As filed with the Securities and Exchange Commission on June 9, 2015

Registration No. 333-_____

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-1

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

AQUA METALS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**3691**	**47-1169572**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

501 23rd Avenue
Oakland, California 94606
(510) 479-7635

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Stephen R. Clarke
Chief Executive Officer
Aqua Metals, Inc.
501 23rd Avenue,
Oakland, California 94606
(510) 479-7635

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Daniel K. Donahue	**Andrew Hudders**
Greenberg Traurig, LLP	**Golenbock Eiseman Assor Bell & Peskoe LLP**
3161 Michelson Drive, Suite 1000	**437 Madison Avenue - 40th Floor**
Irvine, California 92612	**New York, New York 10022**
Telephone: (949) 732-6557	**Telephone: (212) 907-7349**

Approximate date of commencement of proposed sale to the public: As soon as practicable after this registration statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act (check one):

Large accelerated filer ☐	Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Accelerated filer ☐	Smaller reporting company ☒

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price[(1)(2)]	Amount of Registration Fee
Common Stock, $0.001 par value per share	$ 34,500,000	$ 4,008.90
Underwriter Warrant[(3)(4)(5)]	$ 100	—
Shares of Common Stock underlying Underwriter Warrant	$ 4,140,000	$ 481.07

(1) Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.

(2) Includes the aggregate offering price of additional shares that the underwriter has the option to purchase to cover over-allotments, if any.

(3) No registration fee required pursuant to Rule 457(g) under the Securities Act of 1933.

(4) Registers a warrant to be granted to the underwriter for an amount equal to 10% of the number of the shares sold to the public. See "Underwriting" on page 42 of the prospectus contained within this registration statement for information on underwriting arrangements relating to this offering.

(5) Pursuant to Rule 416 under the Securities Act of 1933, this registration statement shall be deemed to cover the additional securities (i) to be offered or issued in connection with any provision of any securities purported to be registered hereby to be offered pursuant to terms which provide for a change in the amount of securities being offered or issued to prevent dilution resulting from stock splits, stock dividends, or similar transactions and (ii) of the same class as the securities covered by this registration statement issued or issuable prior to completion of the distribution of the securities covered by this registration statement as a result of a split of, or a stock dividend on, the registered securities.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment, which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

THE INFORMATION IN THIS PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. THESE SECURITIES MAY NOT BE SOLD UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND WE ARE NOT SOLICITING AN OFFER TO BUY THESE SECURITIES IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.

SUBJECT TO COMPLETION, DATED JUNE 9, 2015

_____ Shares of Common Stock

AquaMetals

Aqua Metals, Inc. is offering _____ shares of common stock on a firm commitment basis. This is an initial public offering of our common stock and there is presently no public market for our common stock. The initial public offering price is $_____ per share. The shares offered hereby will be listed for trading upon the Nasdaq Capital Market under the symbol "AQMS."

We have agreed to pay the underwriter a selling discount of $3.0 million, or 10%, of the gross proceeds of this offering. We have also agreed to issue to the underwriters warrants to purchase shares of our common stock in an amount up to 10% of the shares of common stock sold in the public offering, with an exercise price equal to 120% of the public offering price.

We are an "emerging growth company" under the federal securities laws and will have the option to use reduced public company reporting requirements. Please see "Risk Factors" beginning on page 6 to read about certain factors you should consider before buying our securities.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

	Price to Public	Underwriting Discounts and Commissions[1]	Proceeds to Aqua Metals
Per Share	$ _____	$ _____	$ _____
Total Offering	$ 30,000,000	$ 3,000,000	$ 27,000,000

(1) See "Underwriting" for a description of the compensation payable to the underwriter. Excludes a non-accountable expense allowance of $185,000 payable to the underwriter.

The underwriter may also purchase an additional _____ shares of our common stock amounting to 15% of the number of shares offered to the public, within ___ days of the date of this prospectus, to cover over-allotments, if any, on the same terms set forth above.

The underwriter expects to deliver the shares on or about _____, 2015.

National Securities Corporation

The date of this prospectus is _____, 2015

TABLE OF CONTENTS

Neither we nor the underwriter has authorized anyone to provide any information or make any representations other than those contained in this prospectus or in any free writing prospectus prepared by or on behalf of us or to which we have referred you. Neither we nor the underwriter takes responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We are offering to sell, and seeking offers to buy, shares of common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of the common stock.

Through and including _____, 2015 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

For investors outside of the United States: Neither we nor the underwriter has done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States are required to inform themselves about, and to observe any restrictions relating to, this offering and the distribution of this prospectus outside of the United States.

PROSPECTUS SUMMARY

Investing in our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information in this prospectus, including our consolidated financial statements and related notes, before investing in our common stock. If any of the following risks materialize, our business, financial condition, operating results and prospects could be materially and adversely affected. In that event, the price of our common stock could decline, and you could lose part or all of your investment.

All references in this prospectus to "metric ton" or "tonne" refer to a metric ton which is equal to approximately 2,204.6 pounds.

OUR COMPANY

Overview

We are engaged in the business of recycling lead through a novel, proprietary and patent-pending process that we developed and named "AquaRefining". AquaRefining uses a novel electro-chemical process to produce pure lead (greater than 99.99% purity) recovered from used lead acid batteries. We believe that AquaRefining offers a significant reduction in production cost over smelting, which is the existing method of producing lead. We also believe that AquaRefining significantly reduces the environmental emissions, health concerns and the permitting, logistics and transport challenges associated with lead smelting. We believe that the combined advantages offered by the AquaRefining process represent a potential step change in lead recycling technology, one which can deliver advantages in economics, footprint and logistics while greatly reducing the environmental impact of lead recycling.

Lead is a globally traded commodity with a worldwide market value in excess of $20 billion. The chemical properties of lead allow it to be recycled and reused indefinitely. At the same time, most lead mines have become exhausted. Consequently and coupled with rising global demand for lead, recycled lead now makes up approximately 57% of all lead produced worldwide. In many countries, including the US, this percentage is even higher. The main source of recycled lead is lead acid batteries, or LABs, the production of which also represents the majority of the demand for lead.

To date, all lead, both mined and recycled, has been produced through lead smelting, which is an inefficient, wasteful, energy intensive and often highly polluting process. As a consequence of its environmental and health issues, smelting has become increasingly regulated in developed countries. Consequently, the lead smelting industry is migrating to more isolated areas and countries with less stringent regulations. The resulting transportation of used LABs from where they originate in the US to smelters in Mexico and other countries with limited environmental controls represents an increasingly significant cost to recycled lead and new LAB production.

We believe that AquaRefining significantly reduces the permitting, environmental and health issues associated with lead smelting. On this basis, we believe we have the potential to locate multiple smaller facilities closer to the source of used LABs. If this "distributed recycling" approach proves to be possible, we believe it will further enhance the economics of AquaRefining over smelting by reducing transport costs and supply chain bottlenecks. We have entered into formal discussions with three separate suppliers of used LABs. Each of these suppliers has the ability to supply enough used LABs to operate our initial recycling facility at 80 metric tons of produced lead per day and has expressed a desire to do so. Based on these formal discussions and our understanding of the market for used LABs, we believe that used LABs should be readily available to us from a number of sources at competitive prices.

Our primary goal is to monetize the potential multiple advantages that AquaRefining provide over lead smelting. In North America and Europe, we intend to build and operate recycling facilities close to major centers of LAB distribution. We also plan to form partnerships in which we will provide AquaRefining modules to augment or replace smelting operations. In each case, AquaRefining modules will be manufactured, assembled and tested in our own separate and purpose-built facility located near Oakland, California.

The modular nature of AquaRefining makes it possible to start lead production at a much smaller scale than is possible with smelters, thereby significantly reducing the investment risk associated with building a conventional smelter-based lead production facility. Our plan is to actively explore distributed recycling in the US by establishing our own initial recycling operation near Reno, Nevada. This plan is based on our belief that Reno is a hub of the West Coast's distribution infrastructure and yet very poorly served by LAB recycling. From our initial and scalable recycling facility near Reno, we intend to expand first throughout the US and then overseas. We will seek to own our own recycling facilities but will also evaluate joint ventures, licensing and direct sales.

2014 Private Placement Convertible Promissory Notes

In October 2014, we issued $6 million in senior secured convertible promissory notes that bear simple interest at 6% per year. All interest and principal under the notes must be paid or converted into shares of our common stock on or before December 31, 2015. We refer to these promissory notes in this prospectus as our "convertible notes." Pursuant to the terms of our convertible notes, all principal and accrued interest under the notes will automatically convert into shares of our common stock concurrent with the completion of this offering, at the conversion price of 50% of the initial public offering price, provided, however, in no event shall the conversion price be greater than $2.27 nor less than $1.52 per share. Assuming that this offering was completed on March 31, 2015 at a price of $__ per share, and based on interest accrued through such date in the amount of $154,356, the convertible notes would have been converted into _____ shares of our common stock.

Risks Related to Our Business

Our business is subject to numerous risks, which are highlighted in the section entitled "Risk Factors" immediately following this prospectus summary. Some of these risks include:

- since we have a limited operating history, it is difficult for potential investors to evaluate our business;
- we are a development stage company, have not yet commenced revenue producing operations and may never achieve or maintain profitability;
- the report of our independent registered public accounting firm for the fiscal year ended December 31, 2014 states that due to our development stage status, lack of revenue and dependence upon future sources of equity or debt financing there is substantial doubt about our ability to continue as a going concern;
- we may need additional financing in addition to the proceeds of this offering to execute our business plan and fund operations, which additional financing may not be available on reasonable terms or at all;
- our proprietary technologies and processes are not yet verified on a commercial scale;
- we have applied for but currently do not hold any patents for our proprietary technologies or processes;
- our proprietary rights may be difficult to enforce, which could enable others to copy or use aspects of our solution without compensating us, thereby eroding our competitive advantages and harming our business;
- we may be subject to intellectual property rights claims by third parties, which are extremely costly to defend, could require us to pay significant damages and could limit our ability to use certain technologies;
- our business strategy includes licensing arrangements and entering into joint ventures and strategic alliances, and our failure to successfully integrate such licensing arrangements, joint ventures or strategic alliances into our operations could adversely affect our business;
- our success will require timely expansion of our operations and if we are unable to manage future expansion effectively, our business, operations and financial condition may suffer significantly, resulting in decreased productivity; and
- government regulation and environmental concerns may adversely affect our business.

For further discussion of these and other risks you should consider before making an investment in our common stock, see the section titled "Risk Factors" immediately following this prospectus summary.

Corporate Information

Aqua Metals, Inc. was incorporated in Delaware on June 20, 2014. Our offices are located at 501 23rd Avenue, Oakland, California 94606 and our telephone number is (510) 479-7635. Our website is *www.aquametals.com*. Information contained in, or accessible through, our website does not constitute part of this prospectus and inclusions of our website address in this prospectus are inactive textual references only.

Unless otherwise indicated, the terms "Aqua Metals", "Company", "we," "us," and "our" refer to Aqua Metals, Inc. and its wholly-owned subsidiaries.

"Aqua Metals", "AquaRefining" and Aqua Metals logo are our trademarks. This prospectus contains additional trade names, trademarks and service marks of ours and of other companies. We do not intend our use or display of other companies' trade names, trademarks, or service marks to imply a relationship with these other companies, or endorsement or sponsorship of us by these other companies. Other trademarks appearing in this prospectus are the property of their respective holders.

Emerging Growth Company

The Jumpstart Our Business Startups Act, or the JOBS Act, was enacted in April 2012 with the intention of encouraging capital formation in the United States and reducing the regulatory burden on newly public companies that qualify as "emerging growth companies." We are an emerging growth company within the meaning of the JOBS Act. As an emerging growth company, we may take advantage of certain exemptions from various public reporting requirements, including:

- the requirement that our internal control over financial reporting be attested to by our independent registered public accounting firm pursuant to Section 404 of the Sarbanes-Oxley Act of 2002;
- certain requirements related to the disclosure of executive compensation in this prospectus and in our periodic reports and proxy statements;
- the requirement that we hold a nonbinding advisory vote on executive compensation and any golden parachute payments; and
- the ability to delay compliance with new or revised financial accounting standards until private companies are required to comply with the new or revised financial accounting standard.

We may take advantage of the exemptions under the JOBS Act discussed above until we are no longer an emerging growth company. We will remain an emerging growth company until the earliest to occur of (1) the last day of the fiscal year in which we have $1.0 billion or more in annual revenue; (2) the date we qualify as a "large accelerated filer," with at least $700 million of equity securities held by non-affiliates; (3) the date on which we have issued, in any three-year period, more than $1.0 billion in non-convertible debt securities; or (4) the last day of the fiscal year ending after the fifth anniversary of our initial public offering.

We may choose to take advantage of some, but not all, of the available benefits under the JOBS Act. We are choosing to irrevocably "opt out" of the extended transition periods available under the JOBS Act for complying with new or revised accounting standards, but we intend to take advantage of the other exemptions discussed above. Accordingly, the information contained herein and in our subsequent filing with the Securities and Exchange Commission may be different than the information you receive from other public companies in which you hold stock.

For certain risks related to our status as an emerging growth company, see the disclosure elsewhere in this prospectus under "Risk Factors—Risks Related to this Offering and Owning Our Common Stock - We are an 'emerging growth company' under the JOBS Act of 2012 and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our common stock less attractive to investors."

THE OFFERING

Common stock offered by us	_____ shares
Common stock to be outstanding after this offering	_____ shares
Over-allotment option offered by us	_____ shares
Proposed Nasdaq symbol	"AQMS"
Use of proceeds	Construction of a lead recycling facility near Reno, Nevada; tenant improvements and equipment for new office and manufacturing facility in California; patent filings; and general working capital

The number of shares of our common stock to be outstanding after this offering is based on _____ shares of our common stock outstanding as of March 31, 2015 (including 4,800,000 shares of common stock outstanding as of the date of this prospectus and _____ shares common stock issuable upon conversion of our convertible notes as of March 31, 2015), and excludes:

- 624,268 shares of our common stock issuable upon exercise of options granted pursuant to our 2014 Stock Incentive Plan;
- 722,291 shares of our common stock issuable upon exercise of outstanding warrants;
- up to _____ shares issuable pursuant to the underwriter's over-allotment option;
- 875,732 shares of our common stock reserved for future grants pursuant to our 2014 Stock Incentive Plan; and
- the shares of our common stock issuable upon exercise of the underwriter's warrant.

Except as otherwise indicated, all information in this prospectus assumes:

- the automatic conversion of $6.0 million principal amount of our convertible notes, and $154,356 of accrued interest thereon as of March 31, 2015, into an aggregate of _____ shares of common stock effective upon the completion of this offering;
- no exercise of outstanding warrants or options subsequent to March 31, 2015; and
- no exercise of the underwriter's over-allotment option.

Summary Consolidated Financial Data

The following tables summarize our consolidated financial data. You should read this summary consolidated financial data together with the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes that are included elsewhere in this prospectus. The consolidated financial information as of and for the period from inception (June 20, 2014) through December 31, 2014 are derived from the audited consolidated financial statements that are included elsewhere in this prospectus. The consolidated financial information as of March 31, 2015 and for the three month period ended March 31, 2015 are derived from our unaudited consolidated financial statements that are included elsewhere in this prospectus. The unaudited consolidated financial statements were prepared on a basis consistent with our audited consolidated financial statements and include, in management's opinion, all adjustments, consisting only of normal recurring adjustments that we consider necessary for a fair presentation of the financial information set forth in those statements. Our historical results are not necessarily indicative of the results that may be expected in the future, and our interim results are not necessarily indicative of the results to be expected for the full year or any other period.

	From Inception (June 20, 2014) through December 31, 2014	Three Months Ended March 31, 2015
Consolidated Statement of Operations Data:		**(unaudited)**
Revenues	$ —	$ —
Net income (loss)	(2,373,751)	(4,898,651)

	March 31, 2015		
	Actual	Pro Forma[1]	Pro Forma as Adjusted[2]
	(unaudited)	(unaudited)	(unaudited)
Consolidated Balance Sheet Data:			
Cash and cash equivalents	$ 3,685,803	$ 3,685,803	$
Working capital (deficit)	$ (1,735,764)	$ 3,736,534	$
Total assets	$ 5,214,155	$ 5,214,155	$
Convertible notes	$ 5,317,942	$ —	$ —
Total stockholders' (deficit) equity	$ (5,669,507)	$ 4,572,308	$

_____

(1) The pro forma column reflects (i) the automatic conversion of $6.0 million principal amount, net, of our convertible notes, and $154,356 of accrued interest thereon as of March 31, 2015, into an aggregate of _____ shares of common stock and reclassified into common stock and additional paid in capital; (ii) the immediate expense of $682,058 in unamortized debt discount; and (iii) the reclassification of $4,769,518 of derivative liability related to our convertible notes to additional paid-in capital.

(2) The pro forma as adjusted column reflects all adjustments included in the pro forma column and gives effect to the sale by us of _____ shares of common stock offered by this prospectus at the initial public offering price of $_____ per share, after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information in this prospectus, including our consolidated financial statements and related notes, before investing in our common stock. If any of the following risks materialize, our business, financial condition, operating results and prospects could be materially and adversely affected. In that event, the price of our common stock could decline, and you could lose part or all of your investment.

Risks Relating to Our Business

Since we have a limited operating history and have not commenced revenue-producing operations, it is difficult for potential investors to evaluate our business. We formed our corporation in June 2014 and have not commenced revenue-producing operations. To date, our operations have consisted of the development and limited testing of our AquaRefining process and the development of our business plan. Our limited operating history makes it difficult for potential investors to evaluate our technology or prospective operations. As an early stage company, we are subject to all the risks inherent in the initial organization, financing, expenditures, complications and delays in a new business. Investors should evaluate an investment in us in light of the uncertainties encountered by developing companies in a competitive environment. There can be no assurance that our efforts will be successful or that we will ultimately be able to attain profitability.

We may need additional financing to execute our business plan and fund operations, which additional financing may not be available on reasonable terms or at all. As of March 31, 2015, we had total assets of $5,214,155 and a working capital deficit of $1,735,764. We believe that we require a minimum of $26 million of capital over the next 12 months in order to fund our current business plan, including the development of our initial recycling facility near Reno, Nevada. We have undertaken this initial public offering of our common shares to acquire the necessary capital. However, we may require additional capital over the next 12 months, the receipt of which there can be no assurance. In addition, we will require additional capital in order to fund our proposed development of additional AquaRefining recycling facilities. We intend to seek additional funds through various financing sources, including the private sale of our equity and debt securities, licensing fees for our technology, joint ventures with capital partners and project financing of our recycling facilities. In addition, we will consider alternatives to our current business plan that may enable to us to achieve revenue producing operations and meaningful commercial success with a smaller amount of capital. However, there can be no guarantees that such funds will be available on commercially reasonable terms, if at all. If such financing is not available on satisfactory terms, we may be unable to further pursue our business plan and we may be unable to continue operations, in which case you may lose your entire investment.

The report of our independent registered public accounting firm for the fiscal year ended December 31, 2014 states that due to our development stage status, lack of revenue and dependence upon future sources of equity or debt financing there is substantial doubt about our ability to continue as a going concern.

Our business model is new and has not been proven by us or anyone else. We intend to engage in the business of producing recycled lead through a proprietary, patent-pending electro-chemical technology. While the production of recycled lead is an established business, to date all recycled lead has been produced by way of traditional smelting processes. To our knowledge, no one has successfully produced recycled lead in commercial quantities other than by way of smelting. We have tested our AquaRefining process on a small scale and to a limited degree, however there can be no assurance that we will be able to produce lead in commercial quantities at a cost of production that will provide us with an adequate profit margin. The uniqueness of our AquaRefining process presents potential risks associated with the development of a business model that is untried and unproven.

While the testing of our AquaRefining process has been successful to date, there can be no assurance that we will be able to replicate the process, along with all of the expected economic advantages, on a large commercial scale. As of the date of this prospectus, we have built and operated both a small-scale unit of our AquaRefining process and a full size production prototype. Through the operation of such units we have successfully produced 99.99% pure lead on a limited scale. While we believe that our development and testing to date has proven the concept of our AquaRefining process, we have not undertaken the build-out or operation of a large-scale facility capable of recycling LABs and producing lead in large commercial quantities. We intend to apply a portion of the proceeds of this offering towards the development and installation of the manufacturing process for our large-scale AquaRefining modules. There can be no assurance that as we commence large scale manufacturing or operations that we will not incur unexpected costs or hurdles that might restrict the desired scale of our intended operations or negatively impact our projected gross profit margin.

Our intellectual property rights may not be adequate to protect our business. We currently do not hold any patents for our products. To date, we have filed eight U.S. patent applications, of which six are provisional applications, relating to certain elements of the technology underlying our AquaRefining process and related apparatus and chemical formulations. Although we expect to continue filing, where applicable, patent applications related to our technology, no assurances can be given that any patent will be issued on our patent applications or any other application that we may file in the future or that, if such patents are issued, they will be sufficiently broad to adequately protect our technology. In addition, we cannot assure you that any patents that may be issued to us will not be challenged, invalidated, or circumvented.

Even if we are issued patents, they may not stop a competitor from illegally using our patented processes and materials. In such event, we would incur substantial costs and expenses, including lost time of management in addressing and litigating, if necessary, such matters. Additionally, we rely upon a combination of trade secret laws and nondisclosure agreements with third parties and employees having access to confidential information or receiving unpatented proprietary know-how, trade secrets and technology to protect our proprietary rights and technology. These laws and agreements provide only limited protection. We can give no assurance that these measures will adequately protect us from misappropriation of proprietary information.

Our processes may infringe on the intellectual property rights of others, which could lead to costly disputes or disruptions. The applied science industry is characterized by frequent allegations of intellectual property infringement. Though we do not expect to be subject to any of these allegations, any allegation of infringement could be time consuming and expensive to defend or resolve, result in substantial diversion of management resources, cause suspension of operations or force us to enter into royalty, license, or other agreements rather than dispute the merits of such allegation. If patent holders or other holders of intellectual property initiate legal proceedings, we may be forced into protracted and costly litigation. We may not be successful in defending such litigation and may not be able to procure any required royalty or license agreements on acceptable terms or at all.

Our business strategy includes licensing arrangements and entering into joint ventures and strategic alliances. Failure to successfully integrate such licensing arrangements, joint ventures, or strategic alliances into our operations could adversely affect our business. We propose to commercially exploit our AquaRefining process, in part, by licensing our technology to third parties and entering into joint ventures and strategic relationships with parties involved in the manufacture and recycling of LABs. Licensing programs, joint ventures and strategic alliances may involve significant other risks and uncertainties, including distraction of management's attention away from normal business operations, insufficient revenue generation to offset liabilities assumed and expenses associated with the transaction, and unidentified issues not discovered in our due diligence process, such as product quality, technology issues and legal contingencies. In addition, we may be unable to effectively integrate any such programs and ventures into our operations. Our operating results could be adversely affected by any problems arising during or from any licenses, joint ventures or strategic alliances.

If we are unable to manage future expansion effectively, our business, operations and financial condition may suffer significantly, resulting in decreased productivity. If our AquaRefining process proves to be commercially valuable, it is likely that we will experience a rapid growth phase that could place a significant strain on our managerial, administrative, technical, operational and financial resources. Our organization, procedures and management may not be adequate to fully support the expansion of our operations or the efficient execution of our business strategy. If we are unable to manage future expansion effectively, our business, operations and financial condition may suffer significantly, resulting in decreased productivity.

Certain industry participants may have the ability to restrict our access to used LABs and otherwise focus significant competitive pressure on us. We believe that our primary competition will come from operators of existing smelters and other parties invested in the existing supply chain for smelting, both of which may resist the change presented by our AquaRefining process. Competition from such incumbents may come in the form of restricted access to used LABs. We believe that LAB manufacturers who also maintain their own smelting operations control approximately 50% of the market for used LABs. We will require access to used LABs at market prices in order to carry out our business plan. If those LAB manufacturers and others involved in the reverse supply chain for used LABs attempt to restrict our access to used LABs, that may adversely affect our prospects and future growth. There can be no assurance that we will be able to effectively withstand the pressures applied by our competition.

We may experience significant fluctuations in raw material prices and the price of our principal product, either of which could have a material adverse effect on our liquidity, growth prospects and results of operations. Spent LAB's are our primary raw material and we believe that in recent years the cost of used LABS has been volatile at times. Our principal product, recycled lead, has also experienced price volatility from time to time as well. For example, the market price of lead on the London Metal Exchange, or LME, rose from a trading range of $1,000 to $1,200 per metric ton during 2005 to $2,200 per metric ton during 2014. However, between mid-2014 and March 2015, the LME market price for lead decreased

to approximately $1,792 per metric ton, as a result of the global economic conditions that contributed to the decline in oil and commodity prices generally, before increasing to $2,113 per metric ton as of May 7, 2015. While we intend to pursue supply and tolling arrangements and hedge transactions as appropriate to offset any price volatility, the volatile nature of prices for used LABs and recycled lead could have an adverse impact on our liquidity, growth prospects and results of operations.

The global economic conditions could negatively affect our prospects for growth and operating results. Our prospects for growth and operating results will be directly affected by the general global economic conditions of the industries in which our suppliers, partners and customer groups operate. We believe that the market price of our principal product, recycled lead, is relatively volatile and reacts to general global economic conditions. For example, the market price of lead on the LME declined from $2,237 per metric ton as of August 31, 2014 to approximately $1,792 per metric ton as of March 31, 2015, before increasing to $2,113 per metric ton as of May 7, 2015. The decrease was caused, in our opinion, by an oversupply of lead resulting from a global economic slowdown and the other global economic conditions that contributed to the decrease in the price of oil and commodities generally. Our business will be highly dependent on the economic and market conditions in each of the geographic areas in which we operate. These conditions affect our business by reducing the demand for LABs and decreasing the price of lead in times of economic down turn and increasing the price of used LABs in times of increasing demand of LABs and recycled lead. There can be no assurance that global economic conditions will not, at times, negatively impact our liquidity, growth prospects and results of operations.

We are subject to the risks of conducting business outside the United States. A part of our strategy involves our pursuit of growth opportunities in certain international market locations. We intend to pursue the development and ownership of recycling facilities in certain foreign jurisdictions, including Mexico, China and India, among others countries, however it is more likely that we will enter into licensing or joint venture arrangements with local partners who will be primarily responsible for the day-to-day operations. Any expansion outside of the US will require significant management attention and financial resources to successfully develop and operate any such facilities, including the sales, supply and support channels, and we cannot assure you that we will be successful or that our expenditures in this effort will not exceed the amount of any resulting revenues. Our international operations expose us to risks and challenges that we would otherwise not face if we conducted our business only in the United States, such as:

- increased cost of enforcing our intellectual property rights;
- heightened price sensitivities from customers in emerging markets;
- our ability to establish or contract for local manufacturing, support and service functions;
- localization of our LABs and components, including translation into foreign languages and the associated expenses;
- compliance with multiple, conflicting and changing governmental laws and regulations;
- foreign currency fluctuations;
- laws favoring local competitors;
- weaker legal protections of contract terms, enforcement on collection of receivables and intellectual property rights and mechanisms for enforcing those rights;
- market disruptions created by public health crises in regions outside the United States;
- difficulties in staffing and managing foreign operations, including challenges presented by relationships with workers' councils and labor unions;
- issues related to differences in cultures and practices; and
- changing regional economic, political and regulatory conditions.

Government regulation and environmental, health and safety concerns may adversely affect our business. Our operations in the United States will be subject to the Federal, State and local environmental, health and safety laws applicable to the reclamation of lead acid batteries. Depending on how any particular operation is structured, our facilities will probably have to obtain environmental permits or approvals to operate, including those associated with air emissions, water discharges,

and waste management and storage. We may face opposition from local residents or public interest groups to the installation and operation of our facilities. Failure to secure (or significant delays in securing) the necessary approvals could prevent us from pursuing some of our planned operations and adversely affect our business, financial results and growth prospects. In addition to permitting requirements, our operations are subject to environmental health, safety and transportation laws and regulations that govern the management of and exposure to hazardous materials such as the lead and acids involved in battery reclamation. These include hazard communication and other occupational safety requirements for employees, which may mandate industrial hygiene monitoring of employees for potential exposure to lead. Failure to comply with these requirements could subject our business to significant penalties (civil or criminal) and other sanctions that could adversely affect our business.

The nature of our operations involve risks, including the potential for exposure to hazardous materials such as lead, that could result in personal injury and property damage claims from third parties, including employees and neighbors, which claims could result in significant costs or other environmental liability. Our operations also pose a risk of releases of hazardous substances, such as lead or acids, into the environment, which can result in liabilities for the removal or remediation of such hazardous substances from the properties at which they have been released, liabilities which can be imposed regardless of fault, and our business could be held liable for the entire cost of cleanup even if we were only partially responsible. Like any manufacturer, we are also subject to the possibility that we may receive notices of potential liability in connection with materials that were sent to third-party recycling, treatment, and/or disposal facilities under the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"), and comparable state statutes, which impose liability for investigation and remediation of contamination without regard to fault or the legality of the conduct that contributed to the contamination, and for damages to natural resources. Liability under CERCLA is retroactive, and, under certain circumstances, liability for the entire cost of a cleanup can be imposed on any responsible party.

As our business expands outside of the United States, our operations will be subject to the environmental, health and safety laws of the countries where we do business, including permitting and compliance requirements that address the similar risks as do the laws in the United States, as well as international legal requirements such as those applicable to the transportation of hazardous materials. Depending on the country or region, these laws could be as stringent as those in the US, or they could be less stringent or not as strictly enforced. In some countries in which we are interested in expanding our business, such as Mexico and China, the relevant environmental regulatory and enforcement frameworks are in flux and subject to change. Compliance with these requirements will cause our business to incur costs, and failure to comply with these requirements could adversely affect our business.

In the event we are unable to present and operate our AquaRefining process and operations as safe and environmentally responsible, we may face opposition from local governments, residents or public interest groups to the installation and operation of our facilities.

