a) Upon the occurrence of a bankruptcy petition filed for or against any Borrower or any Guarantor, Participant agrees that Assigning Lender shall have no liability to Participant for, and Participant waives any claim it may hereafter have against Assigning Lender, Agent or any other Lender arising out of, (i) Assigning Lender's, Agent's or any other Lender's consent to the use of cash collateral pursuant to Section 363 of the United States Bankruptcy Code (Title 11 U.S.C. 101 *et seq.*, as amended from time to time, the "Bankruptcy Code"), (ii) Assigning Lender's, Agent's or any other Lender's agreement to extend, or Assigning Lender's, Agent's or any other Lender's consent to the extension by another Person of, additional credit to Borrowers or such Person, as debtor-in-possession, or to a trustee, pursuant to Section 364 of the Bankruptcy Code, (iii) Assigning Lender's, Agent's or any other Lender's consent to a sale or other disposition of any Collateral free and clear of Agent's Liens under the Bankruptcy Code (including Sections 363, 365 to 1129 of the Bankruptcy Code), (iv) Assigning Lender's, Agent's or any other Lender's application of payments received in such case, including the application to Obligations accruing after the commencement of such case (including without limitation interest, fees, costs and other charges, whether or not allowed as claims in such case), and (v) Assigning Lender's, Agent's or any other Lender's election made pursuant to Section 1111(b)(2) of the Bankruptcy Code.

(b) Participant acknowledges and agrees that (i) Agent may credit bid all or any portion of the Non-Participated Obligations for the purchase price for the Collateral sold at a sale and, upon the consummation of such sale to Agent and Assigning Lender, Participant shall not have any rights in the Collateral purchased, and (ii) Agent may credit bid all or any portion of the Obligations (including the Obligations subject to the Participation Interest) for the purchase price for the Collateral sold at a sale and, upon the consummation of such sale to Agent and Assigning Lender that includes the credit bid of the Obligations subject to the Participation Interest, Participant shall have a junior participation in the equity of the entity that purchases the Collateral that is subordinated to the rights (including, without limitation, the right of payment) of Agent and Assigning Lender in such equity to at least the same extent that the Obligations subject to the Participation Interest are subordinated to the Non-Participated Obligations pursuant to this Agreement.

13. Miscellaneous.

(a) Entire Agreement; Amendments. This Agreement embodies the entire agreement and understanding between Assigning Lender and Participant and supersedes any and all prior agreements and understandings with respect to the subject matter hereof. No amendment, modification, termination, or waiver of any provision of this Agreement will be effective without the written agreement of Assigning Lender and Participant.

(b) Other Relationships. Assigning Lender may make loans or otherwise extend credit to, and generally engage in any kind of debtor-creditor relationship with, Borrowers, or any Affiliate of any Borrower, and receive payment on such loans or extensions of credit and otherwise act with respect thereto without accountability to Participant, in the same manner as if this Agreement did not exist. Agent may also act as Agent under the Loan Agreement and the other Loan Documents, in the same manner as if this Agreement did not exist.

(c) Successors and Assigns. Assigning Lender may from time to time grant other participations in the Obligations or assign or transfer the Obligations or any portion thereof to any other Person. Participant may not sell, assign, grant a participation interest in, or otherwise transfer all or any portion of this Agreement or its Participation Interest. This Agreement shall be binding upon the parties hereto, and inure to the benefit of their respective successors and Assigning Lender's assignees.

(d) Severability. Whenever possible, each provision of this Agreement will be interpreted in such a manner as to be effective and valid under applicable law. However, in the event any provision of this Agreement is or is held to be invalid, illegal or unenforceable under applicable law, such provision will be ineffective only to the extent of such invalidity, illegality or unenforceability, without invalidating the remainder of such provision or the remaining provisions of this Agreement. In addition, in the event any provision of or obligation under this Agreement is or is held to be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations in any other jurisdictions will not in any way be affected or impaired thereby.

(e) Section Titles. Section and subsection titles in this Agreement are included for convenience of reference only and shall have no substantive effect.