Control by management may limit your ability to influence the outcome of director elections and other transactions requiring stockholder approval. Prior to this offering, our directors and executive officers beneficially own approximately __% of our outstanding common stock. Upon the completion of this offering, and assuming the conversion of all convertible notes at the initial conversion price of $2.27 per share, our directors and executive officers will beneficially own approximately __% of our outstanding common stock. As a result, in addition to their board seats and offices, such persons will have significant influence over corporate actions requiring stockholder approval, including the following actions:

- to elect or defeat the election of our directors;
- to amend or prevent amendment of our certificate of incorporation or bylaws;
- to effect or prevent a merger, sale of assets or other corporate transaction; and
- to control the outcome of any other matter submitted to our stockholders for vote.

Such persons' stock ownership may discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our company, which in turn could reduce our stock price or prevent our stockholders from realizing a premium over our stock price.

Risks Related to this Offering and Owning Our Common Stock

Prior to the completion of our initial public offering, there was no public trading market for our common stock. The offering under this prospectus is an initial public offering of our common shares. Upon the completion of this offering, our

common stock will commence trading on the Nasdaq Capital Market, under the symbol "AQMS". However, there can be no assurance that we will be able to successfully develop a liquid market for our common shares. The stock market in general, and early stage public companies in particular, has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of such companies. If we are unable to develop a market for our common shares, you may not be able to sell your common shares at prices you consider to be fair or at times that are convenient for you, or at all.

We are an "emerging growth company" under the JOBS Act of 2012 and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our common stock less attractive to investors. We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012 ("JOBS Act"), and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies" including, but not limited to:

- not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act;
- reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements;
- exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments; and
- extended transition periods available for complying with new or revised accounting standards.

We have chosen to "opt out" of the extended transition periods available for complying with new or revised accounting standards, but we intend to take advantage of all of the other benefits available under the JOBS Act, including the exemptions discussed above. We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

We will remain an "emerging growth company" for up to five years, although we will lose that status sooner if our revenues exceed $1 billion, if we issue more than $1 billion in non-convertible debt in a three year period, or if the market value of our common stock that is held by non-affiliates exceeds $700 million as of any June 30.

Our status as an "emerging growth company" under the JOBS Act may make it more difficult to raise capital as and when we need it. Because of the exemptions from various reporting requirements provided to us as an "emerging growth company," we may be less attractive to investors and it may be difficult for us to raise additional capital as and when we need it. Investors may be unable to compare our business with other companies in our industry if they believe that our reporting is not as transparent as other companies in our industry. If we are unable to raise additional capital as and when we need it, our financial condition and results of operations may be materially and adversely affected.

We have not paid dividends in the past and have no immediate plans to pay dividends. We plan to reinvest all of our earnings, to the extent we have earnings, in order to develop our recycling centers and cover operating costs and to otherwise become and remain competitive. We do not plan to pay any cash dividends with respect to our securities in the foreseeable future. We cannot assure you that we would, at any time, generate sufficient surplus cash that would be available for distribution to the holders of our common stock as a dividend. Therefore, you should not expect to receive cash dividends on the common stock we are offering.

We will incur significant increased costs as a result of becoming a public company that reports to the Securities and Exchange Commission and our management will be required to devote substantial time to meet compliance obligations. As a public company reporting to the Securities and Exchange Commission, we will incur significant legal, accounting and other expenses that we did not incur as a private company. We will be subject to reporting requirements of the Securities Exchange Act of 1934 and the Sarbanes-Oxley Act of 2002, as well as rules subsequently implemented by the Securities and Exchange Commission that impose significant requirements on public companies, including requiring establishment and maintenance of effective disclosure and financial controls and changes in corporate governance practices. In addition, on July 21, 2010, the Dodd-Frank Wall Street Reform and Protection Act was enacted. There are significant corporate governance and executive compensation-related provisions in the Dodd-Frank Act that are expected to increase our legal and financial compliance costs, make some activities more difficult, time-consuming or costly and may also place undue strain on our personnel, systems and resources. Our management and other personnel will need to devote a substantial amount of time to these compliance initiatives. In addition, we expect these rules and regulations to make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified people to serve on our board of directors, our board committees or as executive officers.

Assuming a market for our common stock develops, shares eligible for future sale may adversely affect the market for our common stock. We have agreed to register for resale _____ shares of common stock expected to be issued upon conversion of our convertible notes and 722,291 shares of common stock underlying warrants. Furthermore, commencing on the 90th day following the close of this offering, certain of our stockholders may be eligible to sell all or some of their shares of common stock by means of ordinary brokerage transactions in the open market pursuant to Rule 144, promulgated under the Securities Act, subject to certain limitations. In general, pursuant to Rule 144, non-affiliate stockholders may sell freely after six months subject only to the current public information requirement (which disappears after one year). Of the _____ shares of our common stock expected to be outstanding following completion of the offering, approximately _____ shares will be held by "non-affiliates" who received their common shares upon conversion of their convertible notes. Those ____ shares will be freely tradable without restriction pursuant to Rule 144 following the expiration of the 180-day lock-up previously agreed to buy the convertible note holders.

Any substantial sale of our common stock pursuant to Rule 144 or pursuant to any resale prospectus (including sales by investors of securities acquired in connection with this offering) may have a material adverse effect on the market price of our common stock.

You will experience immediate dilution in the book value per share of the common stock you purchase. Because the price per share of our common stock being offered is substantially higher than the book value per share of our common stock, you will experience substantial dilution in the net tangible book value of the common stock you purchase in this offering. Based on the offering price of $___ per share, if you purchase shares of common stock in this offering, you will experience immediate and substantial dilution of $___ per share in the net tangible book value of the common stock at December 31, 2014.

Our charter documents and Delaware law may inhibit a takeover that stockholders consider favorable. Upon the closing of this offering, provisions of our Certificate of Incorporation ("Certificate") and bylaws and applicable provisions of Delaware law may delay or discourage transactions involving an actual or potential change in control or change in our management, including transactions in which stockholders might otherwise receive a premium for their shares, or transactions that our stockholders might otherwise deem to be in their best interests. The provisions in our Certificate and bylaws:

- limit who may call stockholder meetings;
- do not permit stockholders to act by written consent;
- do not provide for cumulative voting rights; and
- provide that all vacancies may be filled by the affirmative vote of a majority of directors then in office, even if less than a quorum.

In addition, once we become a publicly traded corporation, Section 203 of the Delaware General Corporation Law may limit our ability to engage in any business combination with a person who beneficially owns 15% or more of our outstanding voting stock unless certain conditions are satisfied. This restriction lasts for a period of three years following the share acquisition. These provisions may have the effect of entrenching our management team and may deprive you of the opportunity to sell your shares to potential acquirers at a premium over prevailing prices. This potential inability to obtain a control premium could reduce the price of our common stock.

Our bylaws designate the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain litigation that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with the Company. Our bylaws provide that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of fiduciary duty owed by any of our directors, officers or other employees to us or our stockholders, (iii) any action asserting a claim against us or any our directors, officers or other employees arising pursuant to any provision of the Delaware General Corporation Law or our certificate of incorporation or bylaws, or (iv) any action asserting a claim against us or any our directors, officers or other employees governed by the internal affairs doctrine. This forum selection provision in our bylaws may limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or any our directors, officers or other employees.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus, including the sections entitled "Prospectus Summary," "Risk Factors," "Use of Proceeds," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Business," contains forward-looking statements. The words "believe," "may," "will," "potentially," "estimate," "continue," "anticipate," "intend," "could," "would," "project," "plan," "expect" and similar expressions that convey uncertainty of future events or outcomes are intended to identify forward-looking statements. These forward-looking statements include, but are not limited to, statements concerning the following:

- our future financial and operating results;
- our intentions, expectations and beliefs regarding anticipated growth, market penetration and trends in our business;
- the timing and success of our plan of commercialization;
- our ability to operate our AquaRefining process on a commercial scale;
- our ability to procure LABs in sufficient quantities at competitive prices;
- the adequacy of the net proceeds of this offering to complete the development of our initial recycling center;
- the effects of market conditions on our stock price and operating results;
- our ability to maintain our competitive technological advantages against competitors in our industry;
- our ability to have our technology solutions gain market acceptance;
- our ability to maintain, protect and enhance our intellectual property;
- the effects of increased competition in our market and our ability to compete effectively;
- our plans to use the proceeds from this offering;
- costs associated with defending intellectual property infringement and other claims;
- our expectations concerning our relationships with suppliers, partners and other third parties;
- the attraction and retention of qualified employees and key personnel;
- future acquisitions of or investments in complementary companies or technologies; and
- our ability to comply with evolving legal standards and regulations, particularly concerning requirements for being a public company and environmental regulations.

These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described in "Risk Factors" and elsewhere in this prospectus. Moreover, we operate in a very competitive and rapidly changing environment, and new risks emerge from time to time. It is not possible for us to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this prospectus may not occur and actual results could differ materially and adversely from those anticipated or implied in our forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in our forward-looking statements are reasonable, we cannot guarantee that the future results, levels of activity, performance or events and circumstances described in the forward-looking statements will be achieved or occur. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. We undertake no obligation to update publicly any forward-looking statements for any reason after the date of this prospectus to conform these statements to actual results or to changes in our expectations, except as required by law.

You should read this prospectus and the documents that we reference in this prospectus and have filed with the Securities and Exchange Commission as exhibits to the registration statement of which this prospectus is a part with the understanding that our actual future results, levels of activity, performance and events and circumstances may be materially different from what we expect.

INDUSTRY AND MARKET DATA

This prospectus contains statistical data, estimates, and forecasts that are based on independent industry, government and non-government organization publications or other publicly available information, as well as other information based on our internal sources. Although we believe that the third-party sources referred to in this prospectus are reliable, estimates as they relate to projections involve numerous assumptions, are subject to risks and uncertainties, and are subject to change based on various factors, including those discussed under the section titled "Risk Factors" and elsewhere in this prospectus. These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties and by us.

Certain information in the text of this prospectus is contained in independent industry government and non-governmental organizational publications. The sources of these publications are provided below:

- IC Consultants, Ltd., *Lead The Facts;*
- U.S. Department of the Interior, *Comparison of the U.S. Lead Recycling Industry in 1998 and 2011*;
- United Nations Environment Programme, *Overview of Lead Recycling*;
- Occupational Knowledge International and Fronteras Comunes, *Exporting Hazards;*
- CEC Secretariat of the Commission for Environmental Cooperation, *Hazardous Trade?*;
- *Lead Action 21 Evolution of an Element*, published by the International Lead Association;
- International Lead Association, *Lead Facts*, and
- The Blacksmith Institute, *Lead Smelting*.

OUR BUSINESS

Overview

We are engaged in the business of recycling lead through a novel, proprietary and patent-pending process that we developed and named "AquaRefining". Lead is a globally traded commodity with a worldwide market value in excess of $20 billion. Lead acid batteries, or LABs, are the primary use of all lead produced in the world. Because the chemical properties of lead allow it to be recycled and reused indefinitely, LABs are also the primary source of all lead production. As such, LABs are almost 100% recycled for purposes of capturing the lead contained therein for re-use. We believe that our proprietary AquaRefining process will provide for the recycling of LABs and the production of a pure grade lead with a significantly lower cost of production, and with fewer environmental and regulatory issues, than conventional methods of lead production.

In recent years, many lead mines have become exhausted and recycled lead has become increasingly important to LAB production. Recycled lead surpassed mined lead in the 1990s and now represents more than 50% of the lead content in new LABs. Whether it is produced from lead ore or recycled LABs, lead has historically been produced by smelting. Smelting is a high-temperature, endothermic chemical reduction, making it inefficient, energy intensive and often highly pollutive process. As a consequence of its environmental and health issues, lead smelting has become increasingly regulated in developed countries. In the US, regulatory non-compliance has forced the closure of large high-capacity lead smelters in Vernon, California, Frisco, Texas and Herculaneum, Missouri over the last three years. Herculaneum was the last remaining primary lead-mine operation (i.e., smelting lead from ore) in the US, though secondary lead smelters that process recycled lead continue to operate in the US. In response, there has been an expansion of LAB smelting capacity in Mexico and other less regulated countries. The resulting transportation of used LABs from where they originate in the US to smelters in Mexico, the Philippines and elsewhere is an increasingly significant logistical and global environmental cost.

AquaRefining uses an aqueous solvent and a novel electro-chemical process to produce pure lead (i.e., higher than 99.99% purity). We believe that AquaRefining can significantly reduce production costs as compared with alternative methods of producing pure lead. This cost reduction is partly because our novel electro-chemical process requires less energy than the endothermic high temperature (1400°F) chemical reduction that is at the core of smelting. It is also partly because our process does not generate toxic high temperature dust and gas, or the lead containing slag and dross that are unavoidable byproducts of smelting, and which require capital and energy intensive processes to meet environmental compliance. We also have the potential to locate multiple smaller recycling facilities in areas closer to the source of used LABs, thereby reducing transport costs and supply chain bottlenecks. AquaRefining is a water-based ambient temperature process. On this basis, we believe that it significantly reduces environmental emissions, health concerns and permitting needs as compared with lead smelting. We believe that the combined advantages offered by AquaRefining represent a potential step change in lead recycling technology, one that can deliver advantages in economics, footprint and logistics while greatly reducing the environmental impact of lead recycling.

The modular nature of AquaRefining makes it possible to start LAB recycling at a much smaller scale than is possible with smelters, thereby significantly reducing the investment risk associated with building a lead production facility. Our plan is to actively explore distributed recycling in the US by establishing our own initial recycling operation near Reno, Nevada. This plan is based on our belief that Reno has become a significant hub of the West Coast's LAB distribution infrastructure and yet is very poorly served by the LAB recycling industry. From our initial recycling facility near Reno, we intend to expand first throughout the US and then overseas. We will seek to own our own recycling facilities but will also evaluate joint ventures, licensing and direct sales.

Our Markets

The Lead Market

Lead is a globally traded commodity and is the essential component of over 95% of the world's rechargeable batteries. Lead is traded as a commodity on the London Metals Exchange, or LME. The price of lead on the LME has risen from a trading range of $1,000 to $1,200 per metric ton during 2005 to $2,000 to $2,400 per metric ton during 2014, with a price of $2,113 per metric ton on May 7, 2015. According to the International Lead Association, or ILA, world production of lead is approximately 10.5 million metric tons per year, while industry consultant, CHR Metals, Ltd., puts the official output of refined lead at approximately 11.5 million metric tons per year. This represents a worldwide market in excess of $20 billion.

Figure 1: International Lead Association, 14th Asian Battery Conference, Hyderabad, India 2013

Lead is integral for LABs. LABs are the primary use of all lead produced in the world, and recycled LABs are the primary source of all lead production. According to the ILA, in 2012 the manufacture of LABs accounted for approximately 85% of all lead produced worldwide. In addition, the ILA reports that 57% of lead production worldwide was from recycled LABs. The integral and cyclical relationship between lead and LABs is the result of several important factors, including:

- the chemical properties of lead, which allow it to be recycled and reused indefinitely;
- legislation requiring the recycling of LABs;
- the Basel Convention on the Control Transboundary Movements of Hazardous Waste and Their Disposal which impacts the international trade in lead among its 170 signatory countries (the US is not a signatory);
- robust reverse supply chains in the US that cost effectively return used LABs to manufacturers and recyclers; and
- supply and demand economics that make recycled lead cost competitive with mined lead.

There are two principal sources of lead, namely ores and concentrates, which are smelted to produce "primary" lead, and used LABs, which are also smelted to produce what is known as "secondary" lead.

Primary lead is of high purity (i.e., greater than 99.99% purity) and is required for the active material in LABs. Secondary lead is typically 95% lead, the balance being other elements such as antimony, arsenic, bismuth, calcium, copper, selenium and tin. Some of these elements are added to create the structural lead alloys used in LAB manufacturing. Secondary lead can be further refined to the purity of primary lead. However, this requires an expensive multi-step process. LAB manufacturers have historically used primary and secondary lead in the manufacture of their LABs on a 50/50 basis. However, as LAB technology evolves, LAB manufacturers require higher percentage amounts of primary lead in their LAB manufacturing processes.

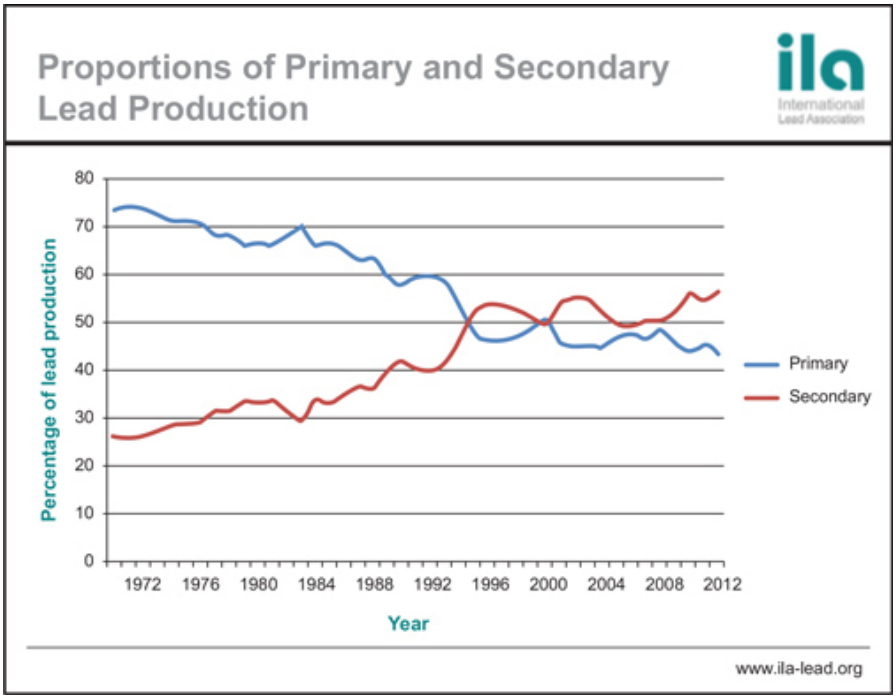


Figure 2: International Lead Association, 14th Asian Battery Conference, Hyderabad, India 2013

As noted above, lead is traded as a commodity on the LME. The spot price of lead on the LME as of May 7, 2015 was $2,113 per metric ton. Based on our discussions with buyers of lead in the US lead market, different grades of lead are traded in the US at a discount or premium to the LME price substantially as follows:

- Virgin pure lead (greater than 99.99% purity): +14 cents per pound premium (approximately 14%) to the LME price;
- Specific battery grade alloys: +1 to +9 cents per pound premium (approximately 1% to 9%) to the LME price; and
- Rough lead (unrefined 95% pure): -5 to -10 cents per pound discount (approximately -5% to -10%) to the LME price.

Demand for lead has made it the world's most recycled material. According to the ILA and The International Lead Zinc Research Organization, or ILZRO, most of the easily mined sources of lead are worked out and new production is a byproduct of zinc mining. According to the ILA, the proportion of world lead output from recycled lead has risen from 25% in 1970 to over 55% in 2012. The reported proportion of lead production from recycling varies markedly from region to region. In 2013, the proportion of all lead production from recycling was 83% in North America and 76% in Europe. In some countries, including Pakistan and India, the proportion is even higher.

Lead Smelting

Currently, smelters produce virtually all the world's mined and recycled lead. Smelting is an inefficient, energy intensive and often highly polluting process. At its core, smelting is a high temperature (in excess of 1400°F) chemical reduction process in which lead compounds are heated and then reacted with reducing agents to remove the oxygen and sulfur, leaving behind lead. The chemical reactions are endothermic, which means that heat must be continually supplied to replace the energy consumed by the reduction processes. In smelting, 5% to 15% of the lead is lost as "slag" and the lead produced typically contains 2% or more of impurities. Importantly, smelting is only cost effective at large scale, typically more than 200 metric tons of lead per day.

In addition to the high costs and inefficiencies associated with smelting, it generates large volumes of toxic solid, liquid, particulate and gaseous waste. In developed countries, there is both increased environmental regulation and enforcement of such, including monitoring of permissible blood lead levels in employees and local populations. These regulations and the increasing enforcement have made it more expensive to operate smelters. According to a report titled "Hazardous Trade?"

produced by the Secretariat of the Commission for Environmental Cooperation in 2013, this has led to a decline of lead smelters in the U.S., an expansion of smelting operations in Mexico and a resultant increase in the export of used LABs from the US followed by the re-import of recycled lead. This trade is believed to be largely driven by the lower costs related to the less stringent environmental standards and enforcement in Mexico. For the foregoing reasons, we believe that lead smelting facilities are increasingly located in poorly regulated areas remote from both the source of used LABs and the demand for lead. We believe that the remote location of smelting can add up to $250 per metric ton of transport costs to the production of recycled lead.

Lead Acid Batteries

The lead acid battery was invented in 1859 and is the oldest and most popular type of rechargeable battery. LABs have the ability to provide higher surge currents than other rechargeable batteries, making them ideal for use in motor vehicles and other machines to provide the high current required by starter motors. LABs are also used in lithium-ion battery-powered electric vehicles to power most functions (outside of the drive train). The relatively inexpensive cost of manufacturing makes LABs attractive for other uses as well, including storage in backup power supplies in cell phone towers, grid storage applications and high-availability settings like hospitals, and stand-alone power systems.

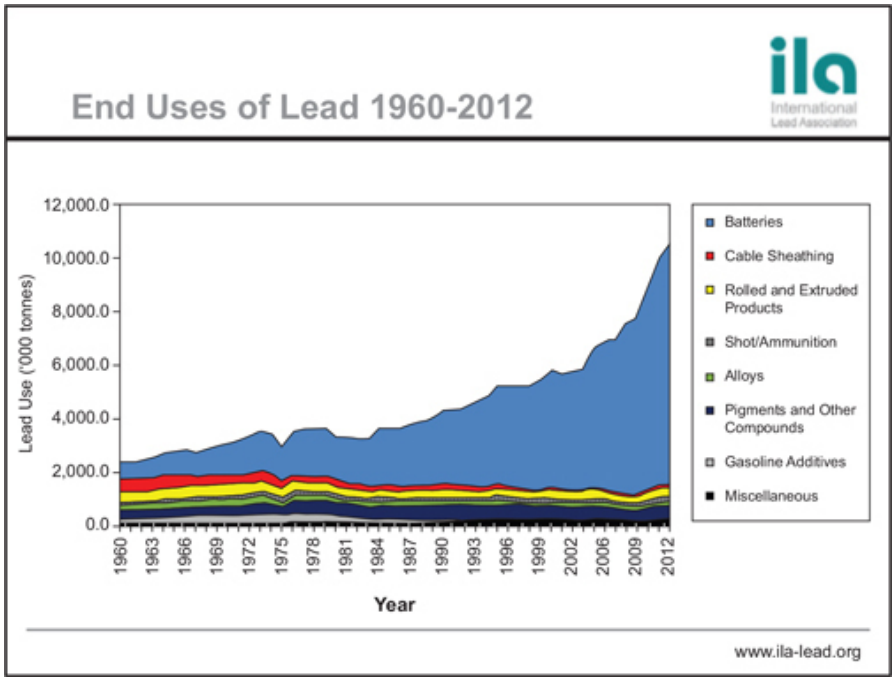


Figure 3: International Lead Association, 14th Asian Battery Conference, Hyderabad, India 2013

The majority of LAB production, and with it the majority of lead, goes into what are called “starter, lights, ignition” batteries for automotive vehicles. According to CHR Metals, total lead output in 2017 will be 20% higher than it was in 2012. Similarly, articles published in the Financial Times and the Wall Street Journal support continued growth in demand for lead for at least the next 20 years as car ownership increases rapidly in developing nations. The battery market for electric e-bikes and scooters in China is one example of a recent and rapidly growing niche application for LABs. This niche has grown from minimal roots in 2005 to accounting for over 15% of LAB production in 2012. There are now over 150 million e-bikes and scooters now on the road in China, and nearly all of them are powered by LABs. We believe that grid storage and other energy storage applications linked to renewable energy (solar and wind) will also generate increased demand for LABs, where low cost, safety and reliability will make them attractive options.

The increase in LAB manufacturing in general and particularly in China, India and Southeast Asia has increased demand for lead, putting pressure on global recycling networks to meet this demand. At present, we believe that most of the LAB recycling performed outside of the US, Canada, the EU, Japan, Korea, Taiwan, Australia and New Zealand is carried out in outdated facilities with poor environmental standards and insufficient enforcement. China, India, Pakistan and South America

appear to be moving toward tougher regulation and enforcement. We believe that this will drive a demand in foreign markets for more less polluting LAB recycling processes.

Our Business Model

The market for lead is global in scale but local in nature and execution, with large differences in local regulation, custom and practice. In some regions it is highly regulated, and in others it is not. Consequently, we have developed our business model to commercialize our technology optimally across multiple countries.

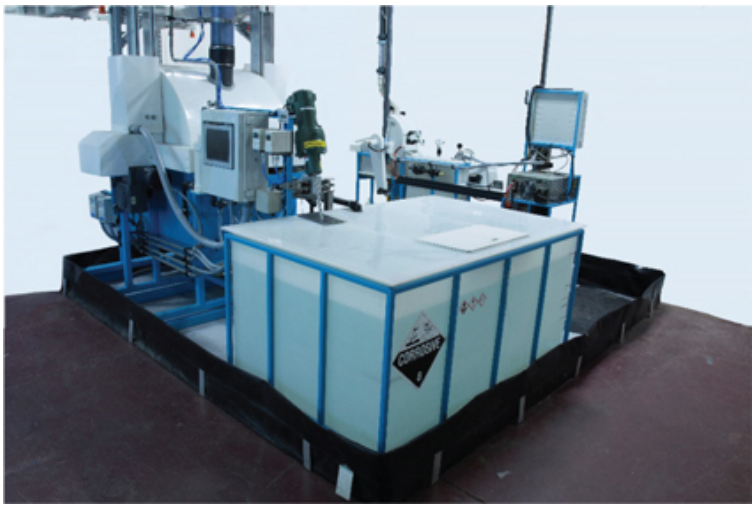
In the US and similarly regulated countries, our plan is to build and operate our own LAB recycling facilities. These will be smaller distributed facilities rather than large centralized facilities as is required for smelting. Our plan is to locate our recycling facilities close to regional supplies of used LABs, starting with locations that are furthest from existing LAB smelting facilities. In countries where direct operation is not possible or not optimal, due to local laws that restrict or limit foreign ownership of operating businesses or otherwise, we plan to supply our process to approved third party customers on a fee-sharing basis.

Lead recycling is subject to a variety of domestic and international regulations related to hazardous materials, emissions, employee safety and other matters. While our operations will be subject to these regulations, we believe that one of our potential advantages will be our ability to conduct lead recycling operations with less regulatory cost and burden than smelting operators. One of our key objectives will be to educate regulators and the public as to the environmental benefits of AquaRefining. We believe we have the potential to develop a business model that offers both strong economics and the opportunity to conduct in a socially responsible manner an important recycling activity that to date has been conducted in an inefficient, energy intensive and often highly polluting manner.

AquaRefining Process

We developed AquaRefining to be a less expensive, cleaner and modular alternative to smelting. Our process has two key elements, both of which are integral to our pending-patent application. The first is our use of a proprietary, non-toxic solvent that dissolves lead compounds. The second is a proprietary electro-chemical process and electrolyzer that converts the dissolved lead compounds into pure, primary grade lead on a fully automated basis.

Similar to conventional LAB recycling, our AquaRefining process begins with the crushing of used LABs and the separation of the metallic lead, active material (lead compounds), sulfuric acid and plastic for recycling. The active material is dissolved in our solvent. The primary lead is then stripped from the solvent using our patent pending and fully automated process allowing the solvent to be reused continuously and indefinitely. The photograph below is an actual full size AquaRefining unit installed in our Oakland development and test facility and is the basis for the modules we will produce in the module production facility we will build nearby.



Our AquaRefining process generates four outputs, namely:

- Primary (high purity) lead ingots;
- High quality LAB grade lead alloy ingots to specific customer specifications;
- Cleaned plastic chips, recovered from battery casings, which we intend to sell; and
- Sulfuric acid, which is recovered as part of our AquaRefining process, which we also intend to sell.

We expect to derive revenue primarily from the sale of primary and secondary lead recovered from the recycled LABs and tolling fees for converting used LABs into primary and secondary lead on behalf of our clients. We expect the additional revenue derived from the sale of cleaned plastic chips and sulphuric acid to be modest.

A significant benefit of our AquaRefining equipment is that we designed the equipment used in the process to be manufactured on a purpose-built production line, in standard sized modules. This is not possible with the smelting process, as smelters need to be constructed on site. This gives us the ability to provide AquaRefining systems with capacities ranging from four metric tons per day to 400 metric tons per day or more all based on our standard factory produced module. Following the completion of this offering, we plan to commence the production of our AquaRefining modules for our Reno facility and third parties.

Equipment

We expect to obtain LAB crushing equipment and ingot production systems from Wirtz Manufacturing Co, Inc., a leading US-based supplier of equipment to LAB manufacturers and smelters. Wirtz has also expressed its interest in distributing our AquaRefining modules to those seeking LAB recycling systems; however, we have no definitive agreements with Wirtz with regard to its distribution of our AquaRefining modules. In August 2014, Wirtz purchased from us an unsecured convertible promissory note in the original principal amount of $500,000, which it exchanged for one of our convertible notes in October 2014.

Other than the LAB crushing equipment and ingot production systems we expect to be supplied by Wirtz, we will source all other components of our AquaRefining modules and related equipment and products from off-the-shelf products or equipment that we will have designed and built to our specifications. All such equipment and products are available from multiple sources at competitive prices.

Our First Recycling Facility: Reno, Nevada

We intend to develop our initial LAB recycling facility near Reno, Nevada. On May 29, 2015, we purchased 11.73 acres of undeveloped land for the purchase price of $1,006,370. The property is located in the Tahoe Reno Industrial Center, a 107,000-acre park located nine miles east of Reno on I-80. The Tahoe Reno Industrial Center includes a developable 30,000-acre industrial complex, with pre-approved industrial and manufacturing uses and on-site rail service by both the Union Pacific and Burlington Northern Santa Fe railways. The Tahoe Reno Industrial Center is the home of the Tesla Gigafactory.