(f) Applicable Law. This Agreement shall be construed in all respects in accordance with and governed by the laws of the State of New York, without giving effect to any conflicts of laws provisions**.**

(g) CONSENT TO JURISDICTION. **PARTICIPANT HEREBY CONSENTS TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED WITHIN THE BOROUGH OF MANHATTAN, STATE OF NEW YORK AND IRREVOCABLY AGREES THAT, SUBJECT TO LENDER'S ELECTION, ALL ACTIONS OR PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT SHALL BE LITIGATED IN SUCH COURTS. PARTICIPANT EXPRESSLY SUBMITS AND CONSENTS TO THE JURISDICTION OF THE AFORESAID COURTS AND WAIVES ANY DEFENSE OF FORUM NON CONVENIENS. PARTICIPANT HEREBY WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS AND AGREES THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE UPON IT BY CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED, AT ITS ADDRESS SET FORTH IN THIS AGREEMENT AND SERVICE SO MADE SHALL BE COMPLETE TEN (10) DAYS AFTER THE SAME HAS BEEN POSTED.**

(h) WAIVER OF JURY TRIAL. **PARTICIPANT AND LENDER HEREBY WAIVES ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT. PARTICIPANT AND LENDER ACKNOWLEDGE THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS RELIED ON THE WAIVER IN ENTERING INTO THIS AGREEMENT AND THAT EACH WILL CONTINUE TO RELY ON THE WAIVER IN THEIR RELATED FUTURE DEALINGS. EACH OF PARTICIPANT AND LENDER WARRANTS AND REPRESENTS THAT EACH HAS HAD THE OPPORTUNITY OF REVIEWING THIS JURY WAIVER WITH LEGAL COUNSEL, AND THAT EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS.**

(i) Counterparts. This Agreement and any amendments, waivers, consents or supplements may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which, when so executed and delivered, will be deemed an original and all of which shall together constitute one and the same instrument.

14. Confidentiality. Participant agrees that it shall not disclose the existence of this Agreement to any Person other than to Agent, without Assigning Lender's prior written consent.

15. Bankruptcy Issues. This Agreement shall apply in all respects both prior to and during the pendency of any proceedings under the Bankruptcy Code.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

AQUA METALS, INC., as Participant

By: */s/ Steve Cotton*
Name: Steve Cotton
Title: CEO and President

Address for Notices:

5370 Kietzke Ln Suite 201
Reno, NV 89511
Attn: **Eric West, CPA**
Telephone: (775) 446-5472
E-mail: eric.west@aquametals.com

[Signature Page to Participation Agreement]

GRC SPV INVESTMENTS, LLC, as Assigning Lender

By: */s/ Kathleen Auda*
Name: Kathleen Auda
Title: Authorized Signatory

[Signature Page to Participation Agreement]

EXHIBIT A

ACCOUNT TO RECEIVE PARTICIPATANT'S PARTICIPATION INTEREST

Exhibit 99.1

Aqua Metals Enters Into a Term Sheet to Acquire Leading Energy Storage Company Lion Energy

Combined Entity Would Integrate Energy Storage Products, Proprietary Energy Management Software, Recycling, and Battery Materials into a Single Platform

Lion Energy is a Revenue-Generating Business, Enhanced by Proprietary Software and Positioned to Participate in Expanding Energy & Virtual Power Plant Markets

Reno, NV and American Fork, UT [February 11, 2026]— Aqua Metals, Inc. (NASDAQ: AQMS), a pioneer in battery metals recycling and refining, today announced that it has entered into a term sheet to acquire Lion Energy, LLC, a U.S.-based provider of commercial, residential, and distributed energy storage systems, consumer power solutions, and proprietary energy management software.

Following the closing of the transaction, Aqua Metals plans to leverage Lion Energy's solutions, brand, intellectual property, capital, technical talent and manufacturing capabilities to transform Aqua Metals into a comprehensive domestic power player capable of managing the entire battery lifecycle, from manufacturing and deployment to intelligent grid participation and end-of-life recovery.

Management Commentary

"This transaction is intended to add meaningful revenue to Aqua Metals while expanding our participation in the rapidly growing energy storage market," said Steve Cotton, President and Chief Executive Officer of Aqua Metals. "Energy storage is a natural extension of our battery materials strategy, and Lion Energy has built a complementary platform that spans systems, software, and customer relationships. Together, we believe this combination would strengthen our path toward a more vertically integrated, U.S.-based battery supply chain and supports our long-term vision for a robust domestic battery materials industry led by our new combined entity."

Strategic Rationale

- Revenue Generation: Lion Energy achieved approximately $50 million in revenue in 2025, providing immediate scale to Aqua Metals.
- Software-Driven Intelligence: Lion's integrated firmware and mobile applications allow for real-time optimization of energy assets, a critical requirement for AI data centers and grid-connected environments.
- Expanded Ecosystem: Aqua Metals will acquire Lion Energy's minority stake in American Battery Factory (ABF), further strengthening the strategic link between domestic battery manufacturing and sustainable recycling.

- Expansion into Distributed Energy Market: Positions Aqua Metals to support advanced use cases such as demand response, fleet-level orchestration, and the aggregation of distributed assets into virtual power plants over time.
- Unmatched Market Demand: With U.S. battery storage capacity growing by 59% annually, according to the U.S. Energy Information Administration (EIA), the combined company is positioned to capture a market driven by electrification and the need for decentralized power.

Founded in Utah, Lion Energy has built a growing presence in the U.S. energy storage market through the deployment of software-enabled residential and commercial energy systems. Lion Energy over a 12-year period has grown from delivering portable power stations and power banks and expanded into more robust energy storage systems and software for home, commercial, and industrial applications. Lion achieved approximately $50 million in revenue in 2025 (subject to year-end audit adjustments).

In addition to its hardware portfolio, Lion Energy has developed a vertically integrated energy software and systems platform that includes proprietary energy management systems software, cloud connectivity, mobile applications, and wireless update capabilities. This platform enables intelligent control, monitoring, and optimization of distributed energy storage assets across residential, commercial, and grid-connected environments, and positions Aqua Metals to support advanced use cases such as demand response, fleet-level orchestration, and the aggregation of distributed assets into virtual power plants.

The U.S. energy storage market has expanded rapidly in recent years, driven by rising demand for AI data centers, grid resilience, electrification, and reliable distributed power solutions. According to Wood Mackenzie and the Solar Energy Industries Association (SEIA), the U.S. battery energy storage market is growing at more than a 30% compound annual rate, with utility-scale deployments up approximately 66% in 2024 and nearly 13 gigawatt hours added through the first three quarters of 2025.

At the same time, demand for battery materials and recycling is expected to accelerate significantly as energy storage deployments and electric vehicles scale and policymakers and customers prioritize domestic, secure supply chains. Together, these trends position the combined company to advance across three areas of potential growth simultaneously: energy storage systems, battery manufacturing, and critical minerals recycling.

Aqua Metals' CEO brings extensive experience as a founder and chief executive scaling integrated battery reserve power platforms supporting millions of batteries deployed globally. These solutions were standardized by several major data center operators and financial institutions, competing successfully against traditional OEM offerings across both distributed and mission-critical environments.

Transaction Details and Closing Timeline

As contemplated by the term sheet, Aqua Metals would acquire Lion Energy through an all-stock transaction that preserves executive and board control of the combined company. At the closing, Lion Energy owners would receive approximately $25.8 million of Aqua Metals capital stock, with the number of shares issued to Lion Energy owners determined based on an exchange ratio calculated using the volume weighted average price over the 20 trading days preceding close, subject to a collar adjustment. The Lion Energy owners would also be entitled to receive up to $65 million of additional shares of Aqua Metals' capital stock based on Lion Energy's revenue and EBITDA over the 12 month-period following the closing of the transaction. The proposed transaction remains subject to completion of customary due diligence, audit and valuation work, negotiation, execution and delivery of a definitive agreement, regulatory review, approval by Aqua Metals' shareholders and other customary closing conditions.

As part of the transaction, Aqua Metals would also acquire Lion Energy's minority ownership interest in American Battery Factory, building upon Aqua Metals' recently announced proposed strategic collaboration with American Battery Factory, a Utah-based company focused on advancing domestic battery materials and manufacturing capabilities. Together, the combination is intended to support a responsible, full-lifecycle approach to batteries, connecting deployment and intelligent operation with end-of-life recovery and recycling within a single platform.

Following the close of the transaction, Lion Energy is expected to operate as a wholly-owned subsidiary and separate business unit of Aqua Metals, with Lion Energy's present executive and management team remaining in place.