We intend to build a 125,000 square foot LAB recycling facility at our Reno property and have allocated a total of $22.5 million of the proceeds of this offering towards the development of the facility, including $13 million towards site construction and $9.5 million towards the manufacture and installation of our AquaRefining modules, other equipment and fixtures. We have commenced the design of the facility and initiated the selection of a prime contractor to perform the work. We intend to commence construction of the facility within one month of the close of this offering. We expect to complete construction and commence commercial operations within ten months of the completion of this offering.

This facility will include a fully self-contained battery breaking and pre-treatment facility, which will be supplied, at our cost, by Wirtz Manufacturing Co., Inc. In keeping with our modular approach, we intend to commence LAB recycling operations shortly after the first AquaRefining module is delivered, following which, capacity will increase with each subsequent module delivery. We intend to install with the proceeds of this offering approximately eight AquaRefining modules of our own design and manufacture, and operate the facility at a production capacity of 40 metric tons of lead produced per day. Our near-term goal will be to increase our production at the Reno facility to 80 metric tons of lead per day. To do so, we will need an additional

eight AquaRefining modules and building improvements at a total cost of up to approximately $9.5 million, depending on the timing of our receipt of the additional funds. If we are able to acquire additional funds early in the construction process, the incremental cost of building the 80 metric ton per day facility could be as little as approximately $6 million. We intend to seek the additional funds through various financing sources, including the sale of our equity and debt securities and other means of debt financing, with a preference for debt financing. As of the date of this prospectus, we have commenced discussions with various providers of debt financing, including both government and commercial providers of debt financing. However, there can be no assurance that additional debt or equity financing will be available on commercially reasonable terms, if at all. The figure below is an artist's rendering of our proposed facility based on our present design specifications.

Pursuant to the real estate purchase and sale agreement by which we acquired the Reno property, we are responsible for the construction of all improvements and related costs, however the seller is responsible for the construction and related costs of all normal and customary off-site utility infrastructure typical of industrial/commercial parcels, including water supply, sewer capacity and electric power.

In connection with the development and operation of our Reno facility, we will be required to obtain, among other government permits and approvals, a use permit from the State of Nevada Division of Environmental Protection, Bureau of Waste Management and an air quality permit from the State of Nevada Division of Environmental Protection, Bureau of Air Pollution Control. Based on our meetings with officials from each of these agencies and our own permitting study, we do not expect to encounter any material issues or delays in obtaining all required permits and other governmental approvals for the construction and operation of our Reno facility.

We intend to establish additional recycling facilities throughout the US and overseas. However, we have no agreements or plans at this time concerning any recycling facilities other than our proposed Reno facility.

Supply of Used LABs

We believe there is an ample supply of used LABs in the market today and will be for the foreseeable future. The used LAB market consists primarily of LAB manufacturers, LAB specialists and distributors and LAB recovery consolidators. We have entered into formal discussions with three separate suppliers of used LABs. Each of these suppliers has the ability to supply enough used LABs to operate our Reno facility at 80 metric tons of produced lead per day and have expressed a desire to do so. Although we have no definitive agreements in place as of the date of this prospectus with any LAB suppliers, based on our understanding of the market for used LABs and our discussions to date with LAB suppliers, we believe that used LABs should be readily available to us from a number of sources at competitive prices.

Competition

As of the date of this prospectus, we are not aware of any commercially viable alternative to smelting for LAB recycling in operation, except for one variation on smelting that uses a thermal lance to provide the heat. This process, known as Isamelt, has some limited advantages over smelting but has not been widely taken up, although it has been in existence for over 20 years. In addition, several years ago, Engitec Technologies S.p.A. developed an electro-refining process as an alternative to smelting for lead ore. The process is known as the Flubor process and uses fluoboric acid as an electrolyte. We believe The Doe Run Company, a US-based operator of lead smelters, evaluated this process for the production of primary lead, however, to our knowledge, the Flubor process has never been used in commercial lead recycling by The Doe Run Company or anyone else.

We believe that our primary competition in the production of lead will come from operators of existing smelters and other parties invested in the existing supply chain for smelting, both of which may resist the change presented by AquaRefining. Competition from such incumbents may come in the form of price competition for lead produced, however to the extent we are successful in being a low cost producer of lead, we should be able to compete effectively based on price.

Another area where incumbents may seek to compete is in controlling access to used LABs. The market for used LABs is made up of the members of the LAB reverse supply chains, including auto repair shops, auto parts stores and auto dealers, LAB manufacturers who operate their own smelting operations and third parties who engage in the purchase and sale of used LABs. We believe that some LAB manufacturers who maintain their own smelting operations may feel significantly threatened by our AquaRefining process. Such parties may attempt to restrict our access to used LABs; however, we believe these LAB manufacturers only control approximately 50% of the market for used LABs, leaving us with significant access to LABs even if these parties do attempt to interfere. We have assumed at least some level of interference by incumbents and have initiated discussions with potential suppliers of used LABs. On the basis of these discussions, we do not view access to used LABs be a significant risk to our LAB recycling operations.

While we assume that smelters will be resistant, at least at first, to AquaRefining, we have received preliminary inquiries from a number of existing operators of lead smelters who are interested in augmenting their existing capacity or replacing it entirely with our AquaRefining modules. However, our business plan is not dependent or even focused on the acceptance of our process by lead smelters. We intend to initially focus on operating our AquaRefining facilities directly.

We do not expect to experience significant competition in connection with our sale of lead. We believe that the market for lead is established, fluid and effective; and like the markets for other natural resources, such as oil, gas, gold, silver, etc., we do not expect to encounter any issues, conditions or qualifications for the sale of our lead production at prevailing market prices set by the LME. The vertically integrated LAB manufacturers who conduct smelting operations also are buyers of lead from third parties. While these LAB manufacturers may feel threatened by our AquaRefining process, we believe that they will still purchase lead from us if we are able to offer it at the price we anticipate. Notwithstanding this, we believe that the vertically integrated LAB manufacturers account for only 50% of the demand for lead production, leaving a sizable amount of the lead market in the hands of purchasers who we believe will not be reluctant to purchase lead from us.

Intellectual Property Rights

We regard the protection of our technologies and intellectual property rights as an important element of our business operations and crucial to our success. We rely primarily on a combination of patent laws, trade secrets, confidentiality procedures and contractual provisions to protect our proprietary technology. We generally require our employees, consultants and advisors to enter into confidentiality agreements. These agreements provide that all confidential information developed or made known to the individual during the course of the individual's relationship with us is to be kept confidential and not disclosed to third parties except under specific circumstances. In the case of our employees, the agreements provide that all of the technology that is conceived by the individual during the course of employment is our exclusive property. The development of our technology and many of our processes are dependent upon the knowledge, experience and skills of key scientific and technical personnel.

In November 2013, we filed with the US Patent and Trademark Office, or USPTO, a provisional patent covering multiple aspects of our AquaRefining process, including all aspects of our proprietary water-based solvent and our novel electrolyzer. In November 2014, our provisional patent application was converted into a non-provisional patent application which was filed in accordance with the Patent Cooperation Treaty and contained 35 claims. The claims seek patent protection for the entirety of the novel aspects of our process, starting with the dissolution of the lead compounds recovered from a used LAB, the solvents used and the range of chemical compositions under which they are effective. The claims also extend to novel aspects of the electrochemical apparatus and the range of electrochemical parameters, such as electrical current, voltage and solution pH. Finally, the claims seek patent protection for the type and composition of the electrodes used, the form and quality of the lead produced and methods of removing the lead from the electrodes.

In May 2015, we filed an additional non-provisional patent application with the USPTO in accordance with Patent Cooperation Treaty which contained 39 claims. These claims seek to provide additional, complementary and alternative aspects of the November 2014 filing.

In May 2015, we filed an additional six provisional patent applications with the USPTO containing a total of 54 claims. These provisional filings seek to extend our patent protection in our core process technology and seek patent coverage for areas including ancillary processes, electrolyte and water recovery, the form and uses of the lead produced and applications of our process to materials other than lead.

We intend to conduct foreign patent filings covering the claims in our provisional and non-provisional patent applications.

There can be no assurance that any patents will issue from any of our current or any future applications. Also, any patents that may issue may not survive a legal challenge to their scope, validity or enforceability, or provide significant protection for us. The failure of our patents, or the failure of trade secret laws, to adequately protect our technology, might make it easier for our competitors to copy our AquaRefining process.

We have also filed for trademark registration in the US of our corporate name "Aqua Metals" and the terms "AquaRefining," "AquaRefinery" and "AquaRefine" and intend to conduct foreign filings of these marks.

Government Regulation

Our operations in the United States will be subject to the federal, state and local environmental, health and safety laws applicable to the reclamation of LABs. While the lead reclamation process itself is generally not subject to Federal permitting requirements, depending on how any particular operation is structured, our facilities may have to obtain environmental permits or approvals from Federal, state or local regulators to operate, including permits or regulatory approvals related to air emissions, water discharges, waste management, and the storage of LABs on-site should that become necessary. We may face opposition from local residents or public interest groups to the installation and operation of our facilities. Failure to secure (or significant delays in securing) the necessary approvals could prevent us from pursuing some of our planned operations and adversely affect our business, financial results and growth prospects.

In addition to permitting requirements, our operations are subject to environmental health, safety and transportation laws and regulations that govern the management of and exposure to hazardous materials such as the lead and acids involved in LAB reclamation. These include hazard communication and other occupational safety requirements for employees, which may mandate industrial hygiene monitoring of employees for potential exposure to lead. Failure to comply with these requirements could subject our business to significant penalties (civil or criminal) and other sanctions that could adversely affect our business. Changes to these regulatory requirements in the future could also increase our costs, require changes in or cessation of certain activities, and adversely affect the business.

The nature of our operations involve risks, including the potential for exposure to hazardous materials such as lead, that could result in personal injury and property damage claims from third parties, including employees and neighbors, which claims could result in significant costs or other environmental liability. Our operations also pose a risk of releases of hazardous substances, such as lead or acids, into the environment, which can result in liabilities for the removal or remediation of such hazardous substances from the properties at which they have been released, liabilities which can be imposed regardless of fault, and our business could be held liable for the entire cost of cleanup even if we were only partially responsible. Like any manufacturer, we are also subject to the possibility that we may receive notices of potential liability in connection with materials that were sent to third-party recycling, treatment, and/or disposal facilities under the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"), and comparable state statutes, which impose liability for investigation and remediation of contamination without regard to fault or the legality of the conduct that contributed to the contamination, and for damages to natural resources. Liability under CERCLA is retroactive, and, under certain circumstances, liability for the entire cost of a cleanup can be imposed on any responsible party.

As our business expands outside of the United States, our operations will be subject to the environmental, health and safety laws of the countries where we do business, including permitting and compliance requirements that address the similar risks as do the laws in the United States, as well as international legal requirements such as those applicable to the transportation of hazardous materials. Depending on the country or region, these laws could be as stringent as those in the US, or they could be less stringent or not as strictly enforced. In some countries in which we are interested in expanding our business, such as Mexico and China, the relevant environmental regulatory and enforcement frameworks are in flux and subject to change. Therefore, while compliance with these requirements will cause our business to incur costs, and failure to comply with these requirements could adversely affect our business, it is difficult to evaluate such potential costs or adverse impacts until such time as we decide to initiate operations in particular countries outside the United States.

Employees

As of the date of this prospectus, we employ 10 people on a full-time basis, including our four executive officers and six technical staff, one person on a part-time basis and three technical consultants. Upon the completion of this offering, we intend to hire up to 20 additional employees to support the production of our AquaRefining modules. We also expect to hire up to 50 additional employees in 2016 in connection with the operation of our LAB recycling facility in Reno, Nevada.

Properties

Our executive offices are presently located in a 2,300 square foot facility in Oakland, California pursuant to a six-month lease, ending July 31, 2015, at the rate of $4,200 per month. We also lease a 5,200 square feet engineering and test facility in Oakland, California pursuant to a three-year lease at a lease rate of $3,100 per month.

We are currently pursuing the lease of an approximately 20,000 square foot facility in the greater Oakland, California area from which we will assemble and ship AquaRefining modules. We also intend to consolidate our existing executive offices and engineering and test operations in the new facility. We believe there are several suitable lease sites available at competitive prices.

In May 2015, we purchased 11.73 acres of undeveloped land located in the Tahoe Reno Industrial Center, a 107,000-acre park located nine miles east of Reno, Nevada on I-80. We intend to develop a 125,000 square foot lab recycling facility on the property, as more fully described at “Our Business - Our First Recycling Facility: Reno, Nevada.”

Litigation

There are no pending legal proceedings to which we or our properties are subject.

General

We were formed as a Delaware corporation on June 20, 2014 for the purpose of engaging in the business of recycling lead through a novel, proprietary and patent-pending process that we developed and named "AquaRefining". Since our formation, we have focused our efforts on the further development of our AquaRefining process, establishment of strategic relationships and the pursuit of additional working capital. We have not commenced revenue-producing operations and, under our current plan of business, do not expect to do so until the second quarter of 2016 and subject to our receipt of a total of $26 million of net proceeds from this offering.

To date, we have capitalized our operations with equity contributions and advances from our founders, our receipt of a $500,000 investment from Wirtz Manufacturing Co. Inc. and our receipt of $5.5 million of capital from our private placement sale of senior secured convertible promissory notes, which we refer to as our "convertible notes", in October 2014. Pursuant to the terms of our investment agreement with Wirtz Manufacturing Co. Inc., Wirtz exchanged its investment in our company for a convertible note sold in the October 2014 private placement. As a result we have issued and outstanding convertible notes in the aggregate principal amount of $6 million, with accrued and unpaid interest as of March 31, 2015 in the amount of $154,356.

Interest on our convertible notes accrues on the unpaid principal at the rate of six percent (6%) per year, except during any event of default under the convertible notes in which case the interest rate shall be twelve percent (12%) per year. All principal and interest under the convertible notes are due and payable on December 31, 2015. All principal and interest under the convertible notes are convertible into shares of common stock as follows:

- Upon the consummation of an initial public offering by us, all principal and interest shall automatically convert at 50% of the IPO price, provided, however, in no event shall the conversion price be greater than $2.27 nor less than $1.52 per share;

- In the event of a subsequent private placement approved by the holders of 50% or more of the aggregate principal amount of all convertible notes, all principal and interest shall automatically convert at 50% of the offer price in the subsequent private placement, provided, however, in no event shall the conversion price be greater than $2.27 nor less than $1.52 per share; and

- Until the 10th day prior to the consummation of an IPO by us, a holder of a convertible note, at its option, may convert at a conversion price of $2.27 per share.

Pursuant to the terms of our convertible notes, all principal and accrued interest under the notes will automatically convert into shares of our common stock, at the conversion price of $____ per share upon the completion of this offering.

Plan of Operations

Our plan of operations for the 12-month period following the completion of this offering is to commence the development and construction of our initial recycling facility near Reno, Nevada. In May 2015, we purchased 11.73 acres of undeveloped land nine miles outside of Reno for the purchase price of $1,006,370. We intend to build a 125,000 square foot LAB recycling facility at our Reno property and have allocated a total of $22.5 million of the proceeds of this offering towards the development of the facility, including $13 million towards site construction and $9.5 million towards the manufacture and installation of our AquaRefining modules, other equipment and fixtures. We have commenced the design of the facility and initiated the selection of a prime contractor to perform the work. We intend to commence construction of the facility within 30 days of the close of this offering. We expect to complete construction and commence commercial operations within ten months of the completion of this offering.

We intend to install with the proceeds of this offering approximately eight AquaRefining modules of our own design and manufacture, and operate the facility at a production capacity of 40 metric tons of lead produced per day. However, in keeping with our modular approach, we intend to commence LAB recycling operations shortly after the first AquaRefining module is delivered, following which, capacity will increase with each subsequent module delivery. We believe that the net proceeds of this offering, together with our cash on hand, will be sufficient to complete the development of the Reno recycling facility, including the manufacture and installation of approximately eight AquaRefining recycling modules. This belief is based on our

current assumptions and estimates concerning the costs of production and manufacture and the availability of materials and labor. If our assumptions or estimates prove to be inaccurate, we may require additional funds in order to complete our Reno facility.

Our near-term goal will be to increase our production at the Reno facility to 80 metric tons of lead per day. To do so, we will need an additional eight AquaRefining modules and building improvements at a total cost of up to approximately $9.5 million, depending on the timing of our receipt of the additional funds. If we are able to acquire additional funds early in the construction process, the incremental cost of building the 80 metric ton per day facility could be as little as approximately $6 million. We intend to seek the additional funds through various financing sources, including the sale of our equity and debt securities and other means of debt financing, with a preference for debt financing. As of the date of this prospectus, we have commenced discussions with various providers of debt financing, including both government and commercial providers of debt financing. However, there can be no assurance that additional debt or equity financing will be available on commercially reasonable terms, if at all.

Results of Operations

We were formed on June 20, 2014 and have not commenced revenue-producing operations. To date, our operations have consisted of the development and limited testing of our AquaRefining process and the development of our business plan. From inception on June 20, 2014 through December 31, 2014, we incurred $231,043 of operations and development costs, consisting primarily of $157,917 of salary and benefits, $62,159 of supplies and overhead and $10,967 for consulting fees. We also incurred $1,175,613 of business development and management costs, consisting primarily of $315,752 of salary and benefits, $735,284 of professional services, $45,922 of depreciation and amortization and $78,655 of insurance, travel and overhead. Other expenses for the period June 20, 2014 through December 31, 2014 included $216,919 of interest expense and $1,172,627 resulting from a change in fair value of derivative liabilities relating to our convertible note financing and the related financing warrants. We incurred a net loss before tax of $2,373,751 for the period from June 20, 2014 through December 31, 2014.

For the three months ended March 31, 2015, we incurred $213,591 of operations and development costs, consisting primarily of $122,219 of salary and benefits, $26,368 of supplies and overhead and $65,004 for consulting fees. We also incurred $471,623 of business development and management costs, consisting primarily of $306,921 of salary and benefits, $79,840 of professional services, $30,663 of depreciation and amortization and $54,199 of insurance, travel and overhead. Other expenses for the three months ended March 31, 2015 included $316,534 of interest expense and $3,896,079 resulting from a change in fair value of derivative liabilities relating to our convertible note financing and the related financing warrants. We incurred a net loss before tax of $4,898,651 for the three months ended March 31, 2015.

Financial Condition

As of March 31, 2015, we had total assets of $5,214,155 and a working capital deficit of $1,735,764. We believe that we require a minimum of $26 million of capital over the next 12 months in order to fund our current business plan, including the development of our initial recycling facility near Reno, Nevada. However, we may require additional capital over the next 12 months, the receipt of which there can be no assurance. In addition, we will require additional capital in order to fund our proposed development of additional AquaRefining recycling facilities. We intend to seek additional funds through various financing sources, including the private sale of our equity and debt securities, licensing fees for our technology, joint ventures with capital partners and project financing of our recycling facilities. In addition, we will consider alternatives to our current business plan that may enable to us to achieve revenue producing operations and meaningful commercial success with a smaller amount of capital. However, there can be no guarantees that such funds will be available on commercially reasonable terms, if at all. If such financing is not available on satisfactory terms, we may be unable to further pursue our business plan and we may be unable to continue operations.

The report of our independent registered public accounting firm for the fiscal year ended December 31, 2014 states that due to our development stage status, lack of revenue and dependence upon future sources of equity or debt financing there is substantial doubt about our ability to continue as a going concern.

Off Balance Sheet Transactions

We do not have any off-balance sheet transactions.

Critical Accounting Policies

Certain accounting policies and estimates are particularly important to the understanding of our financial position and results of operations and require the application of significant judgment by our management or can be materially affected by changes from period to period in economic factors or conditions that are outside of our control. As a result, they are subject to an inherent degree of uncertainty. In applying these policies, our management uses their judgment to determine the appropriate assumptions to be used in the determination of certain estimates. Those estimates are based on our historical operations, our future business plans and projected financial results, the terms of existing contracts, our observance of trends in the industry, information provided by our customers and information available from other outside sources, as appropriate. Please see Note 1 to our financial statements for a more complete description of our significant accounting policies.

Convertible Instruments. We account for hybrid contracts that feature conversion options in accordance with ASC 815 "Derivatives and Hedging Activities," ("ASC 815") and ASC 480 "Distinguishing Liabilities from Equity" ("ASC 480"), which require companies to bifurcate conversion options from their host instruments and account for them as free standing derivative financial instruments according to certain criteria. The criteria includes circumstances in which (i) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (ii) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair value under otherwise applicable generally accepted accounting principles with changes in fair value reported in earnings as they occur and (iii) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument. We account for convertible instruments that have been determined to be free standing derivative financial instruments (when we have determined that the embedded conversion options should be bifurcated from their host instruments) in accordance with ASC 815. Under ASC 815, a portion of the proceeds received upon the issuance of the hybrid contract is allocated to the fair value of the derivative. The derivative is subsequently marked to market at each reporting date based on current fair value, with the changes in fair value reported in results of operations.

Conversion options that contain variable settlement features such as provisions to adjust the conversion price upon subsequent issuances of equity or equity linked securities at exercise prices more favorable than that featured in the hybrid contract generally result in their bifurcation from the host instrument.

We account for convertible debt instruments, when we have determined that the embedded conversion options should not be bifurcated from their host instruments, in accordance with ASC 470-20 "Debt with Conversion and Other Options". We record, when necessary, discounts to convertible notes for the intrinsic value of conversion options embedded in debt instruments based upon the differences between the fair value of the underlying common stock at the commitment date of the note transaction and the effective conversion price embedded in the note. Debt discounts under these arrangements are amortized under the effective interest method over the term of the related debt.

Common Stock Purchase Warrants and Other Derivative Financial Instruments. We classify as equity any contracts that (i) require physical settlement or net-share settlement or (ii) provides a choice of net-cash settlement or settlement in our own shares (physical settlement or net-share settlement) providing that such contracts are indexed to our own stock as defined in ASC 815-40 "Contracts in Entity's Own Equity" ("ASC 815-40"). We classify as assets or liabilities any contracts that (i) require net-cash settlement (including a requirement to net cash settle the contract if an event occurs and if that event is outside our control) or (ii) give the counterparty a choice of net-cash settlement or settlement in shares (physical settlement or net-share settlement). We assess classification of common stock purchase warrants and other free standing derivatives at each reporting date to determine whether a change in classification between assets and liabilities or equity is required.

Intangible and Other Long-Lived Assets. Our intangible asset consists of a patent application contributed to us by five founding stockholders. The useful life of the asset has been determined to be ten years and the asset is being amortized. We periodically evaluate our intangible and other long-lived assets for indications that the carrying amount of an asset may not be recoverable. In reviewing for impairment, we compare the carrying value of such assets to the estimated undiscounted future cash flows expected from the use of the assets and their eventual disposition. When the estimated undiscounted future cash flows are less than their carrying amount, an impairment loss is recognized equal to the difference between the assets' fair value and their carrying value. In addition to the recoverability assessment, we routinely review the remaining estimated lives of our long-lived assets. Any reduction in the useful life assumption will result in increased depreciation and amortization expense in the period when such determination is made, as well as in subsequent periods. We performed an impairment analysis on intellectual property for the quarter ended December 31, 2014 and concluded there was no impairment. We determined that the estimated life of the intellectual property properly reflected the current remaining economic life of the asset.

MANAGEMENT

Set forth below are our directors and officers:

Name	Age	Position
Stephen R. Clarke	57	President, Chief Executive Officer and Chairman of the Board
Thomas Murphy	63	Chief Financial Officer and Director
Selwyn Mould	54	Chief Operating Officer
Stephen Cotton	48	Chief Commercial Officer
Stan Kimmel	79	Director
Vincent L. DiVito	55	Director

Stephen R. Clarke is a co-founder of our company and has served as our president, chief executive officer and chairman of our board directors since inception in June 2014. From May 2013 to June 2014, Dr. Clarke, along with Mr. Mould and others, engaged in research and development that ultimately lead to their development of the AquaRefining process. From 2008 to May 2013, Dr. Clarke was employed as the chief executive officer of Applied Intellectual Capital, Ltd., an Isle of Jersey company co-founded by Dr. Clarke in 1999 to engage in the business of incubating and developing electro-chemical technologies. Dr. Clarke holds a Ph.D. in computer simulation and manufacturing management from The University of Aston, UK, a BSc in mechanical engineering from Nottingham Trent University, UK and an MSc/MBA in engineering enterprise management from The University of Warwick, UK.

Dr. Clarke has extensive knowledge of the battery industry and electro-chemical technologies from his senior management position with Applied Intellectual Capital, Ltd. As a result of these and other professional experiences, our board of directors has concluded that Mr. Clarke is qualified to serve as a director.

Thomas Murphy is a co-founder of our company and has served as our chief financial officer and a member of our board directors since inception in June 2014. From May 2013 to June 2014, Mr. Murphy worked alongside Mr. Clarke and Mr. Mould in the development of the AquaRefining process and our current business. From September 2009 to May 2013, Mr. Murphy served as chief financial officer of Applied Intellectual Capital, Ltd. In addition Mr. Murphy has over 30 years' experience in senior financial positions working in publishing, construction and aviation industries.

Mr. Murphy has extensive knowledge of accounting issues and business operations in the markets in which we operate from his experience as chief financial officer of Applied Intellectual Capital, Ltd. As a result of these and other professional experiences, our board of directors has concluded that Mr. Murphy is qualified to serve as a director.

Selwyn Mould is a co-founder of our company and has served as our chief operating officer since inception in June 2014. From May 2013 to June 2014, Mr. Mould, along with Mr. Clarke and others, engaged in research and development that ultimately lead to their development of the AquaRefining process. From 2008 to May 2013, Mr. Mould served as chief operating officer of Applied Intellectual Capital, Ltd. From 1999 to 2007, Mr. Mould served as head of supply chain for Group Lotus Plc, the sports car manufacturer and engineering consultant. Prior to that he was head of logistics for Pilkington Plc. In his earlier career, Mr. Mould was a production manager for Chloride Industrial Batteries Ltd. Mr. Mould holds an MA in natural sciences from the University of Cambridge with a major in chemistry.

Stephen Cotton has served as our chief commercial officer since January 2015. Mr. Cotton co-founded Canara, Inc. in December 2001 and served as its chief executive officer through the sale of the company to a private equity firm in June 2012, after which he served as executive chairman until April 2014. Canara is a global provider of stationary battery systems with integrated monitoring systems and cloud-based monitoring services to many of the largest data center operators. From April 2014 to January 2015, Mr. Cotton managed his private investments.

Stan Kimmel has served as a member of our board of directors since May 2015. Mr. Kimmel has over 50 years of experience in the engineering and construction industry with a primary focus on design, construction and startup of first-of-a-kind processes, primarily in the fuels, energy, and chemical industries. From 1965 to 1998, Mr. Kimmel was employed by Fluor Corporation, an international engineering and construction company. From 1988 to 1998, Mr. Kimmel served as vice president of technology where he was responsible for a wide-range of technical and business development activities. Mr. Kimmel's responsibilities as vice president of technology included environmental engineering and identification and first-time engineering of commercially promising new technologies with a focus on advanced power and energy systems. Since 1998, Mr. Kimmel has been engaged

as an independent consultant on technical, business planning and management matters for the fuels, energy, and chemical industries.

Mr. Kimmel has extensive knowledge of the design, engineering and construction of first-of-a-kind processes, primarily in the fuels, energy, and chemical industries, from his senior management position with Fluor Corporation. As a result of these and other professional experiences, our board of directors has concluded that Mr. Kimmel is qualified to serve as a director.

Vincent L. DiVito has served as a member of our board of directors since May 2015. Since April 2010, Mr. DiVito has served as the owner and chief executive officer of Vincent L. DiVito, Inc., a financial and management consulting firm. From January 2008 to April 2010, Mr. DiVito served as president of Lonza America, Inc., a global life sciences chemical business headquartered in Allendale, New Jersey, and also served as chief financial officer and treasurer of Lonza America, Inc. from September 2000 to April 2010. Lonza America, Inc. is part of Lonza Group, whose stock is traded on the Swiss Stock Exchange. From 1990 to September 2000, Mr. DiVito was employed by Algroup Wheaton, a global pharmaceutical and cosmetics packaging company, first as its director of business development and later as its vice president and chief financial officer. Mr. DiVito is a certified public accountant and certified management accountant and is a National Association of Corporate Directors Board Leadership Fellow. He has served on the board of directors and chairman of the audit committee of Entertainment Gaming Asia Inc., a Nasdaq listed company gaming company, since October 2005 and also served as a member of the board of directors of Riviera Holdings Corporation, formerly an AMEX listed gaming and resort company, from July 2002 until the consummation of a change in control of the corporation in March 2011.

Mr. DiVito has extensive knowledge of accounting and corporate governance issues from his experience serving on various corporate boards of directors and has extensive operational knowledge as a result of his experience as a senior executive officer of major corporations. As a result of these and other professional experiences, our board of directors has concluded that Mr. DiVito is qualified to serve as a director.

Board Composition

Our board of directors may establish the authorized number of directors from time to time by resolution. Our board of directors currently consists of four authorized members.

Generally, under the listing requirements and rules of the Nasdaq Stock Market, independent directors must comprise a majority of a listed company's board of directors within one year of the completion of this offering. Our board of directors has undertaken a review of its composition, the composition of its committees and the independence of each director. Our board of directors has determined that, other than Mr. Clarke and Mr. Murphy, by virtue of their executive officer positions, none of our directors has a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each is "independent" as that term is defined under the applicable rules and regulations of the SEC and the listing requirements and rules of the Nasdaq Stock Market. In making this determination, our board of directors considered the current and prior relationships that each nonemployee director has with our company and all other facts and circumstances our board of directors deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each nonemployee director. Accordingly, only 50% of our directors are independent, as required under applicable Nasdaq Stock Market rules. We intend that within one year from the completion of this offering the composition of our board of directors will include a majority of directors under the rules of the Nasdaq Stock Market.

Our board of directors intends to establish an audit committee, a compensation committee, and a nominating and corporate governance committee, each under a written charter that will satisfy the applicable rules of the SEC and the listing standards of the Nasdaq Stock Market.

Compensation Committee Interlocks and Insider Participation

Neither of our independent directors, Stan Kimmel or Vincent L. DiVito, is currently or has been at any time one of our officers or employees. None of our executive officers currently serves, or has served during the last year, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving as a member of our board of directors.

Executive Compensation

Summary Compensation Table

The following table sets forth the compensation awarded to, earned by or paid to, our executive officers for the year ended December 31, 2014. In reviewing the table, please note that:

- We commenced operations in June 2014 and commenced paying compensation to our executive officers in August 2014; and
- Mr. Cotton commenced his employment with us in January 2015.

Name and Principal Position	Year	Salary	Bonus	Stock Awards	Option Awards	All Other Compensation	Total
Stephen Clarke, CEO	2014	$ 131,167	—	—	—	—	$ 131,167
Selwyn Mould, COO	2014	$ 119,167	—	—	—	—	$ 119,167
Thomas Murphy, CFO	2014	$ 106,667	—	—	—	—	$ 106,667
Stephen Cotton, CCO	2014	—	—	—	—	—	—

Narrative Disclosure to Summary Compensation Table

We have entered into executive employment agreements with each of our executive officers. Pursuant to the employment agreements, we compensate our executive officers at the annual rate of $280,000 for Dr. Clarke and $250,000 for Messrs. Mould, Murphy and Cotton. The employment agreements entitle each officer to reasonable and customary health insurance and other benefits, at our expense, and a severance payment in the amount of two-times their then annual salary and related benefits in the event of our termination of their employment without cause or their resignation for good reason. Each employment agreement provides for intellectual property assignment and confidentiality provisions that are customary in our industry.

In April 2015, we granted Mr. Cotton options to purchase 315,000 shares of our common stock over a five-year period at an exercise price of $3.23 per share. Mr. Cotton's options vest and first become exercisable over a three-year period commencing on the first anniversary of the date of grant. Mr. Cotton's options were granted pursuant to our 2014 Stock Incentive Plan. As of the date of this prospectus, we have not granted any other equity awards to our executive officers.

Compensation of Directors

We do not compensate any of our executive directors for their service as a director and we have not adopted any policies or plans with regard to the compensation of our independent directors. However, in connection with the appointment of our current independent directors in April 2015, we agreed to compensate each of the independent directors as follows:

- We have granted Vincent DiVito options to purchase 24,038 shares of our common stock over a five-year period at an exercise price of $3.23 per share and agreed to pay him annually cash in the amount of $50,000; and
- We have granted Stan Kimmel options to purchase 19,230 shares of our common stock over a five-year period at an exercise price of $3.23 per share and agreed to pay him annually cash in the amount of $40,000.

The directors' options were granted pursuant to our 2014 Stock Incentive Plan. The options vest and first become exercisable over a three-year period commencing one year from the date of grant. The above-described cash payments are in lieu of attendance fees, however we intend to reimburse our independent directors for their reasonable expenses incurred in connection with attending meetings of our board of directors.

Related Party Transactions

In November 2014, we purchased $18,750 in shop tools and $8,195 in shop supplies from AIC Labs, Inc., a wholly-owned subsidiary of AIC Nevada, Inc., a holder of more than 5% of our issued common shares.

Except as set forth above, we have not entered into any transactions with any of our directors, officers, beneficial owners of five percent or more of our common shares, any immediate family members of the foregoing or entities of which any of the foregoing are also officers or directors or in which they have a material financial interest, other than the compensatory arrangements described elsewhere in this prospectus.

We have adopted a policy that any transactions with directors, officers, beneficial owners of five percent or more of our common shares, any immediate family members of the foregoing or entities of which any of the foregoing are also officers or directors or in which they have a financial interest, will only be on terms consistent with industry standards and approved by a majority of the disinterested directors of our board.

Limitation of Liability of Directors and Indemnification of Directors and Officers

The Delaware General Corporation Law provides that corporations may include a provision in their certificate of incorporation relieving directors of monetary liability for breach of their fiduciary duty as directors, provided that such provision shall not eliminate or limit the liability of a director (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) for unlawful payment of a dividend or unlawful stock purchase or redemption, or (iv) for any transaction from which the director derived an improper personal benefit. Our certificate of incorporation provides that directors are not liable to us or our stockholders for monetary damages for breach of their fiduciary duty as directors to the fullest extent permitted by Delaware law. In addition to the foregoing, our bylaws provide that we may indemnify directors, officers, employees or agents to the fullest extent permitted by law and we have agreed to provide such indemnification to each of our directors.

The above provisions in our certificate of incorporation and bylaws and in the written indemnity agreements may have the effect of reducing the likelihood of derivative litigation against directors and may discourage or deter stockholders or management from bringing a lawsuit against directors for breach of their fiduciary duty, even though such an action, if successful, might otherwise have benefited us and our stockholders. However, we believe that the foregoing provisions are necessary to attract and retain qualified persons as directors.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to our directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, we have been advised that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

PRINCIPAL STOCKHOLDERS

The following table sets forth certain information regarding the beneficial ownership of our common stock as of the date of this prospectus by:

- each person who is known by us to be the beneficial owner of more than five percent (5%) of our issued and outstanding shares of common stock;
- each of our directors and executive officers; and
- all directors and executive officers as a group.

The beneficial ownership of each person was calculated based on _____ common shares issued and outstanding prior to the offering, including 4,800,000 shares issued and outstanding as of the date of this prospectus and _____ shares issuable upon the conversion of our outstanding convertible notes as of March 31, 2015. The SEC has defined "beneficial ownership" to mean more than ownership in the usual sense. For example, a person has beneficial ownership of a share not only if he owns it, but also if he has the power (solely or shared) to vote, sell or otherwise dispose of the share. Beneficial ownership also includes the number of shares that a person has the right to acquire within 60 days of the date of this prospectus, pursuant to the exercise of options or warrants or the conversion of notes, debentures or other indebtedness. Two or more persons might count as beneficial owners of the same share. Unless otherwise indicated, the address for each reporting person is 501 23rd Avenue, Oakland, California 94606.

Name of Director or Executive Officer	Number of Shares	Percentage Owned Prior to Offering[1]	Percentage Owned After Offering[2]
Stephen R. Clarke	1,909,814[3]	%	%
Selwyn Mould	864,000	%	%
Thomas Murphy	864,000	%	%
Stephen Cotton	110,133[4]	%	*
Stan Kimmel	—[5]	%	%
Vincent L. DiVito	—[6]	%	%
Directors and executive officers as a group	3,747,947	%	%

_____

* Less than 1%._____

_____

Name and Address of 5% + Holders	Number of Shares	Percentage Owned Prior to Offering[1]	Percentage Owned After Offering[2]
AIC Nevada, Inc.	805,814	%	%
Michael King	480,000	%	%
Liquid Patent Consulting, LLC 4551 Glencoe Avenue, Suite 150 Marina Del Rey, CA 90292	480,000[7]	%	%

_____

1 Assumes the issuance of _____ shares of our common stock issuable upon the conversion of our convertible notes.

2 Assumes the sale of _____ shares of our common stock in the present offering.

3 Includes 805,814 common shares held by AIC Nevada, Inc. Mr. Clarke is a director of AIC Nevada, Inc. and, therefore, is considered to be the beneficial owner of those shares.

4 Excludes 315,000 shares underlying an outstanding option subject to vesting.

5 Excludes 19,230 shares underlying an outstanding option subject to vesting.

6 Excludes 24,038 shares underlying an outstanding option subject to vesting.

7 Represents shares issuable upon exercise of an outstanding warrant.

ESTIMATED USE OF PROCEEDS

After the payment of underwriting discounts of 10% on the sale of the shares offered hereby and estimated offering expenses of $600,000, the net proceeds of this offering will be approximately $26,400,000. We intend to apply the estimated net proceeds of the offering as follows:

	Amount	Percent
Build and equip a recycling facility near Reno, Nevada	$ 22,500,000	85%
Tenant improvements and equipment for office and manufacturing facility in Alameda, California	$ 500,000	2%
Patent and trademark filings	$ 200,000	1%
Working Capital	$ 3,200,000	12%
Total Net Proceeds	$ 26,400,000	100%

We intend to build a 125,000 square foot LAB recycling facility at our Reno property and have allocated a total of $22.5 million of the proceeds of this offering towards the development of the facility, including $13 million towards site construction and $9.5 million towards the manufacture and installation of our AquaRefining modules, other equipment and fixtures.

We believe that the net proceeds of this offering, together with our cash on hand, will be sufficient to complete the development of the Reno recycling facility, described in the section at “Our Business - Our First Recycling Facility, Reno Nevada”, including the manufacture and installation of approximately eight AquaRefining recycling modules with a capacity, as a group, to produce approximately 40 metric tons of lead per day. This belief is based on our current assumptions and estimates concerning the costs of production and manufacture and the availability of materials and labor. If our assumptions or estimates prove to be inaccurate, we may require additional funds in order to complete our Reno facility. In addition, the expected allocation of net proceeds set forth above represents our best estimates based upon our present plans and our assumptions regarding industry conditions and our anticipated future revenues and expenditures. We may find it necessary to reallocate some of the proceeds within the above-described categories or to use portions thereof for other purposes in order to carry out our business plan if those assumptions change.

If the underwriter exercises its right to purchase additional ___ shares of common stock to cover over-allotments, we may receive up to an additional $2.7 million, after deducting $300,000 for underwriting discounts. We intend to apply any net proceeds from the exercise of the overallotment option to working capital. Pending the uses described above, we intend to invest the net proceeds from this offering in short-term, investment-grade interest-bearing securities such as money market accounts, certificates of deposit, commercial paper, and guaranteed obligations of the U.S. government.

CAPITALIZATION

The following table sets forth our capitalization as of March 31, 2015 on:

- an actual basis;
- a pro forma basis, giving effect to the automatic conversion of $6.0 million principal amount, net, of our convertible notes, and $154,356 of accrued interest thereon as of March 31, 2015, into _____ shares of common stock and the resulting elimination of the derivative liability related to the debt, each to be effective immediately upon the consummation of this offering as if such conversions had occurred on March 31, 2015; and
- a pro forma as adjusted basis to reflect, in addition, our sale of _____ shares of common stock in this offering at the initial public offering price of $____ per share, after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

You should read the information in this table together with our consolidated financial statements and related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" appearing elsewhere in this prospectus.

	As of March 31, 2015		
	Actual	Pro Forma[1]	Pro Forma As Adjusted
Convertible notes[2]	$ 5,317,942	$ —	$ —
Derivative liabilities	5,280,861	511,343	—
Stockholders' (deficit) equity:			
Common stock, $0.001 par value, 50,000,000 shares authorized, 4,800,000 shares issued and outstanding, actual; _____ shares issued and outstanding, pro forma; _____ shares issued and outstanding, pro forma as adjusted	4,800	8,611	
Additional paid-in capital	1,598,095	12,518,157	
Accumulated earnings (deficit)	(7,272,402)	(7,954,459)	
Total stockholders' (deficit) equity	(5,669,507)	4,572,308	
Total capitalization	$ 4,929,296	5,083,652	

_____

(1) The pro forma column reflects (i) the automatic conversion of $6.0 million principal amount, net, of our convertible notes, and $154,356 of accrued interest thereon as of March 31, 2015, into an aggregate of _____ shares of common stock and reclassified to common stock and additional paid in capital, and (ii) the reclassification of $4,769,517 of derivative liability related to the convertible notes to additional paid in capital.

(2) Convertible notes is shown net of a debt discount of $682,057 attributed to financing costs associated with our convertible notes. These notes will be converted into shares of common stock immediately upon the consummation of this offering and therefore have been excluded from the pro forma and pro forma as adjusted convertible notes balances.

The number of shares of our common stock to be outstanding after this offering is based on _____ shares of our common stock outstanding as of March 31, 2015 (including 4,800,000 shares of common stock outstanding as of the date of this prospectus and _____ shares common stock issuable upon conversion of our convertible notes as of March 31, 2015), and excludes:

- 624,268 shares of our common stock issuable upon exercise of options granted pursuant to our 2014 Stock Incentive Plan;
- 722,291 shares of our common stock issuable upon exercise of outstanding warrants;
- up to _____ shares issuable pursuant to the underwriter's over-allotment option;
- 875,732 shares of our common stock reserved for future grants pursuant to our 2014 Stock Incentive Plan; and
- the shares of our common stock issuable upon exercise of the underwriter's warrant.

DILUTION

If you invest in our common stock, your interest will be diluted to the extent of the difference between the amount per share paid by purchasers of shares of common stock in this offering and the pro forma as adjusted net tangible book value per share of common stock immediately after the completion of this offering.

As of March 31, 2015, our pro forma net tangible book deficit was approximately $(6.8) million, or $(____) per share of common stock. Our pro forma net tangible book deficit per share represents the amount of our total tangible assets reduced by the amount of our total liabilities and divided by the total number of shares of our common stock outstanding as of March 31, 2015, assuming the conversion of $6,154,356 million amount of indebtedness relating to our convertible notes and related interest into _____ shares of common stock and the resulting elimination of the derivative liability related to the debt and write-off of unamortized debt issuance cost, each effective upon the completion of this offering.

After giving effect to our sale in this offering of _____ shares of our common stock, at the initial public offering price of $____ per share, after deducting underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of March 31, 2015 would have been approximately $___ million, or $___ per share of our common stock. This represents an immediate increase in pro forma as adjusted net tangible book value of $___ per share to our existing stockholders and an immediate dilution of $___ per share to investors purchasing shares in this offering.

The following table illustrates this dilution:

Initial public offering price per share	$	
Pro forma net tangible book value per share as of March 31, 2015, before giving effect to this offering	$	( )
Increase in pro forma net tangible book value per share attributable to new investors purchasing shares in this offering		
Pro forma as adjusted net tangible book value per share, after giving effect to this offering	$	
Dilution per share to new investors purchasing shares in this offering	$	

If the underwriter exercises its over-allotment option in full, the pro forma as adjusted net tangible book value per share of our common stock would be $___ per share, and the dilution per share to new investors purchasing shares in this offering would be $____ per share.

The following table summarizes, on a pro forma as adjusted basis as of March 31, 2015 after giving effect to (i) the automatic conversion of $6.0 million principal amount, net, of indebtedness related to our convertible notes into shares of common stock and (ii) completion of this offering at the initial public offering price of $___ per share, the difference between existing stockholders and new investors with respect to the number of shares of common stock purchased from us, the total consideration paid to us and the average price per share paid, before deducting underwriting discounts and commissions and estimated offering expenses:

	Shares Purchased		Total Consideration		Average Price
	Number	Percent	Amount	Percent	Per Share
Existing stockholders		%	$	%	$
New public investors					$
Total		100.0%	$	100.0%	

To the extent that our outstanding warrants are exercised, investors will experience further dilution.

Except as otherwise indicated, the above discussion and tables assume no exercise of the underwriter's over-allotment option. If the underwriter exercises its over-allotment option in full, our existing stockholders would own ___% and our new investors would own ___% of the total number of shares of our common stock outstanding upon the completion of this offering.

The number of shares of our common stock to be outstanding after this offering is based on _____ shares of our common stock outstanding as of March 31, 2015 (including 4,800,000 shares of common stock outstanding as of the date of this prospectus and _____ shares common stock issuable upon conversion of our convertible notes as of March 31, 2015), and excludes:

- 624,268 shares of our common stock issuable upon exercise of options granted pursuant to our 2014 Stock Incentive Plan;
- 722,291 shares of our common stock issuable upon exercise of outstanding warrants;
- up to _____ shares issuable pursuant to the underwriter's over-allotment option;
- 875,732 shares of our common stock reserved for future grants pursuant to our 2014 Stock Incentive Plan; and
- the shares of our common stock issuable upon exercise of the underwriter's warrant.

DESCRIPTION OF SECURITIES

Common Stock

We are authorized to issue 50,000,000 shares of $0.001 par value common stock. As of the date of this prospectus, there are 4,800,000 shares of our common stock issued and outstanding. Except as described below, there are no other agreements or outstanding options, warrants or similar rights that entitle their holder to acquire from us any of our equity securities.

Holders of shares of common stock are entitled to one vote per share on all matters to be voted upon by the shareholders generally. Shareholders are entitled to receive such dividends as may be declared from time to time by the board of directors out of funds legally available therefore, and in the event of liquidation, dissolution or winding up of the company to share ratably in all assets remaining after payment of liabilities. The holders of shares of common stock have no preemptive, conversion, subscription rights or cumulative voting rights.

Record Holders

As of the date of this prospectus, our outstanding shares of common stock were held of record by nine stockholders.

Dividends

We do not anticipate the payment of cash dividends on our common stock in the foreseeable future.

Senior Secured Convertible Promissory Notes

In October 2014, we issued senior secured convertible promissory notes, which we refer to as our "convertible notes", in the aggregate principal amount of $6 million. The interest accrues on the unpaid principal amount under the convertible notes at the rate of six percent (6%) per year, except during any event of default under the convertible notes in which case the interest rate shall be twelve percent (12%) per year. All principal and interest under the convertible notes are due and payable on December 31, 2015. All principal and interest under the convertible notes are convertible into shares of common stock as follows:

- Upon the consummation of an initial public offering by us, all principal and interest shall automatically convert at 50% of the IPO price, provided, however, in no event shall the conversion price be greater than $2.27 nor less than $1.52 per share;
- In the event of a subsequent private placement approved by the holders of 50% or more of the aggregate principal amount of all convertible notes, all principal and interest shall automatically convert at 50% of the offer price in the subsequent private placement, provided, however, in no event shall the conversion price be greater than $2.27 nor less than $1.52 per share; and
- Until the 10th day prior to the consummation of an IPO by us, a holder of the convertible note, at its option, may convert at a conversion price of $2.27 per share.

We granted to the holders of the convertible notes one-time demand registration rights exercisable by the holders of 50% or more of the aggregate principal amount of all notes and certain piggyback registration rights. However, the note holders have agreed that in connection with the present offering the holders of the notes will not sell, transfer or pledge, or offer to do any of the same, directly or indirectly, any of our securities for a period 180 days following the date of this offering, which may be extended under certain circumstances for up to a total of 216 days following this offering.

We have issued and outstanding convertible promissory notes in the aggregate principal amount of $6 million, with accrued and unpaid interest as of March 31, 2015 in the amount of $154,356. Pursuant to the terms of our convertible notes, all principal and accrued interest under the notes will automatically convert into shares of our common stock, at the conversion price of __$ per share.

Stock Incentive Plan

We have adopted the Aqua Metals 2014 Stock Incentive Plan providing for the grant of non-qualified stock options and incentive stock options to purchase shares of our common stock and for the grant of restricted and unrestricted share grants. We have reserved 1,500,000 shares of our common stock under the plan. The purpose of the plan is to provide eligible participants with an opportunity to acquire an ownership interest in our company. All officers, directors, employees and consultants to our company are eligible to participate under the plan. The plan provides that options may not be granted at an exercise price less than the fair market value of our common shares on the date of grant. As of the date of this prospectus, we have granted options to purchase an aggregate of 624,268 shares of our common stock at an exercise price of $3.23 per share.

Warrants

Upon the completion of this offering, we will have outstanding the following warrants to purchase shares of our common stock:

- warrants to purchase 480,000 shares of our common stock at an exercise price of $0.003 per share, which warrants were issued on September 8, 2014 to Liquid Patent Consulting, LLC as consideration for consulting services, (some of which warrants were subsequently transferred by Liquid Patent Consulting, LLC to other persons);

- warrants to purchase 242,291 shares of our common stock at an exercise price of $2.72 per share, which warrants were issued on October 31, 2014 to National Securities Corporation as consideration for financial advisory services in connection with our October 2014 convertible note financing, (some of which warrants were subsequently transferred by National Securities Corporation to other persons); and

- the underwriter's warrant to purchase a number of shares of our common stock equal to 10% of the number of shares of common stock sold in this offering, including the over-allotment, at an exercise price equal to 120% of the price of the common stock sold in this offering.

The warrants contain provisions for the adjustment of the exercise price and the number of shares issuable upon the exercise of the warrants in the event of certain stock dividends, stock splits, reorganizations, reclassifications and consolidations. The holders of the shares issuable upon exercise of the warrants are entitled to registration rights with respect to such shares as described in greater detail under the heading "— Registration Rights" below.

Registration Rights

Following the completion of this offering, certain holders of an aggregate of _____ shares of our common stock, or their permitted transferees, are entitled to rights with respect to the registration under the Securities Act of their shares of common stock, including demand registration rights and piggyback registration rights. These rights are provided under the terms of two registration rights agreements between us and the holders of our capital stock. In any registration made pursuant to these agreements, all fees, costs and expenses of the registrations will be borne by us, and all selling expenses, including estimated underwriting discounts and selling commissions, will be borne by the holders of the shares being registered.

In connection with our October 2014 convertible note financing, in which we issued $6.0 million principal amount of our convertible notes, which notes will automatically convert into an aggregate of _____ shares of our common stock effective upon the completion of this offering. We entered into a registration rights agreement with the convertible note purchasers pursuant to which we will be required, upon the written request at any time more than 180 days after the completion of this offering by the holders of at least 50% of the shares that are entitled to registration rights under the agreement, to register, as soon as practicable, all or a portion of these shares for public resale. We are required to effect only one registration pursuant to this provision of the registration rights agreement. These demand registration rights terminate as to each investor when their shares subject to the registration rights agreement may be sold by the investor pursuant to Rule 144 under the Securities Act without regard to both the volume limitations for sales as provided in Rule 144.

In connection with our issuance to Liquid Patent Consulting, LLC of warrants to purchase 480,000 shares of our common stock and our issuance to National Securities Corporation of a warrant to purchase an aggregate 242,291 shares of our common stock in connection with the October 2014 private placement of convertible notes, we entered into a registration rights agreement with Liquid Patent Consulting, LLC and National Securities Corporation pursuant to which we will be required, upon the written request at any time more than 180 days after the completion of this offering by the holders of at least 50% of the shares that are entitled to registration rights under that agreement and the registration rights agreement entered into with the convertible note investors, as a group, to register, as soon as practicable, all or a portion of these shares for public resale. We are required to effect only one registration pursuant to this provision of the registration rights agreement. These demand registration rights terminate as to each stockholder when their shares subject to the registration rights agreement may be sold by the investor pursuant to Rule 144 under the Securities Act without regard to both the volume limitations for sales as provided in Rule 144.

In addition, the two above-mentioned registration rights agreements each contain piggyback registration rights with respect our capital stock held by these investors. These piggyback registration rights terminate with respect to each stockholder when their shares subject to the registration rights agreement may be sold by the stockholder pursuant to Rule 144 under the Securities Act without regard to both the volume limitations for sales as provided in Rule 144.

If we register any of our securities for our own account, after the completion of this offering, the holders of these shares are entitled to include their shares in the registration. Both we and the underwriters of any underwritten offering have the right to limit the number of shares registered by these holders for marketing reasons, subject to limitations set forth in the respective agreements with these investors.

Anti-Takeover Effects of Certain Provisions of Delaware Law and Our Charter Documents

The following is a summary of certain provisions of Delaware law, our Certificate of Incorporation and our bylaws. This summary does not purport to be complete and is qualified in its entirety by reference to the corporate law of Delaware and our Certificate of Incorporation and bylaws.

Effect of Delaware Anti-Takeover Statute. We are subject to Section 203 of the Delaware General Corporation Law, an anti-takeover law. In general, Section 203 prohibits a Delaware corporation from engaging in any business combination (as defined below) with any interested stockholder (as defined below) for a period of three years following the date that the stockholder became an interested stockholder, unless:

- prior to that date, the board of directors of the corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the number of shares of voting stock outstanding (but not the voting stock owned by the interested stockholder) those shares owned by persons who are directors and officers and by excluding employee stock plans in which employee participants do not have the right to determine whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- on or subsequent to that date, the business combination is approved by the board of directors of the corporation and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 66 2/3% of the outstanding voting stock that is not owned by the interested stockholder.

Section 203 defines "business combination" to include the following:

- any merger or consolidation involving the corporation and the interested stockholder;
- any sale, transfer, pledge or other disposition of 10% or more of the assets of the corporation involving the interested stockholder;
- subject to certain exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder;
- subject to limited exceptions, any transaction involving the corporation that has the effect of increasing the proportionate share of the stock of any class or series of the corporation beneficially owned by the interested stockholder; or
- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits provided by or through the corporation.

In general, Section 203 defines an interested stockholder as any entity or person beneficially owning 15% or more of the outstanding voting stock of the corporation, or who beneficially owns 15% or more of the outstanding voting stock of the corporation at any time within a three-year period immediately prior to the date of determining whether such person is an interested stockholder, and any entity or person affiliated with or controlling or controlled by any of these entities or persons.

Effect of California Corporation Long-Arm Statute. We are a Delaware corporation, governed by the Delaware General Corporation Law; however, our headquarters, property and officers are located in California. Section 2115 of the California Corporations Code (the "California Corporation Long-Arm Statute") purports to impose on corporations like us certain portions of California's laws governing corporations formed under the laws of the State of California. While disputes have arisen regarding the enforceability of the California Corporation Long-Arm Statute, the statute purports to apply the California Corporations Code in the following areas of governance to corporations that meet the test for applicability for the California Corporation Long-Arm Statute: Chapter 1 (general provisions and definitions), to the extent applicable to the following

provisions; Section 301 (annual election of directors); Section 303 (removal of directors without cause); Section 304 (removal of directors by court proceedings); Section 305, subdivision (c) (filling of director vacancies where less than a majority in office elected by shareholders); Section 309 (directors' standard of care); Section 316 (excluding paragraph (3) of subdivision (a) and paragraph (3) of subdivision (f)) (liability of directors for unlawful distributions); Section 317 (indemnification of directors, officers, and others); Sections 500 to 505, inclusive (limitations on corporate distributions in cash or property); Section 506 (liability of shareholder who receives unlawful distribution); Section 600, subdivisions (b) and (c) (requirement for annual shareholders' meeting and remedy if same not timely held); Section 708, subdivisions (a), (b), and (c) (shareholder's right to cumulate votes at any election of directors); Section 710 (supermajority vote requirement); Section 1001, subdivision (d) (limitations on sale of assets); Section 1101 (provisions following subdivision (e)) (limitations on mergers); Section 1151 (first sentence only) (limitations on conversions); Section 1152 (requirements of conversions); Chapter 12 (commencing with Section 1200) (reorganizations); Chapter 13 (commencing with Section 1300) (dissenters' rights); Sections 1500 and 1501 (records and reports); Section 1508 (action by Attorney General); Chapter 16 (commencing with Section 1600) (rights of inspection).

We believe it is likely that we meet the test for the application of the California Corporation Long-Arm Statute and do not anticipate a specific time in the future when we would not meet such test. The California Corporation Long-Arm Statute, if applicable, would purport to require a different outcome for certain important activities fundamental to the governance of corporations, and you are encouraged to review the effect of the California Long-Arm Statute to determine whether the differences from the Delaware General Corporation Law are important to you.

Our Charter Documents. Our charter documents include provisions that may have the effect of discouraging, delaying or preventing a change in control or an unsolicited acquisition proposal that a stockholder might consider favorable, including a proposal that might result in the payment of a premium over the market price for the shares held by our stockholders. Certain of these provisions are summarized in the following paragraphs.

Effects of authorized but unissued common stock. One of the effects of the existence of authorized but unissued common stock may be to enable our board of directors to make more difficult or to discourage an attempt to obtain control of our Company by means of a merger, tender offer, proxy contest or otherwise, and thereby to protect the continuity of management. If, in the due exercise of its fiduciary obligations, the board of directors were to determine that a takeover proposal was not in our best interest, such shares could be issued by the board of directors without stockholder approval in one or more transactions that might prevent or render more difficult or costly the completion of the takeover transaction by diluting the voting or other rights of the proposed acquirer or insurgent stockholder group, by putting a substantial voting block in institutional or other hands that might undertake to support the position of the incumbent board of directors, by effecting an acquisition that might complicate or preclude the takeover, or otherwise.

Cumulative Voting. Our Certificate of Incorporation does not provide for cumulative voting in the election of directors, which would allow holders of less than a majority of the stock to elect some directors.

Vacancies. Our Certificate of Incorporation provides that all vacancies may be filled by the affirmative vote of a majority of directors then in office, even if less than a quorum.

Special Meeting of Stockholders and Stockholder Action by Written Consent. A special meeting of stockholders may only be called by our president, board of directors or such officers or other persons as our board may designate at any time and for any purpose or purposes as shall be stated in the notice of the meeting. Our charter documents do not allow stockholders to take action by written consent. Therefore, stockholders, without the assistance of management, will be unable to propose a vote on any transaction that would delay, defer or prevent a change of control, even if the transaction were in the best interests of our stockholders.

Forum Selection. Our bylaws provide that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of fiduciary duty owed by any of our directors, officers or other employees to us or our stockholders, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law or our certificate of incorporation or bylaws, or (iv) any action asserting a claim governed by the internal affairs doctrine.

Transfer Agent and Registrar

Upon the closing of this offering, the transfer agent and registrar for our common stock will be VStock Transfer, LLC, located at 18 Lafayette Place, Woodmere, New York 11598.

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for shares of our common stock. Future sales of substantial amounts of shares of common stock, including shares issued upon the exercise of outstanding warrants and options, in the public market after this offering, or the possibility of these sales occurring, could adversely affect the prevailing market price for our common stock or impair our ability to raise equity capital.

Upon the completion of this offering, a total of _____ shares of common stock will be outstanding, assuming the automatic conversion of all outstanding convertible notes into shares of common stock in connection with the completion of this offering. All _____ shares of common stock sold in this offering by us, plus any shares sold upon exercise of the underwriter's over-allotment option, will be freely tradable in the public market without restriction or further registration under the Securities Act, unless these shares are held by "affiliates," as that term is defined in Rule 144 under the Securities Act.