"From the beginning, Lion Energy has focused on building more than batteries," said Tyler Hortin, Chief Executive Officer of Lion Energy. "We have invested heavily in a U.S.-based energy management platform combining software, firmware, hardware, and cloud connectivity designed to give customers intelligent control over their energy systems. This transaction could accelerate that vision, our energy management systems and virtual power plant capabilities, and help extend our platform across portable, residential, commercial, and grid-connected applications. We believe the companies' platforms are complimentary across the battery lifecycle, from deployment and operation through end-of-life recovery and recycling."

The companies expect to complete the transaction in the second quarter of 2026, although there can be no assurance that the parties will enter into a definitive agreement or that the proposed transaction will be completed on that timeline or at all.

Advisors

Hilco Corporate Finance and Benchmark Company are acting as advisors to Aqua Metals in connection with the transaction. Cantor Fitzgerald & Co. ("Cantor") is acting as the exclusive financial advisor to Lion Energy.

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 Lion Energy

Lion Energy is a leading manufacturer of safe, silent and eco-friendly power solutions for everyday needs. The road to energy independence affects all aspects of life including how everyone lives and interacts with one another at home, at work or at play. Regardless of where they are on this path, Lion Energy has an U.S.-designed and engineered power solution, based in American Fork, Utah, that can be used indoors or outdoors. Leading the way with innovative Lithium energy smart storage technologies known as LionESS™ and through rigorous testing, Lion Energy provides the broadest and most innovative suite of energy storage solutions on the market today, from hand-held portable device charging to portable solar generators to home, commercial and industrial battery systems. For more information, visit www.lionenergy.com

Additional Information

The term sheet entered into in connection with the proposed transaction described herein and a summary of material terms of the proposed transaction will be provided in a Current Report on Form 8-K filed with the Securities and Exchange Commission. Aqua Metals, Inc. intends to file with the Securities and Exchange Commission a proxy statement and other relevant documents in connection with the proposed transaction. Investors and security holders are advised to read the proxy statement regarding the proposed transaction when it becomes available, because it will contain important information. Investors and security holders may obtain a free copy of the [Form 8-K,] proxy statement, when available, and other documents filed by Aqua Metals at the Securities and Exchange Commission's web site at www.sec.gov. The proxy statement and such other documents may also be obtained, when available, from Aqua Metals by directing such request to Aqua Metals, Inc., 5370 Kietzke Lane, Suite 201, Reno, Nevada 89511, Attention: Investor Relations. Aqua Metals and its executive officers and directors may be deemed to be participants in the solicitation of proxies from stockholders of Aqua Metals with respect to the transaction contemplated by the Term Sheet. A description of any interests that Aqua Metals executive officers and directors have in the proposed transaction will be available in the proxy statement. Information regarding Aqua Metals executive officers and directors is included in Aqua Metals definitive proxy statement filed with the Securities and Exchange Commission on June 23, 2025. These materials are available free of charge at the Securities and Exchange Commission's web site at http://www.sec.gov and from Aqua Metals.

Forward Looking Statements

Safe Harbor Statements under The Private Securities Litigation Reform Act of 1995: This release contains forward-looking statements, including statements regarding expectations for Aqua Metals acquisition of Lion Energy, the anticipated value of the proposed transaction, expectations for utilization of Lion Energy's products and technology following the completion of the transaction, and other activities expected to occur as a result of the transaction. Such statements are subject to certain risks and uncertainties, and actual circumstances, events or results may differ materially from those projected in such forward-looking statements. Factors that could cause or contribute to differences include, but are not limited to, (1) the risk that the acquisition transaction may not be completed in the second quarter of fiscal 2026, or at all, (2) risks related to the integration of Lion Energy's products, technology and operations with Aqua Metals' existing and planned products, technology and operations, (3) risks related to the inability to obtain, or meet conditions imposed for, governmental and other approvals of the transaction, including approval by stockholders of Aqua Metals, (4) risks related to any uncertainty surrounding the transaction, and the costs related to the transaction, (5) the risk that the impact on Aqua Metals' ongoing operational results from the transaction will be more adverse to Aqua Metals than anticipated, (6) the risk that Aqua Metals may not be able to obtain the additional capital necessary to expand its recycling facilities or even sustain its current level of operations, and (7) those other risks disclosed in the section "Risk Factors" included in Aqua Metals' Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 31, 2025. Aqua Metals cautions readers not to place undue reliance on any forward-looking statements. Aqua Metals 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

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