The remaining _____ shares of common stock will be "restricted securities," as that term is defined in Rule 144 under the Securities Act. These restricted securities are eligible for public sale only if they are registered under the Securities Act or if they qualify for an exemption from registration under Rules 144 or 701 under the Securities Act, which are summarized below.

Subject to the lock-up agreements described below and the provisions of Rules 144 and 701 under the Securities Act, these restricted securities will be available for sale in the public market beginning more than 180 days after the date of this prospectus.

Rule 144

In general, under Rule 144 as currently in effect, once we have been subject to public company reporting requirements for at least 90 days, a person who is not deemed to have been one of our affiliates for purposes of the Securities Act at any time during the 90 days preceding a sale and who has beneficially owned the shares proposed to be sold for at least six months, including the holding period of any prior owner other than our affiliates, is entitled to sell such shares without complying with the manner of sale, volume limitation, or notice provisions of Rule 144, subject to compliance with the public information requirements of Rule 144. If such a person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than our affiliates, then such person is entitled to sell such shares without complying with any of the requirements of Rule 144.

In general, under Rule 144, as currently in effect, our affiliates or persons selling shares on behalf of our affiliates are entitled to sell upon expiration of the lock-up agreements described below, within any three-month period beginning 90 days after the date of this prospectus, a number of shares that does not exceed the greater of:

- 1% of the number of shares of common stock then outstanding; or
- the average weekly trading volume of the common stock during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

Sales under Rule 144 by our affiliates or persons selling shares on behalf of our affiliates are also subject to certain manner of sale provisions and notice requirements and to the availability of current public information about us.

Rule 701

Rule 701 generally allows a stockholder who purchased shares of our common stock pursuant to a written compensatory plan or contract and who is not deemed to have been one of our affiliates during the immediately preceding 90 days to sell these shares in reliance upon Rule 144, but without being required to comply with the public information, holding period, volume limitation, or notice provisions of Rule 144. Rule 701 also permits our affiliates to sell their Rule 701 shares under Rule 144 without complying with the holding period requirements of Rule 144. However, all holders of Rule 701 shares are required to wait until 90 days after the date of this prospectus before selling such shares pursuant to Rule 701.

Lock-Up Agreements

We, all of our directors, officers, employees and the holders of substantially all of our common stock or securities exercisable for or convertible into our common stock outstanding immediately prior to this offering have agreed that, without the prior written consent of National Securities Corporation, we and they will not, during the period ending 12 months after the date of this prospectus, for officers, directors, employees and certain stockholders beneficially owning 5% or more of our common stock, and 180 days after the date of this prospectus, for all other stockholders:

- offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any shares of common stock, capital stock, or any securities convertible into or exchangeable or exercisable for shares of common stock or other capital stock;

- make any demand for or exercise any right with respect to the registration of any shares of common stock or other such securities; or

- enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of our common stock.

Whether any such transaction described above is to be settled by delivery of common stock or such other securities, in cash or otherwise, or publicly disclose the intention to make any such offer, sale, pledge or disposition. This agreement is subject to certain exceptions. See “Underwriting” for additional information.

Registration Rights

Upon the completion of this offering, the holders of _____ shares of common stock (including ____ shares of common stock underlying warrants) or their permitted transferees will be entitled to various rights with respect to the registration of these shares under the Securities Act. Registration of these shares under the Securities Act would result in these shares becoming freely tradable under the Securities Act immediately upon the effectiveness of the registration, except for shares held by affiliates. See “Description of Capital Stock—Registration Rights” for additional information.

Registration Statements on Form S-8

We intend to file a registration statement on Form S-8 under the Securities Act to register all of the shares of common stock to be issued or reserved for issuance under our 2014 Stock Incentive plan. Shares covered by this registration statement will be eligible for sale in the public market, upon the expiration or release from the terms of the lock-up agreements and subject to vesting of such shares.

UNDERWRITING

We are offering the shares of common stock described in this prospectus through the underwriter, National Securities Corporation, which is acting as lead managing underwriter of the offering. National Securities Corporation has rendered advisory services to us in the past and has acted as our placement agent in connection with the placement of our senior secured convertible promissory notes, which was consummated on October 31, 2014.

We have agreed to enter into an underwriting agreement with the underwriter prior to the closing of this offering. Subject to the terms and conditions of the underwriting agreement, we will agree to sell to the underwriter, and the underwriter will agree to purchase, at the public offering price less the underwriting discounts and commissions set forth on the cover page of this prospectus, as it may be supplemented, shares of common stock.

The underwriter is committed to purchase all of the common shares offered by us, other than those covered by the option to purchase additional shares described below, if they purchase any shares. The underwriting agreement provides that the underwriter's obligations to purchase shares of our common stock are subject to conditions contained in the underwriting agreement. A copy of the underwriting agreement has been filed as an exhibit to the registration statement of which this prospectus forms a part.

We have been advised by the underwriter that the underwriter proposes to offer shares of our common stock directly to the public at the public offering price set forth on the cover page of this prospectus and to certain dealers that are members of the Financial Industry Regulatory Authority, or FINRA. Any securities sold by the underwriter to such securities dealers will be sold at the public offering price less a selling concession not in excess of $_____ per share. After the public offering of the shares, the offering price and other selling terms may be changed by the underwriter.

None of our securities included in this offering may be offered or sold, directly or indirectly, nor may this prospectus and any other offering material or advertisements in connection with the offer and sales of any of our common stock, be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons who receive this prospectus are advised to inform themselves about and to observe any restrictions relating to this offering of our common stock and the distribution of this prospectus. This prospectus is neither an offer to sell nor a solicitation of any offer to buy any of our common stock included in this offering in any jurisdiction where that would not be permitted or legal.

The underwriter has advised us that it does not intend to confirm sales to any accounts over which they exercise discretionary authority.

Underwriting Discount and Expenses

The following table summarizes the underwriting discount and commission to be paid to the underwriter by us.

	Without Over-Allotment	With Over-Allotment
Public offering price	$	$
Underwriting discount to be paid to the underwriter	$	$
Net proceeds, before other expenses	$	$

We estimate the total expenses payable by us for this offering to be approximately $3.6 million, which amount includes (i) the underwriting discount of $3.0 million ($__ million if the underwriter's over-allotment option is exercised in full), (ii) a non-accountable expense allowance of $185,000 being paid by us to the underwriter, and (iii) other estimated company expenses of approximately $415,000, which includes legal, accounting, printing costs and various fees associated with the registration and listing of our shares. In no event will the aggregated expenses reimbursed to National Securities Corporation exceed $185,000.

Over-Allotment Option

We have granted to the underwriter an option, exercisable not later than 45 days after the date of this prospectus, to purchase up to an additional _____ shares of our common stock (up to 15% of the shares firmly committed in this offering) at the public offering price, less the underwriting discount, set forth on the cover page of this prospectus. The underwriter may

exercise the option solely to cover over-allotments, if any, made in connection with this offering. If any additional shares of our common stock are purchased pursuant to the over-allotment option, the underwriter will offer these additional shares of our common stock on the same terms as those on which the other shares of common stock are being offered hereby.

Determination of Offering Price

There is no current market for our common stock. Our underwriter, National Securities Corporation, is not obligated to make a market in our securities, and even if it chooses to make a market, can discontinue at any time without notice. Neither we nor the underwriter can provide any assurance that an active and liquid trading market in our securities will develop or, if developed, that the market will continue.

The public offering price of the shares offered by this prospectus has been determined by negotiation between us and the underwriter. Among the factors considered in determining the public offering price of the shares were:

- our history and our prospects;
- the industry in which we operate;
- our past and present operating results;
- the previous experience of our executive officers; and
- the general condition of the securities markets at the time of this offering.

The offering price stated on the cover page of this prospectus should not be considered an indication of the actual value of the shares. That price is subject to change as a result of market conditions and other factors, and we cannot assure you that the shares can be resold at or above the public offering price.

Underwriter Warrant

We have agreed to issue to National Securities Corporation and its designees a warrant to purchase shares of our common stock (up to 10% of the shares of common stock sold in this offering). This warrant is exercisable at $_____ per share (120% of the price of the common stock sold in this offering), commencing on the effective date of this offering and expiring five years from the effective date of this offering. The warrant and the shares of common stock underlying the warrant have been deemed compensation by FINRA and are therefore subject to a 180-day lock-up pursuant to Rule 5110(g)(1) of FINRA. National Securities Corporation (or permitted assignees under the Rule) will not sell, transfer, assign, pledge, or hypothecate this warrant or the securities underlying this warrant, nor will it engage in any hedging, short sale, derivative, put, or call transaction that would result in the effective economic disposition of this warrant or the underlying securities for a period of 180 days from the effective date of the offering.

Pursuant to our engagement agreement with Liquid Patent Consulting, LLC, on September 8, 2014, we issued to Liquid Patent Consulting, LLC a warrant to purchase 480,000 shares of our common stock at an exercise price of $0.003 per share over a three-year term. The warrant was issued in consideration of Liquid Patent Consulting's provision of services relating to the design, development and implementation of our intellectual property. The warrant includes customary anti-dilution and net issuance provisions. The warrant also provides its holder with certain demand and piggyback registration rights. The principals of Liquid Patent Consulting hold investment banking positions with National Securities Corporation.

Lock-Up Agreements

All of our officers, directors, employees, stockholders beneficially owning 5% or more of our common stock and Liquid Patent Consulting, LLC, and its transferees (with respect to the warrants originally issued on September 8, 2014) have agreed that, until the one year anniversary of the date of the Underwriting Agreement we will enter into in conjunction with this offering, they will not sell, contract to sell, grant any option for the sale or otherwise dispose of any of our equity securities, or any securities convertible into or exercisable or exchangeable for our equity securities, without the consent of National Securities Corporation (and in the case of Liquid Patent Consulting, LLC also the Company), except for exercise or conversion of currently outstanding warrants, options and convertible securities, as applicable; and exercise of options under our 2014 Stock Incentive Plan (the "One Year Lock-Up"). The number of currently outstanding shares of common stock subject

to the One Year Lock-Up totals 4,800,000 shares, the number of shares underlying options and warrants subject to the One Year Lock-Up totals 1,104,268 shares.

The purchasers of our senior secured convertible promissory notes are subject to lock-up requirements for periods that may last no more than 180 days following the date of this prospectus (the "180 Days Lock-Up"). The number of shares of common stock to be issued to the holders of our senior secured convertible promissory notes that will be subject to the 180 Days Lock-Up as of March 31, 2015 totals _____ shares. The warrant to purchase up to 10% of the shares of common stock sold in this offering that we have agreed to issue National Securities Corporation in connection with this offering will also be subject to the 180 Days Lock-up.

Other than in respect of the 10% warrant being issued to National Securities Corporation in connection with this offering, the underwriter may consent to an early release from the lock-up period if, in its opinion, the market for the common stock would not be adversely impacted by sales and in cases of a financial emergency of an officer, director or other stockholder. We are unaware of any security holder who intends to ask for consent to dispose of any of our equity securities during the relevant lock-up periods.

Indemnification

We will agree to indemnify the underwriter against certain liabilities, including certain liabilities arising under the Securities Act, and to contribute to payments that the underwriter may be required to make for these liabilities.

Short Positions and Penalty Bids

The underwriter may engage in over-allotment, syndicate covering transactions, and penalty bids or purchases for the purpose of pegging, fixing or maintaining the price of the common stock, in accordance with Regulation M under the Exchange Act.

- Over-allotment involves sales by the underwriter of shares in excess of the number of shares the underwriter is obligated to purchase, which creates a syndicate short position. The short position may be either a covered short position or a naked short position. In a covered short position, the number of shares over-allotted by an underwriter is not greater than the number of shares that it may purchase in the over-allotment option. In a naked short position, the number of shares involved is greater than the number of shares in the over-allotment option. The underwriter may close out any short position by either exercising its over-allotment option and/or purchasing shares in the open market.

- Syndicate covering transactions involve purchases of the common stock in the open market after the distribution has been completed in order to cover syndicate short positions. In determining the source of shares to close out the short position, the underwriter will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which it may purchase shares through the over-allotment option. If an underwriter sells more shares than could be covered by the over-allotment option, a naked short position, the position can only be closed out by buying shares in the open market. A naked short position is more likely to be created if an underwriter is concerned that there could be downward pressure on the price of the shares in the open market after pricing that could adversely affect investors who purchase in the offering.

- Penalty bids permit an underwriter to reclaim a selling concession from a syndicate member when the shares originally sold by the syndicate member are purchased in a stabilizing or syndicate covering transaction to cover syndicate short positions.

These syndicate covering transactions and penalty bids may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of the common stock. As a result, the price of the common stock may be higher than the price that might otherwise exist in the open market. These transactions may be effected on the NASDAQ Capital Market, and if commenced, they may be discontinued at any time.

Neither we nor the underwriter make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the common stock. In addition, neither we nor the underwriter make any representation that the underwriter will engage in these transactions or that any transaction, once commenced, will not be discontinued without notice.

Electronic Distribution

A prospectus in electronic format may be made available on the Internet sites or through other online services maintained by the underwriter, or by its affiliates. In those cases, prospective investors may view offering terms online and, depending upon the underwriter, prospective investors may be allowed to place orders online. The underwriter may agree with us to allocate a specific number of shares for sale to online brokerage account holders. Any such allocation for online distributions will be made by the underwriter on the same basis as other allocations.

Other than the prospectus in electronic format, the information on the underwriter's website and any information contained in any other website maintained by the underwriter is not part of the prospectus or the registration statement of which this prospectus forms a part, has not been approved and/or endorsed by us or the underwriter in its capacity as underwriter and should not be relied upon by investors.

The underwriter's compensation in connection with this offering is limited to the fees and expenses described above under "Underwriting Discount and Expenses."

LEGAL MATTERS

Greenberg Traurig, LLP, Irvine, California, will pass upon the validity of the shares of common stock offered by this prospectus and certain other legal matters. Golenbock Eiseman Assor Bell & Peskoe LLP, New York, New York, is legal counsel to National Securities Corporation.

EXPERTS

The financial statements of Aqua Metals, Inc. as of December 31, 2014 and for the period June 20, 2014 (inception) through December 31, 2014 included in this prospectus have been audited by Armanino LLP, independent registered public accounting firm as set forth in their report. We have included these financial statements in this prospectus in reliance upon the report of Armanino LLP, given on their authority as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act that registers the shares of our common stock to be sold in this offering. Our SEC filings are and will become available to the public over the Internet at the SEC's website at *www.sec.gov*. You may also read and copy any document we file with the SEC at its public reference facilities at 100 F Street N.E., Washington, D.C. 20549. You can also obtain copies of the documents upon the payment of a duplicating fee to the SEC. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference facilities.

This prospectus does not contain all of the information set forth in the registration statement and the exhibits and schedules thereto. Some items are omitted in accordance with the rules and regulations of the SEC. You should review the information and exhibits included in the registration statement for further information about us and the securities we are offering. Statements in this prospectus concerning any document we filed as an exhibit to the registration statement or that we otherwise filed with the SEC are not intended to be comprehensive and are qualified by reference to these filings. You should review the complete document to evaluate these statements.

INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FRIM

To the Board of Directors
Aqua Metals, Inc.
Oakland, California

We have audited the accompanying consolidated financial statements of Aqua Metals, Inc. and subsidiaries ("Company"), which comprise the balance sheet as of December 31, 2014, and the related statements of operations, stockholders' equity (deficit), and cash flows for the period from June 20, 2014 (inception) to December 31, 2014, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Aqua Metals, Inc. and subsidiaries as of December 31, 2014, and the results of their operations and their cash flows for the period from June 20, 2014 (inception) to December 31, 2014, in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, at December 31, 2014, the Company is in its development stage, has not yet generated revenues and is dependent upon future sources of equity or debt financing in order to fund its operations. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans regarding those matters also are described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Armanino LLP
San Ramon,
California

May 8, 2015

AQUA METALS, INC.
Consolidated Balance Sheets

	December 31, 2014	March 31, 2015
		Unaudited
ASSETS		
Current assets		
Cash and cash equivalents	$ 4,536,601	$ 3,685,803
Inventory	—	149,250
Prepaid expenses and other current assets	11,906	31,984
Total current assets	4,548,507	3,867,037
Non-current assets		
Property and equipment, net	245,641	345,382
Intellectual property, net	1,028,554	1,001,737
Total non-current assets	1,274,195	1,347,119
Total assets	$ 5,822,702	$ 5,214,155
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities		
Accounts payable	$ 40,306	$ 90,023
Accrued expenses	12,292	40,480
Accrued interest	65,589	154,356
Convertible notes, net	5,090,589	5,317,942
Total current liabilities	5,208,776	5,602,801
Derivative liabilities	1,384,782	5,280,861
Total liabilities	6,593,558	10,883,662
Commitments and contingencies	—	—
Stockholders' equity (deficit)		
Common stock; $0.001 par; 50,000,000 shares authorized; 4,800,000 shares issued and outstanding	4,800	4,800
Additional paid-in capital	1,598,095	1,598,095
Accumulated deficit	(2,373,751)	(7,272,402)
Total stockholders' deficit	(770,856)	(5,669,507)
Total liabilities and stockholders' deficit	$ 5,822,702	$ 5,214,155

The accompanying notes are an integral part of these consolidated financial statements.

AQUA METALS, INC.
Consolidated Statements of Operations

	Period from Inception (June 20, 2014) to December 31, 2014	Three Months Ended March 31, 2015
		Unaudited
Operating expenses		
Operations and development costs	$ 231,043	$ 213,591
Business development and management costs	1,175,613	471,623
Total operating expenses	1,406,656	685,214
Loss from operations	(1,406,656)	(685,214)
Other expenses (income)		
Interest expense	216,919	316,534
Increase in fair value of derivative liabilities	1,172,627	3,896,079
Interest income	(1,039)	(1,444)
Other income	(370)	(132)
Total other expenses, net	1,388,137	4,211,037
Loss before income tax expense (benefit)	(2,794,793)	(4,896,251)
Income tax expense (benefit)	(421,042)	2,400
Net loss	$ (2,373,751)	$ (4,898,651)
Weighted average shares outstanding, basic and diluted	4,800,000	4,800,000
Basic and diluted net loss per common share	$ (0.49)	$ (1.02)

The accompanying notes are an integral part of these consolidated financial statements.

AQUA METALS, INC.
Consolidated Statements Stockholders' Equity (Deficit)

	Common Stock		Additional Paid-in	Accumulated	Total Stockholders'
	Shares	Amount	Capital	Deficit	Equity (Deficit)
Balances, June 20, 2014 (inception)	—	$ —	$ —	$ —	$ —
Common stock issued as reimbursement for expenses paid by founders	288,000	488	39,349	—	39,837
Common stock issued for intellectual property contributed by founders	4,512,000	4,312	632,846	—	637,158
Issuance of consulting warrants	—	—	713,745	—	713,745
Debt discount - beneficial conversion feature on convertible notes	—	—	212,155	—	212,155
Net loss	—	—	—	(2,373,751)	(2,373,751)
Balances, December 31, 2014	4,800,000	$ 4,800	$ 1,598,095	$ (2,373,751)	$ (770,856)
Net loss, three months ended March 31, 2015 (unaudited)	—	—	—	(4,898,651)	(4,898,651)
Balances March 31, 2015 (unaudited)	4,800,000	$ 4,800	$ 1,598,095	(7,272,402)	$ (5,669,507)

The accompanying notes are an integral part of these consolidated financial statements.

AQUA METALS, INC.
Consolidated Statements of Cash Flows

	Period from Inception (June 20, 2014) to December 31, 2014	Three Months Ended March 31, 2015
		Unaudited
Cash flows from operating activities		
Net loss	$ (2,373,751)	$ (4,898,651)
Reconciliation of net loss to net cash used in operating activities		
Depreciation	1,298	3,846
Amortization of intellectual property	44,125	26,817
Fair value of warrants issued for consulting services	713,745	—
Fair value of common stock issued as reimbursement for expenses paid by founders	39,837	—
Change in fair value of derivative liabilities	1,172,627	3,896,079
Amortization of debt discount	151,568	227,353
Income tax benefit	(421,842)	—
Changes in operating assets and liabilities		
Inventory	—	(149,250)
Prepaid expenses and other assets	(11,906)	(20,078)
Accounts payable	40,306	49,717
Accrued expenses	77,881	116,956
Net cash used in operating activities	(566,112)	(747,211)
Cash flows from investing activities		
Capital expenditures for fixed assets	(246,940)	(103,587)
Capital expenditures for intellectual property	(13,678)	—
Net cash used in investing activities	(260,618)	(103,587)
Cash flows from financing activities		
Issuance of convertible note, net of issuance costs	5,363,331	—
Net cash provided by financing activities	5,363,331	—
Net increase (decrease) in cash and cash equivalents	4,536,601	(850,798)
Cash and cash equivalents at beginning of period	—	4,536,601
Cash and cash equivalents at end of period	$ 4,536,601	$ 3,685,803
Non-cash financing activities		
Fair value of consulting warrants	$ 713,745	$ —
Fair value of common stock issued for intellectual property, net of tax	637,158	—
Fair value of common stock issued to founders of expenses prior to inception	39,837	
Total non-cash financing activities	$ 1,390,740	$ —

The accompanying notes are an integral part of these consolidated financial statements.

1. Summary of Significant Accounting Policies

Organization

Aqua Metals, Inc. (the "Company") was incorporated in Delaware on June 20, 2014 and commenced operations on June 20, 2014 (inception). On January 27, 2015, the Company formed two wholly-owned subsidiaries, Aqua Metals Reno, Inc. and Aqua Metals Operations, Inc. ("Subsidiaries"), both incorporated in Delaware. The Subsidiaries have had limited transactions to date and are included in the consolidated financial statements dated March 31, 2015 (unaudited). The Company has developed an innovative process for recycling lead acid batteries. The Company intends to manufacture the equipment it has developed, and will also operate lead acid battery recycling facilities.

Use of estimates

The preparation of the consolidated financial statements requires management of the Company to make a number of estimates and assumptions relating to the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of expenses during the period. Significant items subject to such estimates and assumptions include the carrying amount and valuation of long-lived assets, the valuation of conversion features of convertible debt, and the determination of the fair value of stock warrants issued. Actual results could differ from those estimates.

Unaudited Interim Financial Data

The accompanying balance sheet as of March 31, 2015, statement of stockholders' equity (deficit) for the three months ended March 31, 2015 and statements of operations and cash flows for the three months ended March 31, 2015 are unaudited. The unaudited interim financial statements have been prepared on a basis consistent with the audited financial statements, pursuant to the rules and regulations of the SEC for interim financial statements. Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations. However, the Company believes that the disclosures are adequate to make the information presented not misleading. These financial statements should be read in conjunction with the Company's audited consolidated financial statements and the notes thereto for the period ended December 31, 2014. In the opinion of management, the consolidated financial statements reflect all adjustments (consisting of normal recurring adjustments) considered necessary to state fairly the Company's financial position as of March 31, 2015 and the results of operations and cash flows for the three months ended March 31, 2015. The results for the three months ended March 31, 2015 are not necessarily indicative of the results to be expected for the year ending December 31, 2015 or for any other interim period.

Going Concern and Management Plans

As of December 31, 2014 and March 31, 2015, the Company's cash on hand was $4,536,601 and $3,685,803 respectively. The Company has not generated revenues since its inception and has incurred net loss of $2,373,751 and $4,898,651 for the period from June 20, 2014 (inception) through December 31, 2014 and the three months ended March 31, 2015, respectively. To date, the Company has met its liquidity requirements principally through the private placement of convertible notes.

The Company expects that the cash it has available as of June 8, 2015 will fund its operations only until December 2015. The Company intends to raise additional capital through its initial public offering ("IPO"), through there is no assurances that it will be able to do so. If the Company is unable to raise additional capital, the Company may have to curtail its research and development efforts, delay repayments of its convertible notes, delay payments to vendors, and/or initiate cost reductions, which would have a material adverse effect on the Company's business, financial condition and results of operations. These matters raise substantial doubt about the Company's ability to continue as a going concern. The accompanying consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

1. Summary of Significant Accounting Policies (cont'd)

Cash and cash equivalents

The Company considers all highly liquid instruments with original or remaining maturities of 90 days or less at the date of purchase to be cash equivalents. The Company maintains its cash balances in large financial institutions. Periodically, such balances may be in excess of federally insured limits.

Property and equipment

Property and equipment are stated at cost net of accumulated depreciation. Depreciation on property and equipment is calculated on the straight-line basis over the estimated useful lives of the assets. Leasehold improvements are depreciated over the shorter of the life of the asset or the remaining term of the lease.

Intangible and other long-lived assets

The intangible asset consists of a patent application contributed to the Company by five founding stockholders. The useful life of the asset has been determined to be ten years and the asset is being amortized. The Company periodically evaluates its intangible and other long-lived assets for indications that the carrying amount of an asset may not be recoverable. In reviewing for impairment, the Company compares the carrying value of such assets to the estimated undiscounted future cash flows expected from the use of the assets and their eventual disposition. When the estimated undiscounted future cash flows are less than their carrying amount, an impairment loss is recognized equal to the difference between the assets' fair value and their carrying value. In addition to the recoverability assessment, the Company routinely reviews the remaining estimated lives of its long-lived assets. Any reduction in the useful life assumption will result in increased depreciation and amortization expense in the period when such determination is made, as well as in subsequent periods. The Company performed an impairment analysis on intellectual property for the quarter ended December 31, 2014 and concluded there was no impairment. The Company determined that the estimated life of the intellectual property properly reflected the current remaining economic life of the asset.

Research and development

Research and development expenditures are expensed as incurred.

Income taxes

The Company accounts for income taxes in accordance with the liability method of accounting for income taxes. Under the liability method, deferred assets and liabilities are recognized based upon anticipated future tax consequences attributable to differences between financial statement carrying amounts of assets and liabilities and their respective tax bases. The provision for income taxes is comprised of the current tax liability and the changes in deferred tax assets and liabilities. The Company establishes a valuation allowance to the extent that it is more likely than not that deferred tax assets will not be recoverable against future taxable income.

The Company recognizes the effect of uncertain income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. Prior to this, the Company recognized the effect of income tax positions only if such positions were probable of being sustained. This change did not have an impact on the Company's results of operations or financial condition.

1. Summary of Significant Accounting Policies (cont'd)

Convertible instruments

The Company accounts for hybrid contracts that feature conversion options in accordance with ASC 815 "Derivative and Hedging Activities," ("ASC 815") and ASC 480 "Distinguishing Liabilities from Equity" ("ASC 480"), which require companies to bifurcate conversion options from their host instruments and account for them as free standing derivative financial instruments according to certain criteria. The criteria includes circumstances in which (i) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (ii) the hybrid instrument that embodies both the embedded derivative's instrument and the host contract is not re-measured at fair value under otherwise applicable generally accepted accounting principles with changes in fair value reported in earnings as they occur and (iii) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument. The Company accounts for convertible instruments which have been determined to be free standing derivative financial instruments (when the Company has determined that the embedded conversion options should be bifurcated from their host instruments) in accordance with ASC 815. Under ASC 815, a portion of the proceeds received upon the issuance of the hybrid contract are allocated to the fair value of the derivative. The derivative is subsequently marked to market each reporting date based on current fair value, with the changes in fair value reported in results of operations.

Fair value measurements

The carrying amounts of cash and cash equivalents, prepaid expenses, accounts payable and accrued expenses approximate fair value due to the short-term nature of these instruments.

Fair value is defined as an exit price, representing the amount that would be received upon the sale of an asset or payment to transfer a liability in an orderly transaction between market participants. Fair value is a market-based measurement that is determined based on assumptions that market participants would use in pricing an asset or liability. A three-tier far value hierarchy is used to prioritize the inputs in measuring fair value as follows:

Level 1. Quoted prices in active markets for identical assets or liabilities.

Level 2. Quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable, either directly or indirectly.

Level 3. Significant unobservable inputs that cannot be corroborated by market data.

The asset or liability's fair value measurement within the fair value hierarchy is based upon the lowest level of any input that is significant to the fair value measurement. The following table provides a summary of the liabilities that are measured at fair value on a recurring basis at December 31, 2014, consisting of certain Financing Warrants and the conversion feature of the Company's Convertible Notes, both of which are more fully described in Note 4:

	Total	Level 1	Level 2	Level 3
Derivative liabilities				
Conversion feature	$ 1,108,955	$ —	$ —	$ 1,108,955
Financing Warrants	275,827	—	—	275,827
Total	$ 1,384,782	$ —	$ —	$ 1,384,782

1. Summary of Significant Accounting Policies (cont'd)

The following table provides a summary of the liabilities that are measured at fair value on a recurring basis at March 31, 2015:

	Total	Level 1	Level 2	Level 3
Derivative liabilities				
Conversion feature	$ 4,769,517	$ —	$ —	$ 4,769,517
Financing Warrants	511,344	—	—	511,344
Total	$ 5,280,861	$ —	$ —	$ 5,280,861

The following table sets forth a summary of the changes in the fair value of the Company's Level 3 financial liabilities that are measured at fair value on a recurring basis:

Balance at inception (June 20, 2014)	$ —
Aggregate fair value of Financing Warrants upon issuance	212,155
Change in fair value of conversion feature and Financing Warrants	1,172,627
Balance at December 31, 2014	$ 1,384,782
Change in fair value of conversion feature and Financing Warrants	3,896,079
Balance at March 31, 2015	$ 5,280,861

The conversion feature of the Convertible Notes was measured at fair value using a Monte Carlo simulation and is classified within Level 3 of the valuation hierarchy. The warrant liability for the Financing Warrants was measured at fair value using a Black Scholes Merton valuation model and is classified within Level 3 of the valuation hierarchy.

Level 3 liabilities are valued using unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the derivative liabilities. For fair value measurements categorized within Level 3 of the fair value hierarchy, the Company's Chief Financial officer determined its valuation policies and procedures. The development and determination of the unobservable inputs for Level 3 fair value measurements and fair value calculations are the responsibility of the Company's Chief Financial Officer with support from the Company's consultants and which are approved by the Chief Financial Officer.

Level 3 financial liabilities consist of the derivative liabilities for which there is no current market for these securities such that the determination of fair value requires significant judgment or estimation. Changes in fair value measurements categorized with Level 3 of the fair value hierarchy are analyzed each period based on changes in estimates or assumptions and recorded as appropriate.

The Company uses a Monte Carlo model to value certain Level 3 financial liabilities at inception and on subsequent valuation dates. The simulation incorporates transaction details such as the Company's stock price, contractual terms, maturity, risk free rates and volatility. The Company also used a Black Scholes Merton economic model to measure the Financing Warrants and certain Consulting Warrants (which are more fully described in Note 4) at issuance. The Financing Warrants are re-valued using a Black-Scholes Merton economic model for each reporting date.

A significant decrease in the volatility or a significant decrease in the Company's stock price, in isolation, would result in a significantly lower fair value measurement. Changes in the value of the derivative liabilities are recorded within other expense (income) in the Company's statement of operations.

In accordance with the provisions of ASC 815, the Company presents the conversion feature and Financing Warrant liability at fair value on its balance sheet, with the corresponding changes in fair value recorded in the Company's consolidated statement of operations.

1. Summary of Significant Accounting Policies (cont'd)

The Company classifies as equity any contracts that (i) require physical settlement or net-share settlement or (ii) provides a choice of net-cash settlement or a settlement in the Company's own shares (physical settlement or net-share settlement) providing that such contracts are indexed to the Company's own stock as defined in ASC 815-40 (Contracts in Entity's Own Equity" (ASC 815-40"). The Company classifies as assets or liabilities any contracts that (i) require net-cash settlement (including a requirement to net cash settle the contract if an event occurs and if that event is outside the Company's control) or (ii) gives the counterparty a net-cash settlement or settlement in shares (physical settlement or net-share settlement). The Company assesses classification of common stock purchase warrants and other free standing derivatives at each reporting date to determine whether a change in classification between assets and liabilities or equity is required.

Net Loss per Share

The Company reports net loss per share in accordance with the standard codification of ASC "Earnings per Share" ("ASC 260"). Under ASC 260, basic earnings per share, which excludes dilution, is computed by dividing net loss available to common stockholders by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflects the potential dilution of securities that could be exercised or converted into common shares, and is computed by dividing net loss available to common stockholders by the weighted average of common shares outstanding plus the dilutive potential common shares. Diluted earnings per share exclude the impact of convertible notes and warrants to purchase common stock, as the effect would be anti-dilutive. During a loss period, the assumed exercise of in-the-money stock warrants and other potentially diluted instruments has an anti-dilutive effect and, therefore, these instruments are excluded from the computation of dilutive earnings per share.

2. Property and equipment, net

Property and equipment, net, consisted of the following for the dates indicated:

Asset Class	Useful Life (Years)	December 31, 2014	March 31, 2015
Demonstration equipment	5	$ 196,671	$ 262,984
Shop equipment	5	18,750	18,750
Lab equipment	5	—	8,017
Computer equipment	3	11,089	26,563
Leasehold improvements	5	15,848	29,629
Office equipment	5	4,581	4,581
		246,939	350,524
Less: accumulated depreciation		(1,298)	(5,142)
		$ 245,641	$ 345,382

Depreciation expense was $1,298 and $3,844 for the period from inception (June 20, 2014) through December 31, 2014 and for the three months ended March 31, 2015, respectively.

3. Intellectual Property

On July 3, 2014, five of the founding stockholders contributed the rights to certain intellectual property to the Company in exchange for the issuance of 4,512,000 shares with a fair value of $1,059,000. This contribution was recorded as an intangible asset with an offset to additional paid in capital for $637,158 and deferred taxes for $421,842. The fair market value of the intellectual property was determined by management with the assistance of an independent valuation specialist using an equal weighting of the incremental cash flow and relief from royalty methodologies.

3. Intellectual Property (cont'd)

Both methodologies used a discount rate of 50%. The discounted cash flow approach used a 10 year forecast and a 20% probability of achieving commercial success. The forecast assumed 85% of revenue is generated from sales of lead processed in Company owned and operated recycling plants and 15% of revenue is generated from license fees. The relief from royalty method used revenues equal to 50% of management's discounted cash flow forecast and a license rate of 1.5% of revenue.

Intellectual property, net, is comprised of the following as of the dates indicated:

	December 31, 2014	March 31, 2015
Intellectual property	$ 1,072,679	$ 1,072,679
Accumulated amortization	(44,125)	(70,942)
Intellectual property, net	$ 1,028,554	$ 1,001,737

Aggregate amortization expense for the period ended December 31, 2014 was $44,125.

Estimated amortization expense is as follows;

	Year ending December 31,
2015	$ 107,268
2016	107,268
2017	107,268
2018	107,268
2019	107,268
Thereafter	492,214
Total	$ 1,028,554

4. Private Placement

Convertible notes

On October 31, 2014, the Company entered into a securities purchase agreement (the "Securities Purchase Agreement") with accredited investors (the "Investors"), pursuant to which the Company issued an aggregate of $6,000,000 principal amount of senior secured convertible notes (the "Convertible Notes"). In connection with the sale of the Convertible Notes (the "Bridge Financing"), the Company entered into a registration rights agreement (the "Registration Rights Agreement") and a security agreement (the "Security Agreement") with the Investors. The closing of the Bridge Financing was completed October 31, 2014. The Convertible Notes bear interest at 6% per annum and mature on December 31, 2015.

The principal and interest of the Convertible Notes are convertible into the Company's common stock at a conversion price between $1.52 and $2.27 per share depending on the facts and circumstances at the time of the conversion (see below). Upon issuance, the Convertible Notes bear simple interest at 6% per annum and upon the occurrence of any specified event of default, the Convertible Notes would bear interest at 12% per annum. The Convertible Notes may be prepaid or converted into Common Stock with consent of the holders of a majority of the principal, then outstanding under all the

4. Private Placement (cont'd)

Convertible Notes (the "Required Holder") and upon certain events constituting a change in control of the Company. The Convertible Notes are required to be converted upon a qualifying IPO, if any, in which case the conversion price is to be equal to 50% of the price to the public in such offering (but not more than $2.27 or less than $1.52 per share). A Convertible Note may also be converted in certain circumstances at the election of the holder of the Convertible Note in connection with a financing that is not an IPO, in which case the conversion price is to be equal to 50% of the price paid by the investors in such financing (but not more than $2.27 or less than $1.52 per share).

In the event of an optional conversion by the holder of a Convertible Note, the conversion price would be $2.27. The conversion price under the Convertible Notes is further subject to adjustments in the event of stock splits, combinations or the like and upon certain other events, all as provided in the Convertible Notes.

The aggregate amount of accrued interest on the Convertible Notes was $65,589 and $154,356 as of December 31, 2014 and March 31, 2015 respectively. As of December 31, 2014, the principal and accrued interest on the Convertible Notes were convertible into 3,947,368 and 43,151 shares of the Company's common stock, respectively, assuming a conversion price of $1.52 per share. As of March 31, 2015, the principal and accrued interest on the Convertible Notes were convertible into 3,715,170 and 95,576 shares of the Company's common stock, respectively, assuming a conversion price of $1.615 per share.

Pursuant to the terms of the Convertible Notes, the conversion price is subject to adjustments in the event of an IPO, other financing and upon certain other events. The embedded conversion feature was not clearly and closely related to the host instrument and was bifurcated from the host Convertible Notes as a derivative, principally because the instrument's variable exercise price terms would not qualify as being indexed to the Company's own common stock. Accordingly, this conversion feature instrument has been classified as a derivative liability in the accompanying consolidated balance sheet as of December 31, 2014 and March 31, 2015. Derivative liabilities are initially recorded at fair value and are then re-valued at each reporting date, with changes in fair value recognized in earnings during the reporting period.

The Company determined that the initial fair value of the embedded conversion option was $212,155. From the aggregate principal amount of the Convertible Notes of $6,000,000, the Company deducted in full the fair value of the embedded conversion feature, and offering costs of $848,824 as a debt discount. The debt discount is being amortized under the effective interest method over the term of the Convertible Notes. The balance of Convertible Notes as of December 31, 2014 is as follows:

	December 31, 2014	March 31, 2015
Face value of the Convertible Notes	$ 6,000,000	$ 6,000,000
Debt discount, net of amortization	(909,410)	(682,058)
Convertible Notes, net	$ 5,090,589	$ 5,317,942

The Company calculated the fair value of the embedded conversion feature of the Convertible Notes using the Monte Carlo simulation, with the observable assumptions as provided in the table below. The significant unobservable inputs used in the fair value measurement of the reporting entity's embedded conversion feature are expected stock prices, levels of trading and liquidity of the Company's stock. Significant increases in the expected stock prices and expected liquidity would result in a significantly higher fair value measurement. Significant increases in either the probability or severity of default of the host instrument would result in a significantly lower fair value measurement.

4. Private Placement (cont'd)

	As of October 31, 2014	As of December 31, 2014	As of March 31, 2015
Fair value of stock price on valuation date	$ 1.61	$ 1.98	$ 3.23
High collar	$ 2.27	$ 2.27	$ 2.27
Low collar	$ 1.52	$ 1.52	$ 1.52
Term (years)	0.75	0.58	0.33
Expected volatility	80%	80%	80%
Weighted average risk-free interest rate	0.11%	0.14%	0.26%
Trials	50,000	50,000	50,000
Aggregate fair value	$ 212,155	$ 1,533,265	$ 5,193,828

On September 8, 2014, the Company entered into an agreement (the "Placement Agent Agreement") with National Securities Corporation ("NSC") pursuant to which the Company appointed NSC to act as the Company's placement agent in connection with the sale of the Company's securities ("Offering or Offerings"). Specifically, NSC was the placement agent in connection with the sale of its Convertible Notes. The Placement Agent Agreement had an initial term of 180 days after which it will continue in effect until it's terminated by either party with 60 days written notice to the other party.

In connection with the sale of the Convertible Notes, the Company paid NSC a cash fee of $553,490 and issued on October 31, 2014 to NSC warrants ("Financing Warrants") to purchase shares of the Company's common stock. NSC subsequently transferred a portion of the Financing Warrants to associated persons. The Financing Warrants were fully vested upon issuance, have a term of five years, and are immediately exercisable, provided that upon the Company's consummation of an IPO, the Financing Warrants may not be exercised until 90 days after the consummation of the IPO. Pursuant to the terms of the Financing Warrants, the per share exercise price is determined based upon 120% of the conversion price of the Convertible Notes upon the consummation of the IPO, or upon other events under which the Convertible Notes may convert. As of December 31, 2014 and March 31, 2015, the Financing Warrants were exercisable into 242,291 shares of the Company's common stock assuming an exercise price of $2.72 per share (calculated as 120% of the Convertible Notes conversion price of $2.27 per share).

The Company determined, based upon authoritative guidance that the Financing Warrants are derivative instruments. Derivative liabilities are initially recorded at fair value and are then re-valued at each reporting date, with changes in fair value recognized in earnings during the reporting period.

The warrant holders have certain registration rights with respect to the common stock issued upon exercise of the Financing Warrants.

Consulting agreement

On September 8, 2014, the Company entered into a consulting agreement with Liquid Patent Consulting, LLC ("LPC"), pursuant to which LPC agreed to provide management, strategic and intellectual property advisory services. The Consulting Agreement had an initial term of 180 days after which it will continue in effect until it is terminated by either party with 30 days written notice to the other party.

4. Private Placement (cont'd)

As consideration for services provided under the Consulting Agreement the Company issued warrants ("Consulting Warrants") to LPC for the purchase of an aggregate of 480,000 shares of the Company's common stock. LPC subsequently transferred a portion of the Consulting Warrants to a third party.

The Consulting Warrants vested upon issue, have a term of three years, an exercise price of $0.003125 per share and are immediately exercisable, provided that upon the Company's consummation of an IPO, the Consulting Warrants may not be exercised until 90 days after the consummation of the IPO. The Consulting Warrants may be exercised on a cashless basis.

The warrant holders have certain registration rights with respect to the common stock issued upon exercise of the Consulting Warrants.

The Company calculated the fair value of the Financing Warrants and the Consulting Warrants using a Black Scholes Merton model with the assumptions provided in the table below. The fair market value of the stock used was from a 409A valuation prepared by an outside consultant.

Provided below are the principal assumptions used in the initial measurement of the fair values of the Financing Warrants and Consulting Warrants and the subsequent remeasurement of the fair value of the Financing Warrants.

	Consulting 09/08/14	Financing 10/31/14	Financing 12/31/14	Financing 03/31/15
Fair market value of shares	$ 1.49	$ 1.61	$ 1.98	$ 3.23
Assumed exercise price	$ 0.003125	$ 2.72	$ 2.72	$ 2.72
Term in years	3	5	4.84	4.59
Volatility	80%	80%	80%	80%
Annual rate of dividends	0%	0%	0%	0%
Discount rate	1.02%	1.62%	1.65%	1.37%
Call option value	$ 1.49	$ 0.88	$ 1.14	$ 2.11
Warrant shares issued	480,000	242,291	242,291	242,291
Warrants fair value	$ 713,745	$ 212,155	$ 275,827	$ 511,344

The initial fair value of the Financing Warrants was accounted for as a derivative issuance cost and along with the other private placement costs is amortized over the life of the Convertible Notes. The initial fair value of the Consulting Warrants was expensed immediately as a consulting fee and recorded within business development and management costs in the statement of operations for the period ended December 31, 2014. During the period ended December 31, 2014 and the three months ended March 31, 2015, the Company recorded an increase of $63,672 and $235,517, respectively, in the fair value of the Financing Warrant as a change in the fair value of derivative liabilities within the statement of operations.

5. Convertible Note Issuance Costs

The costs associated with the issuance of the Convertible Notes were recorded as a reduction to the carrying amount of the Convertible Notes and are being amortized as interest expense within the statement of operations over the 14-month life of the notes:

Issuance costs are as follows:

	December 31, 2014	March 31, 2015
Placement fee	$ 553,490	$ 553,490
Fair value of Financing warrants at time of issue	212,155	212,155
Attorney fees	79,679	79,679
Escrow fees	3,500	3,500
Beneficial conversion feature	212,155	212,155
Accumulated amortization	(151,568)	(378,921)
Net issuance costs	$ 909,411	$ 682,058

6. Stockholder Equity

Authorized capital

Pursuant to the Company's original certificate of incorporation, on June 20, 2014, the Company authorized 5,000 shares of common stock with no par value.

On September 24, 2014, pursuant to an amendment of the Company's certificate of incorporation, the Company increased to 50,000,000 the authorized number of shares of common stock, par value of $0.001 per share.

The holders of the Company's common stock are entitled to one vote per share. Holders of common stock are entitled to receive a ratable share of dividends, if any, as may be declared by the board of directors.

Common stock issued

On June 20, 2014, the Company issued 1,000 shares of common stock to seven founders of the Company. A total of $39,837 in expenses incurred prior to incorporation was deemed to be contributed by the founders of the Company.

On September 24, 2014 the Company had a forward stock split whereby each share of issued common stock was converted into 4,800 shares of common stock of the Company. All share and per share amounts in periods preceding the stock split have been adjusted to reflect the split retroactively.

Stock based compensation

In 2014, the Board of Directors adopted the Company's stock incentive plan (the "2014 Plan") under which a maximum of 720,000 shares of common stock were authorized for issuance. All authorized shares were available to be issued as of December 31, 2014 and March 31, 2015. The 2014 Plan provides for the following types of stock-based awards: incentive stock options; non-statutory stock options; restricted stock; and performance stock. The 2014 Plan, under which equity incentives may be granted to employees and directors under incentive and non-statutory agreements, requires that the option price may not be less than the fair value of the stock at the date the option is granted. Option awards are exercisable until their expiration, which may not exceed 10 years from the grant date.

7. Commitments and Contingencies

Lease commitments

On October 10, 2014, the Company entered into an operating lease for its current Oakland facility through April 2018. The future minimum payments related to this lease are as follows as of December 31, 2014:

	Year ended December 31,
2015	$ 36,800
2016	38,000
2017	39,200
2018	13,200
Total minimum lease payments	$ 127,200

From inception to December 31, 2014, the Company has incurred total rent expense related to this lease, including facility fees, of $42,500.

Legal proceedings

The Company is not subject to any legal proceedings as of December 31, 2014 or March 31, 2015.

8. Related Party Transactions

For the period ended December 31, 2014, the Company purchased $18,750 in shop tools and $8,195 in shop supplies from AIC Labs, Inc., a wholly owned subsidiary of AIC Nevada, Inc. a holder of more than 5% of issued common shares of the Company.

9. Income Taxes

The components of the provision for (benefit from) income tax expense consist of the following for the periods indicated:

	Inception (June 20, 2014) to December 31, 2014	Three Months Ended March 31, 2015
Current		
Federal	$ —	$ —
State	800	2,400
Deferred		
Federal	$ (360,060)	$ —
State	(61,782)	
Total provision for (benefit from) income taxes	$ (421,042)	$ 2,400

9. Income Taxes (cont'd)

The effective tax rate differs from the statutory tax rates for the period from inception (June 20, 2014) to December 31, 2014 as follows:

Tax at federal statutory rate	34.00%
State tax, net of federal benefit	5.81
Nondeductible Expenses	(17.13)
Valuation allowance	(5.70)
Credits	0.89
Other	(2.80)
Effective income tax rate	15.07 %

The components of deferred tax assets (liabilities) included on the balance sheet are as follows:

	December 31, 2014
Deferred tax assets	
Consulting Warrants	$ 284,313
Start-up costs	276,445
Net operating losses	45,562
Credits	26,050
Depreciation	517
Total gross deferred tax assets	635,887
Valuation allowance	(167,618)
Total gross deferred tax assets (net of valuation allowance)	468,269
Deferred tax liabilities	
Patents	(404,266)
Others	(64,003)
Total gross deferred tax liabilities	(468,269)
Net deferred tax assets	$ —

Based on the available objective evidence at this time, management believes that it is more likely than not that the deferred tax assets will not be utilized, such that a full valuation allowance has been recorded.

The Company has Federal and California net operating loss carry-forwards of approximately $121,272 and $125,629, respectively. These amounts were generated in the period from inception to December 31, 2014 and can be carried forward twenty years for federal and California tax purposes. The federal and state carry-forwards expire in 2034.

Utilization of the Company's net operating loss may be subject to substantial annual limitation due to the ownership change limitations provided by the Internal Revenue Code and similar state provisions. Such an annual limitation could result in the expiration of net operating loss carryforwards prior to utilization.

The Company's policy is to account for interest and penalties as income tax expense. As of December 31, 2014, the Company had no interest related to unrecognized tax benefits. No amounts of penalties related to unrecognized tax benefits were recognized in the provision for income taxes.

The Company files income tax returns in the U.S. federal jurisdiction and California state jurisdiction. The Company's tax year for calendar year 2014 is open to examination by the U.S. federal and California state tax authorities.

10. Subsequent Events

On February 25, 2015 the Company entered into a purchase and sale agreement ("Purchase Agreement") for 12.56 acres in the Tahoe-Reno Industrial Center, located in McCarren, Nevada, for a purchase price of $1,066,872. The Purchase Agreement was amended on May 19, 2015 for a final purchase of 11.73 acres at a price of $1,006,370. Escrow on this land purchase closed on May 29, 2015. The Company intends to build its first lead acid battery recycling facility on this site.

On April 1, 2015, the Board of Directors and stockholders of the Company authorized an increase in the number of shares of common stock available for issuance under the 2014 Plan from 720,000 to 1,500,000.

On April 1, 2015, the Board of Directors authorized the issuance of options to purchase a total of 581,000 shares of common stock to seven employees of the Company. The options vest over a three year period and have an exercise price of $3.23 per share.

On May 1, 2015, the Company issued options to purchase a total of 43,268 shares of common stock to independent members of the Board of Directors. The options vest over a three year period and have an exercise price of $3.23 per share.

On May 13, 2015, the Company filed confidentially a registration statement on form S-1 with the Securities and Exchange Commission. The registration was for the sale of common stock to raise proceeds of $30,000,000.

The Company has evaluated subsequent events through June 8, 2015 the date which the financial statements were available to be issued.

_____ Shares of Common Stock

Aqua Metals, Inc.

PROSPECTUS

National Securities Corporation

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

The following table sets forth the various expenses to be incurred in connection with the sale and distribution of our common stock being registered hereby, all of which will be borne by us (except any underwriting discounts and commissions and expenses incurred for brokerage, accounting, tax or legal services or any other expenses incurred in disposing of the shares). All amounts shown are estimates except the SEC registration fee.

SEC Filing Fee	$	4,489.97
FINRA Fee	$	4,364.00
Underwriter's Legal Fees and Expenses.	$	185,000.00
Nasdaq Fee	$	50,000.00
Printing Expenses	$	25,000.00
Accounting Fees and Expenses	$	75,000.00
Legal Fees and Expenses	$	175,000.00
Transfer Agent and Registrar Expenses	$	15,000.00
Miscellaneous	$	66,146.03
Total	$	600,000.00

ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS

The following summary is qualified in its entirety by reference to the complete text of any statutes referred to below and the certificate of incorporation of Aqua Metals, Inc., a Delaware corporation.

Section 145 of the General Corporation Law of the State of Delaware (the "DGCL") permits a Delaware corporation to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the person's conduct was unlawful.

In the case of an action by or in the right of the corporation, Section 145 of the DGCL permits a Delaware corporation to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by the person in connection with such action, suit or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses that the Court of Chancery or such other court shall deem proper.

Section 145 of the DGCL also permits a Delaware corporation to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the corporation would have the power to indemnify such person against such liability under Section 145 of the DGCL.

Article Sixth of our First Amended and Restated Certificate of Incorporation states that to the fullest extent permitted by the DGCL our directors shall not be personally liable to us or to our stockholders for monetary damages for breach of fiduciary duty as a director. If the DGCL is amended after the date hereof to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of our directors shall be eliminated or limited to the fullest extent permitted by the DGCL, as so amended.

Article Sixth of our First Amended and Restated Certificate of Incorporation authorizes us, to the fullest extent permitted by applicable law, to provide indemnification of (and advancement of expenses to) our directors, officers, employees and agents (and any other persons to which the DGCL permits us to provide indemnification) through bylaw provisions, agreements with such directors, officers, employees, agents or other persons, vote of stockholders or disinterested directors or otherwise, subject only to limits created by the DGCL with respect to actions for breach of duty to our corporation, our stockholders and others.

Article X of our Bylaws provides that we shall, to the maximum extent and in the manner permitted by the DGCL, indemnify each of our directors against expenses (including attorneys' fees), judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any proceeding, arising by reason of the fact that such person is or was a director of the Company. Article X of our Bylaws also provides that we may, to the maximum extent and in the manner permitted by the DGCL, indemnify each of our employees, officers and agents against expenses (including attorneys' fees), judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any proceeding, arising by reason of the fact that such person is or was an employee, officer or agent of the Company. The right to indemnification conferred by Article X includes the right to be paid by us the expenses incurred in defending any action or proceeding for which indemnification is required or permitted following authorization thereof by the board of directors shall be paid in advance of the final disposition of such action or proceeding upon receipt of an undertaking by or on behalf of the indemnified party to repay such amount if it shall ultimately be determined by final judicial decision from which there is no further right to appeal that the indemnified party is not entitled to be indemnified as authorized in Article X. We may maintain insurance, at our expense, to protect the Company and any of our directors, officers, employees or agents against any such expense, liability or loss, whether or not we have the power to indemnify such person.

As permitted by the DGCL, we have entered into indemnification agreements with each of our directors and executive officers that require us to indemnify such persons against various actions including, but not limited to, third-party actions where such director or executive officer, by reason of his or her corporate status, is a party or is threatened to be made a party to an action, or by reason of anything done or not done by such director in any such capacity. We intend to indemnify directors and executive officers against all costs, judgments, penalties, fines, liabilities, amounts paid in settlement by or on behalf such directors or executive officers and for any expenses actually and reasonably incurred by such directors or executive officers in connection with such action, if such directors or executive officers acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the Company, and with respect to any criminal proceeding, had no reasonable cause to believe their conduct was unlawful. We also intend to advance to our directors and executive officers expenses (including attorney's fees) incurred by such directors and executive officers in advance of the final disposition of any action after the receipt by the Company of a statement or statements from directors or executive officers requesting such payment or payments from time to time, provided that such statement or statements are accompanied by an undertaking, by or on behalf of such directors or executive officers, to repay such amount if it shall ultimately be determined that they are not entitled to be indemnified against such expenses by the Company.

The indemnification agreements also set forth certain procedures that will apply in the event of a claim for indemnification or advancement of expenses, including, among others, provisions about providing notice to the Company of any action in connection with which a director or executive officer seeks indemnification or advancement of expenses from the Company and provisions concerning the determination of entitlement to indemnification or advancement of expenses.

Prior to the closing of this offering we plan to enter into an underwriting agreement, which will provide that the underwriters are obligated, under some circumstances, to indemnify our directors, officers and controlling persons against specified liabilities.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES

Since the inception of our corporation, we issued the following securities without registration under the Securities Act of 1933, as amended.

In June 2014, we sold 4,800,000 shares of common stock to our seven founding shareholders in consideration of their contribution of $39,837 of cash and a patent application and related intellectual property valued at $637,158. The issuance was exempt pursuant to Section 4(a)(2) of the Securities Act.

In August 2014, we issued to Wirtz Manufacturing Co. Inc. a convertible promissory note in the original principal amount of $500,000. The issuance was exempt pursuant to Section 4(a)(2) of the Securities Act.

On September 8, 2014, we issued to Liquid Patent Consulting, LLC warrants to purchase 480,000 shares of our common stock at an exercise price of $0.003 per share over a five-year term. The issuance was exempt pursuant to Section 4(a)(2) of the Securities Act.

On October 31, 2014, we consummated an offering of $6.0 million in principal amount of our senior secured convertible promissory notes for the cash consideration of $5.5 million and exchange of a previously issued $500,000 promissory note. Interest accrues on the unpaid principal amount under the convertible notes at the rate of six percent (6%) per year, except during any event of default under the convertible notes in which case the interest rate shall be twelve percent (12%) per year. All principal and interest under the convertible notes are due and payable on December 31, 2015. Pursuant to the terms of our investment agreement with Wirtz Manufacturing Co. Inc., Wirtz exchanged its aforementioned convertible promissory note investment in our company for a senior secured convertible promissory notes sold in the October 2014 private placement. All principal and interest under the senior secured convertible promissory notes are convertible into shares of common stock. The notes were issued pursuant to Section 4(a)(2) of the Securities Act and Rule 506 thereunder. All of the investors were accredited investors as such term is defined in Rule 501 under the Securities Act.

National Securities Corporation acted as placement agent in connection with the October 2014 placement. We paid National Securities Corporation a 10% selling commission on all convertible notes sold. We also issued to National Securities a warrant to purchase shares of our common stock equal to 10% of our common shares issuable upon conversion of the notes sold in the placement. The warrant issuance was exempt pursuant to Section 4(a)(2) of the Securities Act.

We believe the offers, sales and issuances of the above securities by us were exempt from registration under the Securities Act by virtue of Section 4(a)(2) of the Securities Act as transactions not involving a public offering. The recipients of the securities in each of these transactions represented their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were placed upon the stock certificates, notes and warrants issued in these transactions. All recipients had adequate access, through their relationships with us, to information about our Company. The sales of these securities were made without any general solicitation or advertising.

ITEM 16. EXHIBITS

Exhibit No.	Description of Document
1.1*	Form of Underwriting Agreement
3.1	First Amended and Restated Certificate of Incorporation of the Registrant
3.2	Amended and Restated Bylaws of the Registrant
4.1*	Specimen Certificate representing shares of common stock of Registrant
4.2	Warrant dated September 8, 2014 issued to Liquid Patent Consulting, LLC
4.3	Form of Senior Secured Convertible Promissory Note issued by the Registrant to investors in the offering completed on October 31, 2014
4.4	Warrant dated October 31, 2014 issued to National Securities Corporation
4.5*	Form of Underwriter's Warrant
5.1*	Opinion of Greenberg Traurig, LLP regarding the validity of the common stock being registered
10.1+	Form of Indemnification Agreement entered into by the Registrant with its Officers and Directors
10.2+	Aqua Metals, Inc. 2014 Stock Incentive Plan
10.3	Engagement Agreement dated September 8, 2014 between Liquid Patent Consulting, LLC and the Registrant
10.4	Securities Purchase Agreement dated October 31, 2014 between the Purchasers of Senior Secured Convertible Promissory Notes and the Registrant
10.5	Registration Rights Agreement dated October 31, 2014 between the Purchasers of Senior Secured Convertible Promissory Notes and the Registrant
10.6	Security Agreement dated October 31, 2014 between the Purchasers of Senior Secured Convertible Promissory Notes and the Registrant
10.7	Real Estate Purchase and Sale Agreement dated February 23, 2015 between Tahoe-Reno Industrial Center, LLC and the Registrant

Exhibit No.	Description of Document
10.8+	Executive Employment Agreement dated January 15, 2015 between Stephen R. Clarke and the Registrant
10.9+	Executive Employment Agreement dated January 15, 2015 between Thomas Murphy and the Registrant
10.10+	Executive Employment Agreement dated January 1, 2015 between Selwyn Mould and the Registrant
10.11+	Executive Employment Agreement dated January 15, 2015 between Stephen D. Cotton and the Registrant
10.12	Form of Lock-Up Agreement
10.13	Third Amendment to Purchase and Sale Agreement dated May 19, 2015 between Tahoe-Reno Industrial Center, LLC and the Registrant
21.1	List of Subsidiaries
23.1	Consent of Armanino LLP, Independent Registered Public Accounting Firm
23.2*	Consent of Greenberg Traurig, LLP (included in Exhibit 5.1)
24.1	Power of Attorney (included on page II-5)

* To be filed by amendment

\+ Indicates management compensatory plan, contract or arrangement

ITEM 17. UNDERTAKINGS

The undersigned registrant hereby undertake to provide to the underwriter at the closing specified in the underwriting agreements, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus as filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Oakland, California on this 9th day of June 2015.

AQUA METALS, INC.

/s/ Stephen R. Clarke

Stephen R. Clarke
Chief Executive Officer and Director
(Principal Executive Officer)

POWER OF ATTORNEY

Each person whose signature appears below constitutes and appoints Stephen R. Clarke and Thomas Murphy and each of them, his true and lawful attorney-in-fact and agent, each with full power of substitution and resubstitution, severally, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement on Form S-1, any subsequent registration statements pursuant to Rule 462 of the Securities Act of 1933, as amended, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them or their or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof. This power of attorney may be executed in counterparts.

Pursuant to the requirements of the Securities Act of 1933, this registration statement on Form S-1 has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Stephen R. Clarke Stephen R. Clarke	Chief Executive Officer and Director *(Principal Executive Officer)*	June 9, 2015
/s/ Thomas Murphy Thomas Murphy	Chief Financial Officer and Director *(Principal Financial and Accounting Officer)*	June 9, 2015
/s/ Stan Kimmel Stan Kimmel	Director	June 9, 2015
/s/ Vincent L. DiVito Vincent L. DiVito	Director	June 9, 2015

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE RESTATED CERTIFICATE OF "AQUA METALS, INC.", FILED IN THIS OFFICE ON THE FIRST DAY OF OCTOBER, A.D. 2014, AT 3:39 O'CLOCK P.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.

5555470 8100

141245832
You may verify this certificate online at corp.delaware.gov/authver.shtml

/s/ Jeffrey W. Bullock
Jeffrey W. Bullock, Secretary of State

AUTHENTICATION: 1747418

DATE: 10-02-14

State of Delaware
Secretary of State
Division of Corporations
Delivered 06:09 PM 10/01/2014
FILED 03:39 PM 10/01/2014
SRV 141245832 - 5555470 FILE

FIRST AMENDED AND RESTATED

CERTIFICATE OF INCORPORATION
OF
AQUA METALS, INC.

Aqua Metals, Inc., a corporation organized and existing under the laws of the State of Delaware, hereby certifies as follows:

1. The name of the corporation is Aqua Metals, Inc. and the name under which the corporation was originally incorporated is Aqua Metals, Inc. The date of filing of its original Certificate of Incorporation with the Secretary of State was June 20, 2014.

2. This First Amended and Restated Certificate of Incorporation restates and integrates and further amends the Certificate of Incorporation of this corporation by (i) increasing the number of authorized shares of common stock of the corporation from 5,000 shares, each with no par value, to 50,000,000 shares of common stock, each with a par value of $0.001, (ii) amend and restate the provision regarding indemnification, (iii) amend and restate the provision regarding the authority to amend the bylaws, and (iv) provide for a forward stock split whereby each share of common stock of the Corporation which is issued and outstanding would be converted into and become a right to receive four thousand eight hundred (4,800) shares of common stock of the Corporation.

3. The text of the Certificate of Incorporation as amended and restated or supplemented heretofore is herein set forth in full:

"CERTIFICATE OF INCORPORATION

OF

AQUA METALS, INC.

FIRST: The name of the Corporation is: AQUA METALS, INC. (hereinafter referred to as the "**Corporation**").

SECOND: The address of the registered office of the Corporation in the State of Delaware is 2711 Centerville Road, Suite 400, City of Wilmington, County of New Castle, DE 19808. The name of its registered agent at such address is The Company Corporation.

THIRD: The purpose of this Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware (the "**GCL**").

FOURTH: The Corporation is authorized to issue one class of stock. The authorized capital stock of the Corporation shall consist of fifty million (50,000,000) shares which shall be designated as Common Stock, each with a par value of $0.001.

FIFTH: In furtherance and not in limitation of the powers conferred by the GCL, the Board is expressly authorized to make, alter and repeal the bylaws of the corporation, subject to the power of the stockholders of the corporation to alter or repeal any bylaw whether adopted by them or otherwise.

SIXTH: 1. To the fullest extent permitted by the GCL as the same exists or may hereafter be amended, a director of the Corporation shall not be liable to the Corporation or its stockholders for monetary damage for breach of fiduciary duty as a director. If the GCL is amended after the date of the filing of this Certificate of Incorporation to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the GCL, as so amended from time to time. No amendment or repeal of this Article Sixth shall adversely affect any right or protection of a director of the Corporation provided hereunder with respect to any act or omission occurring prior to such amendment or repeal.

2. The Corporation may indemnify to the fullest extent permitted by the GCL as the same exists or may hereafter be amended, any person made, or threatened to be made, a defendant or witness to any action, suit or proceeding (whether civil or criminal or otherwise) by reason of the fact that such person, or his or her testator or intestate, is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or enterprise. Nothing contained herein shall affect any rights to indemnification to which any person may be entitled by law.

3. In furtherance and not in limitation of the powers conferred by statute:

(a) the Corporation may purchase and maintain insurance on behalf of any person who is or was a director or officer, employee or agent of the Corporation, or is serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify against such liability under the provisions of law; and

(b) the Corporation may create a trust fund, grant a security interest and/or use other means (including, without limitation, letters of credit, surety bonds and/or other similar arrangements), as well as enter into contracts providing indemnification to the full extent authorized or permitted by law and including as part thereof provisions with respect to any or all of the foregoing to ensure the payment of such amounts as may become necessary to effect indemnification as provided therein, or elsewhere.

SEVENTH: Elections of directors need not be by written ballot unless a duly adopted bylaw of the Corporation shall so provide."

4. Upon the filing of this First Amended and Restated Certificate of Incorporation, each share of common stock of the Corporation issued and outstanding shall be converted into and become a right to receive four thousand eight hundred (4,800) shares of common stock of the Corporation.

5. This First Amended and Restated Certificate of Incorporation was duly adopted by the Board of Directors in accordance with Section 245 of the General Corporation Law of the State of Delaware.

6. This First Amended and Restated Certificate of Incorporation was duly adopted by written consent of the stockholders in accordance with the applicable provisions of Section 228, 242 and 245 of the General Corporation Law of the State of Delaware and written notice of the adoption of this Amended and Restated Certificate of Incorporation has been given as provided by Section 228 of the General Corporation Law of the State of Delaware to every stockholder entitled to such notice.

[Signature Page to Follow]

IN WITNESS WHEREOF, said Corporation has caused this First Amended and Restated Certificate of Incorporate to be signed by its President, this 30th day of September, 2014.

/s/ Dr. Stephen R. Clarke

Dr. Stephen R. Clarke, President

Exhibit 3.2

AMENDED AND RESTATED

BYLAWS

OF

AQUA METALS, INC.,

A DELAWARE CORPORATION

TABLE OF CONTENTS

AMENDED AND RESTATED

BYLAWS

OF

AQUA METALS, INC.,
A DELAWARE CORPORATION

ARTICLE I

IDENTIFICATION; OFFICES

SECTION 1.1. Name. The name of the corporation is AQUA METALS, INC., a Delaware corporation (the "**Corporation**").

SECTION 1.2. Principal Office; Other Offices. The Board of Directors may fix the location of the principal executive office of the Corporation at any place within or outside the State of Delaware. The Corporation may have such other offices, either within or outside of the State of Delaware, as the business of the Corporation may require from time to time.

ARTICLE II

STOCKHOLDERS

SECTION 2.1. Annual Meeting. An annual meeting of the stockholders shall be held each year on a date and at a time designated by the Board of Directors. At each annual meeting, the stockholders shall elect directors to hold office for the term provided in Section 3.1 of these Bylaws.

SECTION 2.2. Special Meeting. A special meeting of the stockholders may be called by the President of the Corporation, the Board of Directors, or by such other officers or persons as the Board of Directors may designate.

SECTION 2.3. Place of Stockholder Meetings. The Board of Directors may designate any place, either within or without the State of Delaware, as the place of meeting for any annual meeting or for any special meeting. If no such place is designated by the Board of Directors, the place of meeting will be the principal business office of the Corporation. The Board of Directors may, in its sole discretion, determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication as provided under the Delaware General Corporation Law ("**DGCL**").

SECTION 2.4. Notice of Meetings. Unless waived as herein provided, whenever stockholders are required or permitted to take any action at a meeting, notice of the meeting shall be given in writing or electronic transmission stating the place, if any, date and hour of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called and the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at any such meeting. Such written notice shall be given not less than ten (10) days nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at the meeting. If mailed, notice is given when deposited in the United States mail, postage prepaid, directed to the stockholder at the stockholder's address as it appears on the records of the Corporation.

When a meeting is adjourned to another time or place in accordance with Section 2.5 of these Bylaws, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting in which the adjournment is taken. At the adjourned meeting the Corporation may conduct any business which might have been transacted at the original meeting. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

SECTION 2.5. Quorum and Adjourned Meetings. Unless otherwise provided by law or the Corporation's Certificate of Incorporation, a majority of the shares entitled to vote, present in person, by remote communication, if applicable, or represented by proxy, shall constitute a quorum at a meeting of stockholders. If less than a majority of the shares entitled to vote at a meeting of stockholders is present in person, by remote communication, if applicable, or represented by proxy at such meeting, the meeting may be adjourned, from time to time, by the chairman of the meeting or by vote of a majority of the shares so represented without further notice. At any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the original meeting. The stockholders present at a meeting may continue to transact business until adjournment, notwithstanding the withdrawal of such number of stockholders as may leave less than a quorum.

SECTION 2.6. Fixing of Record Date.

(a) For the purpose of determining stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

(b) For the purpose of determining the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect to any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix the record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty (60) days prior to such action. If no record date is fixed, the record date for determining the stockholders for any such purpose shall be the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

SECTION 2.7. Voting List. The officer who has charge of the stock ledger of the Corporation shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either (i) at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, (ii) if not so specified, at the place where the meeting is to be held or (iii) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation. The list shall also be produced and kept at the place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

SECTION 2.8. Voting. Unless otherwise provided by the Certificate of Incorporation, each stockholder shall be entitled to one vote for each share of capital stock held by each stockholder. Except as otherwise provided by statute or by applicable stock exchange rules, or by the Certificate of Incorporation of the Corporation or these Bylaws, all matters other than the election of directors shall be determined by the affirmative vote of a majority of the votes cast with respect to that matter (for purposes of this Bylaw, votes cast shall exclude "abstentions" and any "broker non-votes" with respect to that question to be voted on). Directors shall be elected by plurality of the votes of the shares present in person, by remote communication, if applicable, or represented by a proxy at the meeting entitled to vote on the election of directors. For the purpose of determining those stockholders entitled to vote at any meeting of the stockholders, except as otherwise provided by law or these Bylaws, only persons in whose names shares stand on the stock records of the Corporation on the record date, as provided in Section 2.6 of these Bylaws, shall be entitled to vote at any meeting of stockholders.

SECTION 2.9. Proxies. Each stockholder entitled to vote at a meeting of stockholders may authorize another person or persons to act for him by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A duly executed proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A proxy may remain irrevocable regardless of whether the interest with which it is coupled is an interest in the stock itself or an interest in the Corporation generally.

SECTION 2.10. Ratification of Acts of Directors and Officers. Except as otherwise provided by law or by the Certificate of Incorporation of the Corporation, any transaction or contract or act of the Corporation or of the directors or the officers of the Corporation may be ratified by the affirmative vote of the holders of the number of shares which would have been necessary to approve such transaction, contract or act at a meeting of stockholders.

SECTION 2.11. Joint Owners of Stock. If shares or other securities having voting power stand of record in the names of two or more persons, whether fiduciaries, members of a partnership, joint tenants, tenants in common, tenants by the entirety, or otherwise, or if two or more persons have the same fiduciary relationship respecting the same shares, unless the Secretary of the Corporation is given written notice to the contrary and is furnished with a copy of the instrument or order appointing them or creating the relationship wherein it is so provided, their acts with respect to voting shall have the following effect: (i) if only one votes, his or her act binds all; (ii) if more than one votes, the act of the majority so voting binds all; (iii) if more than one votes, but the vote is evenly split on any particular matter, each faction may vote the securities in question proportionally, or may apply to the Delaware Court of Chancery for relief as provided in the DGCL, Section 217(b). If the instrument filed with the Secretary shows that any such tenancy is held in unequal interests, a majority or even-split for the purpose of subsection (iii) shall be a majority or even-split in interest.

SECTION 2.12. Informal Action of Stockholders. No action shall be taken by the stockholders except at an annual or special meeting of stockholders called in accordance with these Bylaws, and no action shall be taken by the stockholders by written consent or by electronic transmission.

SECTION 2.13. Organization.

(a) Such person as the Board of Directors may designate or, in the absence of such a designation, the President of the Corporation or, in his or her absence, such person as may be chosen by the holders of a majority of the shares entitled to vote who are present, in person, by remote communication, if applicable, or by proxy, shall call to order any meeting of the stockholders and act as chairman of such meeting. In the absence of the Secretary of the Corporation, the chairman of the meeting shall appoint a person to serve as Secretary at the meeting.

(b) The Board of Directors shall be entitled to make such rules or regulations for the conduct of meetings of stockholders as it shall deem necessary, appropriate or convenient. Subject to such rules and regulations of the Board of Directors, if any, the chairman of the meeting shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are necessary, appropriate or convenient for the proper conduct of the meeting, including, without limitation, establishing an agenda or order of business for the meeting, rules and procedures for maintaining order at the meeting and the safety of those present, limitations on participation in such meeting to stockholders of record of the Corporation and their duly authorized and constituted proxies and such other persons as the chairman shall permit, restrictions on entry to the meeting after the time fixed for the commencement thereof, limitations on the time allotted to questions or comments by participants and regulation of the opening and closing of the polls for balloting on matters which are to be voted on by ballot. The date and time of the opening and closing of the polls for each matter upon which the stockholders will vote at the meeting shall be announced at the meeting. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with rules of parliamentary procedure.

ARTICLE III

DIRECTORS

SECTION 3.1. Number and Tenure of Directors. The initial number of directors that shall constitute the entire Board shall be not less than one (1) and no more than nine (9) with the exact number to be determined from time to time by the resolution of the Board. This Section 3.1 may be changed by a duly adopted amendment to the Certificate of Incorporation or by a Bylaw amending this Section 3.1.

SECTION 3.2. Election of Directors. Directors shall be elected at the annual meeting or any special meeting of stockholders or appointed pursuant to Section 3.8. In all elections for directors, every stockholder shall have the right to vote the number of shares owned by such stockholder for each director to be elected.

SECTION 3.3. Regular Meetings. Unless otherwise restricted by the Certificate of Incorporation, regular meetings of the Board of Directors may be held at any time or date and at any place within or without the State of Delaware that has been designated by the Board of Directors and publicized among all directors, either orally or in writing, by telephone, including a voice-messaging system or other system designed to record and communicate messages, facsimile, telegraph or telex, or by electronic mail or other electronic means. No further notice shall be required for regular meetings of the Board of Directors.

SECTION 3.4. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the Chairman of the Board, the President or at least one-third of the number of directors constituting the entire Board of Directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place, either within or without the State of Delaware, as the place for holding any special meeting of the Board of Directors called by them.

SECTION 3.5. Notice of Special Meetings of the Board of Directors. Notice of the time and place of all special meetings of the Board of Directors shall be orally or in writing, by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, facsimile, telegraph or telex, or by electronic mail or other electronic means, during normal business hours, at least 24 hours before the date and time of the meeting. If notice is sent by US mail, it shall be sent by first class mail, charges prepaid, at least three days before the date of the meeting. Notice of any meeting may be waived in writing, or by electronic transmission, at any time before or after the meeting and will be waived by any director by attendance thereat, except when the director attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

SECTION 3.6. Quorum. A majority of the total number of directors fixed by these Bylaws, or in the absence of a Bylaw which fixes the number of directors, the number stated in the Certificate of Incorporation or named by the Board pursuant to Section 3.1, shall constitute a quorum for the transaction of business. If less than a majority of the directors are present at a meeting of the Board of Directors, a majority of the directors present may adjourn the meeting from time to time without further notice.

SECTION 3.7. Voting. The vote of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the DGCL or the Certificate of Incorporation requires a vote of a greater number.

SECTION 3.8. Vacancies. Vacancies in the Board of Directors may be filled by a majority vote of the Board of Directors or by an election either at an annual meeting or at a special meeting of the stockholders called for that purpose. Any directors elected by the stockholders to fill a vacancy shall hold office for the balance of the term for which he or she was elected. A director appointed by the Board of Directors to fill a vacancy shall serve until the next meeting of stockholders at which directors are elected.

SECTION 3.9. Removal of Directors. A director, or the entire Board of Directors, may be removed, with or without cause, by the holders of 66 2/3% of the shares then entitled to vote at an election of directors.

SECTION 3.10. Informal Action of Directors. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or any committee thereof may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing or by electronic transmission (including electronic mail), and the writing or writings or electronic transmission or transmissions (including electronic mail) are filed with the records of proceedings of the Board or committee.

SECTION 3.11. Participation by Conference Telephone. Members of the Board of Directors, or any committee designated by such board, may participate in a meeting of the Board of Directors, or committee thereof, by means of conference telephone or similar communications equipment as long as all persons participating in the meeting can speak with and hear each other, and participation by a director pursuant to this Section 3.11 shall constitute presence in person at such meeting.

ARTICLE IV

WAIVER OF NOTICE

SECTION 4.1. Written Waiver of Notice. A written waiver of any required notice, signed by the person entitled to notice, whether before or after the date stated therein, shall be deemed equivalent to notice. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of stockholders, directors or members of a committee of directors need be specified in any written waiver of notice.

SECTION 4.2. Attendance as Waiver of Notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, and objects at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE V

COMMITTEES

SECTION 5.1. General Provisions. The Board of Directors may, by resolution passed by a majority of the whole Board of Directors, designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member at any meeting of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to amending the Certificate of Incorporation, adopting an agreement of merger or consolidation, recommending to the stockholders the sale, lease, or exchange of all or substantially all of the Corporation's property and assets, recommending to the stockholders a dissolution of the Corporation or a revocation of a dissolution, or amending the By-laws of the Corporation; and, unless the resolution so provides, no such committee shall have the power or authority to declare a dividend, to authorize the issuance of stock or to adopt a certificate of ownership and merger, pursuant to Section 253 of the DGCL.

ARTICLE VI

OFFICERS

SECTION 6.1. General Provisions. The Board of Directors shall elect a President and a Secretary of the Corporation. The Board of Directors may also elect a Chairman of the Board, one or more Vice Chairmen of the Board, one or more Vice Presidents, a Treasurer, one or more Assistant Secretaries and Assistant Treasurers and such additional officers as the Board of Directors may deem necessary or appropriate from time to time. Any two or more offices may be held by the same person. The officers elected by the Board of Directors shall have such duties as are hereafter described and such additional duties as the Board of Directors may from time to time prescribe.

SECTION 6.2. Election and Term of Office. The officers of the Corporation shall be elected annually by the Board of Directors at the regular meeting of the Board of Directors held after each annual meeting of the stockholders. If the election of officers is not held at such meeting, such election shall be held as soon thereafter as may be convenient. New offices of the Corporation may be created and filled and vacancies in offices may be filled at any time, at a meeting or by the written consent of the Board of Directors. Unless removed pursuant to Section 6.3 of these Bylaws, each officer shall hold office until his successor has been duly elected and qualified, or until his earlier death or resignation. Election or appointment of an officer or agent shall not of itself create contract rights.

SECTION 6.3. Removal of Officers. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever, in its judgment, the best interests of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person(s) so removed.

SECTION 6.4. The Chief Executive Officer. The Board of Directors shall designate whether the Chairman of the Board, if one shall have been chosen, or the President shall be the Chief Executive Officer of the Corporation. If a Chairman of the Board has not been chosen, or if one has been chosen but not designated Chief Executive Officer, then the President shall be the Chief Executive Officer of the Corporation. The Chief Executive Officer shall be the principal executive officer of the Corporation and shall in general supervise and control all of the business and affairs of the Corporation, unless otherwise provided by the Board of Directors. The Chief Executive Officer shall see that orders and resolutions of the Board of Directors are carried into effect. The Chief Executive Officer may sign bonds, mortgages, certificates for shares and all other contracts and documents whether or not under the seal of the Corporation, except in cases where the signing and execution thereof shall be expressly delegated by law, by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation. The Chief Executive Officer shall have general powers of supervision and shall be the final arbiter of all differences between officers of the Corporation and his decision as to any matter affecting the Corporation shall be final and binding as between the officers of the Corporation subject only to the Board of Directors.

SECTION 6.5. The President. In the absence of the Chief Executive Officer or in the event of his inability or refusal to act, if the Chairman of the Board has not been designated Chief Executive Officer, the President shall perform the duties of the Chief Executive Officer, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Chief Executive Officer. At all other times the President shall have the active management of the business of the Corporation under the general supervision of the Chief Executive Officer. The President shall have concurrent power with the Chief Executive Officer to sign bonds, mortgages, certificates for shares and other contracts and documents, whether or not under the seal of the Corporation except in cases where the signing and execution thereof shall be expressly delegated by law, by the Board of Directors, or by these Bylaws to some other officer or agent of the Corporation. In general, the President shall perform all duties incident to the office of president and such other duties as the Chief Executive Officer or the Board of Directors may from time to time prescribe.

SECTION 6.6. The Chairman of the Board. The Chairman of the Board, if one is chosen, shall be chosen from among the members of the Board of Directors. If the Chairman of the Board has not been designated Chief Executive Officer, the Chairman of the Board shall preside at all meetings of the stockholders and of the Board of Directors and perform such other duties as may be assigned to the Chairman of the Board by the Board of Directors.

SECTION 6.7. Vice Chairman of the Board. In the absence of the Chief Executive Officer or in the event of his inability or refusal to act, if the Chairman of the Board has been designated Chief Executive Officer, the Vice Chairman, or if there be more than one, the Vice Chairmen, in the order determined by the Board of Directors, shall perform the duties of the Chief Executive Officer, and when so acting shall have all the powers of and be subject to all the restrictions upon the Chief Executive Officer. At all other times, the Vice Chairman or Vice Chairmen shall perform such duties and have such powers as the Chief Executive Officer or the Board of Directors may from time to time prescribe.

SECTION 6.8. The Vice President. In the absence of the President or in the event of his inability or refusal to act, the Vice President (or in the event there be more than one Vice President, the Executive Vice President and the other Vice President or Vice Presidents in the order designated, or in the absence of any designation, then in the order of their election) shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice Presidents shall perform such other duties and have such other powers as the Chief Executive Officer or the Board of Directors may from time to time prescribe.

SECTION 6.9. The Secretary. The Secretary shall attend all meetings of the Board of Directors and all meetings of the stockholders and record all the proceedings of the meetings of the Corporation and of the Board of Directors in a book to be kept for that purpose and shall perform like duties for the standing committees when required. The Secretary shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or the Chief Executive Officer, under whose supervision he shall be. The Secretary shall have custody of the corporate seal of the Corporation and the Secretary, or an Assistant Secretary, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by his signature or by the signature of such Assistant Secretary. The Board of Directors may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing by his signature.

SECTION 6.10. The Assistant Secretary. The Assistant Secretary, or if there be more than one, the Assistant Secretaries in the order determined by the Board of Directors (or if there be no such determination, then in the order of their election), shall, in the absence of the Secretary or in the event of his inability or refusal to act, perform the duties and exercise the powers of the Secretary and shall perform such other duties and have such other powers as the Chief Executive Officer or the Board of Directors may from time to time prescribe.

SECTION 6.11. The Treasurer. The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and to the Board of Directors, at its regular meetings, or when the Board of Directors so requires, an account of all his transactions as Treasurer and of the financial condition of the Corporation. If required by the Board of Directors, the Treasurer shall give the Corporation a bond (which shall be renewed every six (6) years) in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his office and for the restoration to the Corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Corporation.

SECTION 6.12. The Assistant Treasurer. The Assistant Treasurer, or if there shall be more than one, the Assistant Treasurers in the order determined by the Board of Directors (or if there be no such determination, then in the order of their election), shall, in the absence of the Treasurer or in the event of his inability or refusal to act, perform the duties and exercise the powers of the Treasurer and shall perform such other duties and have such other powers as the Chief Executive Officer or the Board of Directors may from time to time prescribe.

SECTION 6.13. Duties of Officers May be Delegated. In the absence of any officer of the Corporation, or for any other reason that the Board of Directors may deem sufficient, the Board of Directors may delegate the powers or duties, or any portion of such powers or duties, of any officers or officer to any other officer or to any director.

SECTION 6.14. Compensation. The Board of Directors shall have the authority to establish reasonable compensation of all officers for services rendered to the Corporation.

ARTICLE VII

CERTIFICATES FOR SHARES

SECTION 7.1. Certificates of Shares. The shares of the Corporation shall be represented by certificates, provided that the Board of Directors of the Corporation may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertified shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Notwithstanding the adoption of such a resolution by the Board of Directors, every holder of stock represented by certificates and upon request every holder of uncertified shares shall be entitled to have a certificate signed by, or in the name of the Corporation by the Chairman or Vice Chairman of the Board of Directors, Chief Executive Officer, or the President or Vice President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the Corporation representing the number of shares registered in certificate form. Any or all the signatures on the certificate may be a facsimile.

SECTION 7.2. Signatures of Former Officer, Transfer Agent or Registrar. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such person or entity were such officer, transfer agent or registrar at the date of issue.

SECTION 7.3. Transfer of Shares. Transfers of shares of the Corporation shall be made only on the books of the Corporation by the holder of record thereof or by his legal representative, who shall furnish proper evidence of authority to transfer, or by his or her attorney thereunto authorized by power of attorney duly executed and filed with the Secretary of the Corporation, and on surrender for cancellation of certificate for such shares. Prior to due presentment of a certificate for shares for registration of transfer, the Corporation may treat a registered owner of such shares as the person exclusively entitled to vote, to receive notifications and otherwise to have and exercise all of the rights and powers of an owner of shares.

SECTION 7.4. Lost, Destroyed or Stolen Certificates. Whenever a certificate representing shares of the Corporation has been lost, destroyed or stolen, the holder thereof may file in the office of the Corporation an affidavit setting forth, to the best of his knowledge and belief, the time, place, and circumstance of such loss, destruction or theft together with a statement of indemnity sufficient in the opinion of the Board of Directors to indemnify the Corporation against any claim that may be made against it on account of the alleged loss of any such certificate. Thereupon the Board may cause to be issued to such person or such person's legal representative a new certificate or a duplicate of the certificate alleged to have been lost, destroyed or stolen. In the exercise of its discretion, the Board of Directors may waive the indemnification requirements provided herein.

ARTICLE VIII

DIVIDENDS

SECTION 8.1. Dividends. The Board of Directors of the Corporation may declare and pay dividends upon the shares of the Corporation's capital stock in any form determined by the Board of Directors, in the manner and upon the terms and conditions provided by law.

ARTICLE IX

CONTRACTS, LOANS, CHECKS AND DEPOSITS

SECTION 9.1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

SECTION 9.2. Loans. No loans shall be contracted on behalf of the Corporation, and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

SECTION 9.3. Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by one or more officers or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

SECTION 9.4. Deposits. The funds of the Corporation may be deposited or invested in such bank account, in such investments or with such other depositories as determined by the Board of Directors.

ARTICLE X

INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND OTHER AGENTS

SECTION 10.1. Indemnification of Directors. The Corporation shall, to the maximum extent and in the manner permitted by Section 145 of the DGCL, indemnify each of its directors against expenses judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with any proceeding (as defined in Section 145 of the DGCL), arising by reason of the fact that such person is or was a director of the Corporation. For purposes of this Article X, a “director” of the Corporation includes any person (i) who is or was a director of the Corporation, (ii) who is or was serving at the request of the Corporation as a director of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, or (iii) who was a director of a corporation which was a predecessor corporation of the Corporation or of another enterprise at the request of such predecessor corporation.

SECTION 10.2. Indemnification of Others. The Corporation shall have the power, to the extent and in the manner permitted by the DGCL, to indemnify each of its employees, officers, and agents (other than directors) against expenses (as defined in Section 145 of the DGCL), judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with any proceeding (as defined in Section 145 of the DGCL), arising by reason of the fact that such person is or was an employee, officer or agent of the Corporation. For purposes of this Article X, an "employee" or "officer" or "agent" of the Corporation (other than a director) includes any person (i) who is or was an employee, officer, or agent of the Corporation, (ii) who is or was serving at the request of the Corporation as an employee, officer, or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, or (iii) who was an employee, officer, or agent of a corporation which was a predecessor corporation of the Corporation or of another enterprise at the request of such predecessor corporation.

SECTION 10.3. Indemnity Not Exclusive. The indemnification provided by this Article X shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any Bylaw, agreement, vote of stockholders or directors or otherwise, both as to action in an official capacity and as to action in another capacity while holding such office. The rights to indemnify hereunder shall continue as to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors, and administrators of the person.

SECTION 10.4. Insurance Indemnification. The Corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation against any liability asserted against or incurred by such person in such capacity or arising out of that person's status as such, whether or not the Corporation would have the power to indemnify that person against such liability under the provisions of this Article X.

ARTICLE XI

AMENDMENTS

SECTION 11.1. Amendments. These Bylaws may be adopted, amended or repealed by either the Board of Directors or the Corporation's stockholders.

ARTICLE XII

VENUE SELECTION

SECTION 12.1. Exclusive Forum for Certain Litigation. Unless the Corporation consents in writing to the selection of an alternative forum, the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director or officer or other employee of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim against the Corporation or any director or officer or other employee of the Corporation arising pursuant to any provision of the DGCL or the Certificate of Incorporation or these Bylaws (in each case, as they may be amended from time to time), or (iv) any action asserting a claim against the Corporation or any director or officer or other employee of the Corporation governed by the internal affairs doctrine shall be a state court located within the State of Delaware (or, if no state court located within the State of Delaware has jurisdiction, the federal district court for the District of Delaware).

SECRETARY'S CERTIFICATE OF ADOPTION OF BYLAWS

OF

AQUA METALS, INC.,
a Delaware corporation

I, the undersigned, do hereby certify:

1. That I am the duly elected and acting Secretary of Aqua Metals, Inc.., a Delaware corporation.

2. That the foregoing Bylaws constitute the Bylaws of said corporation as adopted by Unanimous Written Consent of the Board of Directors dated as of May 5, 2015.

IN WITNESS WHEREOF, I have hereunto subscribed my name as of May 5, 2015.

By: /s/ Thomas Murphy
Thomas Murphy, Secretary

NEITHER THESE SECURITIES NOR THE SECURITIES ISSUABLE UPON EXERCISE OF THESE SECURITIES HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "***SECURITIES ACT***") AND APPLICABLE STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO (I) AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR (II) AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS OR BLUE SKY LAWS. THESE SECURITIES AND THE SECURITIES ISSUABLE UPON EXERCISE OF THESE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES.

AQUA METALS, INC.

WARRANT TO PURCHASE COMMON STOCK

Warrant No. 1

Original Issue Date:
September 8, 2014

Aqua Metals, Inc., a Delaware corporation (the "***Company***"), hereby certifies that, for value received, Liquid Patent Consulting, LLC or its permitted registered assigns (the "***Holder***"), is entitled to purchase from the Company up to a total of 100 shares of common stock, no par value (the "***Common Stock***"), of the Company (each such share, a "***Warrant Share***" and all such shares, the "***Warrant Shares***") at an exercise price per share equal to $15.00 (as adjusted from time to time as provided in Section 9 herein, the "***Exercise Price***"), at any time and from time to time from on or after the date hereof (the "***Trigger Date***") and through and including 5:00 P.M., prevailing Pacific time, on September 8, 2017 (the "***Expiration Date***"), and subject to the following terms and conditions:

This Warrant (this "***Warrant***") is one of a series of similar warrants issued pursuant to that certain Engagement Agreement for Strategic Consulting Services dated September 8, 2014 between the Company and the Holder (the "***Consulting Agreement***"). All such warrants are referred to herein, collectively, as the "***Warrants***."

1 . Definitions. In addition to the terms defined elsewhere in this Warrant, capitalized terms that are not otherwise defined herein have the meanings given to such terms in the Consulting Agreement.

2. Registration of Warrants. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the "***Warrant Register***"), in the name of the record Holder (which shall include the initial Holder or, as the case may be, any registered assignee to which this Warrant is permissibly assigned hereunder) from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

3. Registration of Transfers. The Company shall register the transfer of all or any portion of this Warrant in the Warrant Register, upon (i) surrender of this Warrant, with the Form of Assignment attached as Schedule 2 hereto duly completed and signed, to the Company's transfer agent or to the Company at its address specified herein (ii) delivery, at the request of the Company, of an opinion of counsel reasonably satisfactory to the Company to the effect that the transfer of such portion of this Warrant may be made pursuant to an available exemption from the registration requirements of the Securities Act of 1933 ("***Securities Act***") and all applicable state securities or blue sky laws and (iii) delivery by the transferee of a written statement to the Company certifying that the transferee is an "accredited investor" as defined in Rule 501(a) under the Securities Act and making the representations and certifications as the Company may reasonably request to procure an exemption from section 5 of the Securities Act. Upon any such registration or transfer, a new warrant to purchase Common Stock in substantially the form of this Warrant (any such new warrant, a "***New Warrant***") evidencing the portion of this Warrant so transferred shall be issued to the transferee, and a New Warrant evidencing the remaining portion of this Warrant not so transferred, if any, shall be issued to the transferring Holder. The acceptance of the New Warrant by the transferee thereof shall be deemed the acceptance by such transferee of all of the rights and obligations of a Holder of a Warrant.

4. Exercise and Duration of Warrants.

(a) All or any part of this Warrant shall be exercisable by the registered Holder at any time and from time to time on or after the Trigger Date and through and including 5:00 P.M. prevailing Pacific time on the Expiration Date. At 5:00 P.M., prevailing Pacific time, on the Expiration Date, the portion of this Warrant not exercised prior thereto shall be and become void and of no value and this Warrant shall be terminated and no longer outstanding.

(b) The Holder may exercise this Warrant by delivering to the Company (i) an exercise notice, in the form attached as Schedule 1 hereto (the "***Exercise Notice***"), appropriately completed and duly signed, (ii) payment of the Exercise Price for the number of Warrant Shares as to which this Warrant is being exercised (which may take the form of a "cashless exercise" if so indicated in the Exercise Notice and if a "cashless exercise" may occur at such time pursuant to Section 10 below), and the date such items are delivered to the Company (as determined in accordance with the notice provisions hereof) is an "***Exercise Date***." The Holder shall not be required to deliver the original Warrant in order to effect an exercise hereunder. Execution and delivery of the Exercise Notice shall have the same effect as cancellation of the original Warrant and issuance of a New Warrant evidencing the right to purchase the remaining number of Warrant Shares.

5 . Delivery of Warrant Shares. Upon exercise of this Warrant, the Company shall promptly issue or cause to be issued and cause to be delivered to or upon the written order of the Holder and in such name or names as the Holder may designate a certificate for the Warrant Shares issuable upon such exercise, with an appropriate restrictive legends. The Holder, or any Person permissibly so designated by the Holder to receive Warrant Shares, shall be deemed to have become the holder of record of such Warrant Shares as of the Exercise Date.

6 . Charges, Taxes and Expenses. Issuance and delivery of certificates for shares of Common Stock upon exercise of this Warrant shall be made without charge to the Holder for any issue or transfer tax, transfer agent fee or other incidental tax or expense in respect of the issuance of such certificates, all of which taxes and expenses shall be paid by the Company; *provided, however*, that the Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the registration of any certificates for Warrant Shares or Warrants in a name other than that of the Holder or an Affiliate thereof. The Holder shall be responsible for all other tax liability that may arise as a result of holding or transferring this Warrant or receiving Warrant Shares upon exercise hereof.

7 . Replacement of Warrant. If this Warrant is mutilated, lost, stolen or destroyed, the Company shall issue or cause to be issued in exchange and substitution for and upon cancellation hereof, or in lieu of and substitution for this Warrant, a New Warrant, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft or destruction (in such case) and, in each case, a customary and reasonable indemnity (which shall not include a surety bond), if requested. Applicants for a New Warrant under such circumstances shall also comply with such other reasonable regulations and procedures and pay such other reasonable third-party costs as the Company may prescribe. If a New Warrant is requested as a result of a mutilation of this Warrant, then the Holder shall deliver such mutilated Warrant to the Company as a condition precedent to the Company's obligation to issue the New Warrant.

8 . Reservation of Warrant Shares. The Company covenants that it will at all times reserve and keep available out of the aggregate of its authorized but unissued and otherwise unreserved Common Stock, solely for the purpose of enabling it to issue Warrant Shares upon exercise of this Warrant as herein provided, the number of Warrant Shares which are then issuable and deliverable upon the exercise of this entire Warrant, free from preemptive rights or any other contingent purchase rights of persons other than the Holder (taking into account the adjustments and restrictions of Section 9). The Company covenants that all Warrant Shares so issuable and deliverable shall, upon issuance and the payment of the applicable Exercise Price in accordance with the terms hereof, be duly and validly authorized, issued and fully paid and nonassessable. The Company will take all such action as may be necessary to assure that such shares of Common Stock may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of any securities exchange or automated quotation system upon which the Common Shares may be listed.

9 . Certain Adjustments. The Exercise Price and number of Warrant Shares issuable upon exercise of this Warrant are subject to adjustment from time to time as set forth in this Section 9.

(a) Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding, (i) pays a stock dividend on its Common Stock or otherwise makes a distribution on any class of capital stock that is payable in shares of Common Stock, (ii) subdivides its outstanding shares of Common Stock into a larger number of shares, or (iii) combines its outstanding shares of Common Stock into a smaller number of shares, then in each such case the Exercise Price shall be multiplied by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately before such event and the denominator of which shall be the number of shares of Common Stock outstanding immediately after such event. Any adjustment made pursuant to clause (i) of this paragraph shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution, and any adjustment pursuant to clause (ii) or (iii) of this paragraph shall become effective immediately after the effective date of such subdivision or combination.

(b) Fundamental Transactions. If, at any time while this Warrant is outstanding (i) the Company effects any merger or consolidation of the Company with or into another Person, in which the Company is not the survivor, (ii) the Company effects any sale of all or substantially all of its assets or a majority of its Common Stock is acquired by a third party, in each case, in one or a series of related transactions, (iii) any tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which all or substantially all of the holders of Common Stock are permitted to tender or exchange their shares for other securities, cash or property, or (iv) the Company effects any reclassification of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property (other than as a result of a subdivision or combination of shares of Common Stock covered by Section 9(a) above) (in any such case, a "***Fundamental Transaction***"), then the Holder shall have the right thereafter to receive, upon exercise of this Warrant, the same amount and kind of securities, cash or property as it would have been entitled to receive upon the occurrence of such Fundamental Transaction if it had been, immediately prior to such Fundamental Transaction, the holder of the number of Warrant Shares then issuable upon exercise in full of this Warrant without regard to any limitations on exercise contained herein (the "***Alternate Consideration***"). The Company shall not effect any such Fundamental Transaction unless prior to or simultaneously with the consummation thereof, any successor to the Company, surviving entity or the corporation purchasing or otherwise acquiring such assets or other appropriate corporation or entity shall assume the obligation to deliver to the Holder, such Alternate Consideration as, in accordance with the foregoing provisions, the Holder may be entitled to purchase and/or receive (as the case may be), and the other obligations under this Warrant. The provisions of this paragraph (c) shall similarly apply to subsequent transactions analogous to a Fundamental Transaction.

(c) Number of Warrant Shares. Simultaneously with any adjustment to the Exercise Price pursuant to paragraph (a) of this Section, the number of Warrant Shares that may be purchased upon exercise of this Warrant shall be increased or decreased proportionately, so that after such adjustment the aggregate Exercise Price payable hereunder for the increased or decreased number of Warrant Shares shall be the same as the aggregate Exercise Price in effect immediately prior to such adjustment.

(d) Calculations. All calculations under this Section 9 shall be made to the nearest cent or the nearest $1/100^{th}$ of a share, as applicable. The number of shares of Common Stock outstanding at any given time shall not include shares owned or held by or for the account of the Company, and the sale or issuance of any such shares shall be considered an issue or sale of Common Stock.

(e) Notice of Adjustments. Upon the occurrence of each adjustment pursuant to this Section 9, the Company at its expense will, at the written request of the Holder, promptly compute such adjustment, in good faith, in accordance with the terms of this Warrant and prepare a certificate setting forth such adjustment, including a statement of the adjusted Exercise Price and adjusted number or type of Warrant Shares or other securities issuable upon exercise of this Warrant (as applicable), describing the transactions giving rise to such adjustments and showing in detail the facts upon which such adjustment is based. Upon written request, the Company will promptly deliver a copy of each such certificate to the Holder and to the Company's transfer agent.

(f) Notice of Corporate Events. If, while this Warrant is outstanding, the Company (i) declares a dividend or any other distribution of cash, securities or other property in respect of its Common Stock, including, without limitation, any granting of rights or warrants to subscribe for or purchase any capital stock of the Company, (ii) authorizes or approves, enters into any agreement contemplating or solicits stockholder approval for any Fundamental Transaction or (iii) authorizes the voluntary dissolution, liquidation or winding up of the affairs of the Company, then, except if such notice and the contents thereof shall be deemed to constitute material non-public information, the Company shall deliver to the Holder a notice describing the material terms and conditions of such transaction at least ten (10) Trading Days prior to the applicable record or effective date on which a Person would need to hold Common Stock in order to participate in or vote with respect to such transaction, and the Company will take all steps reasonably necessary in order to insure that the Holder is given the practical opportunity to exercise this Warrant prior to such time so as to participate in or vote with respect to such transaction; *provided, however*, that the failure to deliver such notice or any defect therein shall not affect the validity of the corporate action required to be described in such notice.

10. Payment of Exercise Price. The Holder shall pay the Exercise Price in immediately available funds; *provided, however*, the Holder may, in its sole discretion, commencing on the date that is 18 months from the date of this Warrant, satisfy its obligation to pay the Exercise Price through a "cashless exercise", in which event the Company shall issue to the Holder the number of Warrant Shares determined as follows:

$$X = Y [(A-B)/A]$$

where:

X = the number of Warrant Shares to be issued to the Holder.

Y = the total number of Warrant Shares with respect to which this Warrant is being exercised.

A = the average of the Closing Sale Prices of the shares of Common Stock (as reported by Bloomberg Financial Markets) for the five Trading Days ending on the date immediately preceding the Exercise Date.

B = the Exercise Price then in effect for the applicable Warrant Shares at the time of such exercise.

For purposes of this Warrant, "***Closing Sale Price***" means, for any security as of any date, the last trade price for such security on the principal securities exchange or trading market for such security, as reported by Bloomberg Financial Markets, or, if such exchange or trading market begins to operate on an extended hours basis and does not designate the last trade price, then the last trade price of such security prior to 4:00:00 p.m., New York Time, as reported by Bloomberg Financial Markets, or if the foregoing do not apply, the last trade price of such security in the over-the-counter market on the electronic bulletin board for such security as reported by Bloomberg Financial Markets, or, if no last trade price is reported for such security by Bloomberg Financial Markets, the average of the bid prices, or the ask prices, respectively, of any market makers for such security as reported in the "**pink sheets**" by Pink Sheets LLC. If the Closing Sale Price cannot be calculated for a security on a particular date on any of the foregoing bases, the Closing Sale Price of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. If the Company and the Holder are unable to agree upon the fair market value of such security, then the Company shall, within two business days submit via facsimile (a) the disputed determination of the Warrant Exercise Price to an independent, reputable investment bank selected by the Company and approved by the Holder or (b) the disputed arithmetic calculation of the Warrant Shares to the Company's independent, outside accountant. The Company shall cause at its expense the investment bank or the accountant, as the case may be, to perform the determinations or calculations and notify the Company and the Holder of the results no later than ten business days from the time it receives the disputed determinations or calculations. Such investment bank's or accountant's determination or calculation, as the case may be, shall be binding upon all parties absent demonstrable error. All such determinations to be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during the applicable calculation period.

For purposes of Rule 144 promulgated under the Securities Act, it is intended, understood and acknowledged that the Warrant Shares issued in a cashless exercise transaction shall be deemed to have been acquired by the Holder, and the holding period for the Warrant Shares shall be deemed to have commenced, on the date this Warrant was originally issued pursuant to the Consulting Agreement (provided that the Commission continues to take the position that such treatment is proper at the time of such exercise).

11. Limitation on Exercises. In the event that the Company registers the sale of any of its securities pursuant to the Securities Act of 1933, as amended, as an initial public offering, in an transaction that is subject FINRA review for compensation purposes, where the Holder is, or an affiliate of, a distribution participant for the offering, then this Warrant may not be exercised for 90 days after the effective date of the initial registration statement under that act. Additionally, the Company shall not effect the exercise of this Warrant, and the Holder shall not have the right to exercise this Warrant, to the extent that after giving effect to such exercise, the Holder (together with such Holder's affiliates) would beneficially own in excess of 4.99% ("***Maximum Percentage***") of the shares of Common Stock outstanding immediately after giving effect to such exercise. For purposes of the foregoing sentence, the aggregate number of shares of Common Stock beneficially owned by such Holder and its affiliates shall include the number of shares of Common Stock issuable upon exercise of this Warrant with respect to which the determination of such sentence is being made, but shall exclude shares of Common Stock which would be issuable upon (A) exercise of the remaining, unexercised portion of this Warrant beneficially owned by such Holder and its affiliates and (B) exercise or conversion of the unexercised or unconverted portion of any other securities of the Company beneficially owned by such Person and its affiliates (including, without limitation, any convertible notes or convertible preferred stock or warrants) subject to a limitation on conversion or exercise analogous to the limitation contained herein. Except as set forth in the preceding sentence, for purposes of this paragraph, beneficial ownership shall be calculated in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended. To the extent that the limitation contained in this Section 11 applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any affiliate) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any affiliate) and of which portion of this Warrant is exercisable, in each case subject to such aggregate percentage limitation, and the Company shall have no obligation to verify or confirm the accuracy of the determination. For purposes of this Warrant, in determining the number of outstanding shares of Common Stock, the Holder may rely on the number of outstanding shares of Common Stock as reflected in (1) the Company's most recent Form 10-K, Form 10-Q, Current Report on Form 8-K or other public filing with the Securities and Exchange Commission, as the case may be, (2) a more recent public announcement by the Company or (3) any other notice by the Company setting forth the number of shares of Common Stock outstanding. For any reason at any time, upon the written or oral request of the Holder, the Company shall within one (1) business day confirm orally and in writing to the Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder and its affiliates since the date as of which such number of outstanding shares of Common Stock was reported. By written notice to the Company, any Holder may decrease the Maximum Percentage to any other percentage specified in such notice; provided that such decrease will apply only to the Holder sending such notice and not to any other holder of Warrants. In addition, by written notice to the Company, any Holder may remove the limitations on exercises provided in this Section 11 entirely; provided that (i) any such removal will not be effective until the 61st day after such notice is delivered to the Company, and (ii) any such removal will apply only to the Holder sending such notice and not to any other holder of Warrants. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 11 to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended beneficial ownership limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation.

12. No Fractional Shares. No fractional Warrant Shares will be issued in connection with any exercise of this Warrant. In lieu of any fractional shares which would otherwise be issuable, the number of Warrant Shares to be issued shall be rounded up to the next whole number.

13. Notices. Any and all notices or other communications or deliveries hereunder (including, without limitation, any Exercise Notice) shall be in writing and shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via email at the email address specified in the Consulting Agreement prior to 5:00 p.m. (prevailing Pacific time) on a Trading Day, (ii) the next Trading Day after the date of transmission, if such notice or communication is delivered via email at the email address specified in the Consulting Agreement t on a day that is not a Trading Day or later than 5:00 p.m. (prevailing Pacific time) on any Trading Day, (iii) the Trading Day following the date of mailing, if sent by nationally recognized overnight courier service specifying next business day delivery, or (iv) upon actual receipt by the party to whom such notice is required to be given, if by hand delivery. The address and facsimile number of a party for such notices or communications shall be as set forth in the Consulting Agreement unless changed by such party by two Trading Days' prior notice to the other party in accordance with this Section 13.

14. Warrant Agent. The Company shall serve as warrant agent under this Warrant. Upon thirty (30) days' notice to the Holder, the Company may appoint a new warrant agent. Any corporation into which the Company or any new warrant agent may be merged or any corporation resulting from any consolidation to which the Company or any new warrant agent shall be a party or any corporation to which the Company or any new warrant agent transfers substantially all of its corporate trust or shareholders services business shall be a successor warrant agent under this Warrant without any further act. Any such successor warrant agent shall promptly cause notice of its succession as warrant agent to be mailed (by first class mail, postage prepaid) to the Holder at the Holder's last address as shown on the Warrant Register.

15. Registration Rights. The Company agrees that the Holder and its assigns will have registration rights covering the resale of the Warrant Shares, including "**piggyback**" registration rights on the registrations of the Company or demand registrations (voting with the other registrable securities to effect any such demand), no less favorable than those granted to any other person by the Company prior or subsequent to the date of this Warrant. At such time, and from time to time, as the Company enters into an agreement subsequent to the date of this Warrant pursuant to which the Company grants any third party rights with respect to the Company's registration of Company securities under the Securities Act held by such party, the Company shall offer to enter into a formal written registration rights agreement with the Holder and its assigns on substantially the same terms and such other terms as are customary and usual for agreements of such nature. In addition to, and without restricting or limiting the scope of this subparagraph (a), the Company further agrees that:

(a) Right to Piggyback. Whenever the Company proposes to register any of its securities under the Securities Act, the Company will give prompt written notice to the Holder of its intention to effect such registration and will include in such registration all Warrant Shares with respect to which the Company has received a written request from the Holder for inclusion therein within 15 days after the receipt of the Company's notice. The Company will pay, or cause to be paid, the registration expenses of the Holder in all piggyback registrations.

(b) Underwritten Offering. If a piggyback registration is an underwritten primary or secondary registration on behalf of the Company and/or other holders of the Common Stock, and the managing underwriters advise the Company in writing that in their opinion the number of shares requested to be included in such registration (including the Warrant Shares and any other shares of Common Stock held by holders with registration rights) exceeds the number which can be sold in such offering without materially and adversely affecting the marketability of the offering, the Company will promptly furnish the Holder with a copy of the underwriter's opinion and may, by written notice to the Holder, include in such registration (i) first, the securities the Company proposes to sell, and (ii) second, the Common Stock requested to be included in such registration pro rata among all holders with registration rights on the basis of the number of shares owned by each such holder.

(c) Underwriting Agreement. In any registration in which the Warrant Shares is to be included, the Holder shall be a party to the underwriting agreement entered into by the Company in connection therewith, and the representations and warranties by, and the other agreements on the part of, the Company and for the benefit of the underwriters shall also be made to and for the benefit of the Holder.

(d) Documents, etc. The Company shall provide to the Holder any and all documents, statements, opinions and forms as the Holder reasonably deems necessary for the Holder to participate in any piggyback registrations and to facilitate the disposition of the Warrant Shares covered by such registration pursuant to the terms and conditions of this Agreement and the applicable securities laws.

(e) Indemnification. In the event of any piggyback registration of any Warrant Shares under the Securities Act, and in connection with any registration statement or any other disclosure document pursuant to which securities of the Company are sold, the Company will, and hereby does, jointly and severally, indemnify and hold harmless the Holder, its directors, officers, members, fiduciaries, and agents (each, a "***Covered Person***") against any losses, claims, damages or liabilities, joint or several, to which such Covered Person may be or become subject under the Securities Act, any other securities or other laws of any jurisdiction, common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) arise out of or are based upon (1) any untrue statement or alleged untrue statement of any material fact contained or incorporated by reference in any registration statement under the Securities Act, any preliminary prospectus or final prospectus included therein, or any amendment or supplement thereto, or any document incorporated by reference therein, or any other such disclosure document, or (2) any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statement therein not misleading, and will reimburse such Covered Person for any legal or any other expenses incurred by in connection with investigating or defending any such loss, claim, damage, liability, action or proceeding; provided, however, the Company shall not be liable to any Covered Person in any such case to the extent that any such loss, claim, damage, liability, action or proceeding arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement, any such preliminary prospectus, final prospectus, amendment or supplement, any document incorporated by reference or other such disclosure document in reliance upon and in conformity with written information furnished to the Company through an instrument duly executed by such Covered Person specifically stating this it is for use in the preparation thereof.

(f) All fees and expenses incurred by the Company in connection with the performance of its obligation to register the Warrant Shares pursuant to Section 15 shall be borne by the Company; provided that any fees and expenses of the holder or holders thereof or of its or their counsel, and transfer taxes applicable to the sale of such Warrant Shares, shall be borne by such holder or holders.

16. Miscellaneous.

(a) The Holder, solely in such Person's capacity as a holder of this Warrant, shall not be entitled to vote or receive dividends or be deemed the holder of share capital of the Company for any purpose, nor shall anything contained in this Warrant be construed to confer upon the Holder, solely in such Person's capacity as the Holder of this Warrant, any of the rights of a stockholder of the Company or any right to vote, give or withhold consent to any corporate action (whether any reorganization, issue of stock, reclassification of stock, consolidation, merger, amalgamation, conveyance or otherwise), receive notice of meetings, receive dividends or subscription rights, or otherwise, prior to the issuance to the Holder of the Warrant Shares which such Person is then entitled to receive upon the due exercise of this Warrant. In addition, nothing contained in this Warrant shall be construed as imposing any liabilities on the Holder to purchase any securities (upon exercise of this Warrant or otherwise) or as a stockholder of the Company, whether such liabilities are asserted by the Company or by creditors of the Company. Notwithstanding this Section 16(a), the Company shall provide the Holder with copies of the same notices and other information given to the shareholders of the Company, contemporaneously with the giving thereof to the shareholders.

(b) Subject to the restrictions on transfer set forth on the first page hereof, and compliance with applicable securities laws, this Warrant may be assigned by the Holder. This Warrant may not be assigned by the Company except to a successor in the event of a Fundamental Transaction. This Warrant shall be binding on and inure to the benefit of the parties hereto and their respective successors and assigns. Subject to the preceding sentence, nothing in this Warrant shall be construed to give to any Person other than the Company and the Holder any legal or equitable right, remedy or cause of action under this Warrant. This Warrant may be amended only in writing signed by the Company and the Holder, or their successors and assigns.

(c) GOVERNING LAW; VENUE; WAIVER OF JURY TRIAL. ALL QUESTIONS CONCERNING THE CONSTRUCTION, VALIDITY, ENFORCEMENT AND INTERPRETATION OF THIS WARRANT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA WITHOUT REGARD TO THE PRINCIPLES OF CONFLICTS OF LAW THEREOF. EACH PARTY HEREBY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS SITTING IN THE CITY OF LOS ANGELES, CALIFORNIA, FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION HEREWITH OR WITH ANY TRANSACTION CONTEMPLATED HEREBY OR DISCUSSED HEREIN (INCLUDING WITH RESPECT TO THE ENFORCEMENT OF ANY OF THE TRANSACTION DOCUMENTS), AND HEREBY IRREVOCABLY WAIVES, AND AGREES NOT TO ASSERT IN ANY SUIT, ACTION OR PROCEEDING, ANY CLAIM THAT IT IS NOT PERSONALLY SUBJECT TO THE JURISDICTION OF ANY SUCH COURT, THAT SUCH SUIT, ACTION OR PROCEEDING IS IMPROPER. EACH PARTY HEREBY IRREVOCABLY WAIVES PERSONAL SERVICE OF PROCESS AND CONSENTS TO PROCESS BEING SERVED IN ANY SUCH SUIT, ACTION OR PROCEEDING BY MAILING A COPY THEREOF VIA REGISTERED OR CERTIFIED MAIL OR OVERNIGHT DELIVERY (WITH EVIDENCE OF DELIVERY) TO SUCH PARTY AT THE ADDRESS IN EFFECT FOR NOTICES TO IT UNDER THIS AGREEMENT AND AGREES THAT SUCH SERVICE SHALL CONSTITUTE GOOD AND SUFFICIENT SERVICE OF PROCESS AND NOTICE THEREOF. NOTHING CONTAINED HEREIN SHALL BE DEEMED TO LIMIT IN ANY WAY ANY RIGHT TO SERVE PROCESS IN ANY MANNER PERMITTED BY LAW. THE COMPANY HEREBY WAIVES ALL RIGHTS TO A TRIAL BY JURY.

(d) The headings herein are for convenience only, do not constitute a part of this Warrant and shall not be deemed to limit or affect any of the provisions hereof.

(e) In case any one or more of the provisions of this Warrant shall be invalid or unenforceable in any respect, the validity and enforceability of the remaining terms and provisions of this Warrant shall not in any way be affected or impaired thereby, and the parties will attempt in good faith to agree upon a valid and enforceable provision which shall be a commercially reasonable substitute therefor, and upon so agreeing, shall incorporate such substitute provision in this Warrant.

(f) Except as otherwise set forth herein, prior to exercise of this Warrant, the Holder hereof shall not, by reason of by being a Holder, be entitled to any rights of a stockholder with respect to the Warrant Shares.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK,
SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed by its authorized officer as of the date first indicated above.

AQUA METALS, INC.,
A Delaware corporation

By: /s/ Stephen R. Clarke
Dr. Stephen R. Clarke,
President and Chief Executive Officer

SCHEDULE 1
FORM OF EXERCISE NOTICE

(To be executed by the Holder to exercise the right to purchase shares of Common Stock under the foregoing Warrant)

Ladies and Gentlemen:

(1) The undersigned is the Holder of Warrant No. 1 (the "**Warrant**") issued by Aqua Metals, Inc.., a Delaware corporation (the "**Company**"). Capitalized terms used herein and not otherwise defined herein have the respective meanings set forth in the Warrant.

(2) The undersigned hereby exercises its right to purchase _____ Warrant Shares pursuant to the Warrant.

(3) The Holder intends that payment of the Exercise Price shall be made as (check one):

€ Cash Exercise

€ "Cashless Exercise" under Section 10

(4) If the Holder has elected a Cash Exercise, the Holder shall pay the sum of $_____ in immediately available funds to the Company in accordance with the terms of the Warrant.

(5) Pursuant to this Exercise Notice, the Company shall deliver to the Holder _____ Warrant Shares in accordance with the terms of the Warrant.

Dated:_____, _____
Name of Holder: _____
By:_____
Name: _____
Title: _____
(Signature must conform in all respects to name of Holder as specified on the face of the Warrant)

SCHEDULE 2
FORM OF ASSIGNMENT

[To be completed and signed only upon transfer of Warrant]

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ (the "***Transferee***" the right represented by the within Warrant to purchase _____ shares of Common Stock of Aqua Metals, Inc. (the "***Company***") to which the within Warrant relates and appoints _____ attorney to transfer said right on the books of the Company with full power of substitution in the premises. In connection therewith, the undersigned represents, warrants, covenants and agrees to and with the Company that:

(a) the offer and sale of the Warrant contemplated hereby is being made in compliance with Section 4(1) of the United States Securities Act of 1933, as amended (the "***Securities Act***") or another valid exemption from the registration requirements of Section 5 of the Securities Act and in compliance with all applicable securities laws of the states of the United States;

(b) the undersigned has not offered to sell the Warrant by any form of general solicitation or general advertising, including, but not limited to, any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over television or radio, and any seminar or meeting whose attendees have been invited by any general solicitation or general advertising;

(c) the undersigned has read the Transferee's investment letter included herewith, and to its actual knowledge, the statements made therein are true and correct; and

(d) the undersigned understands that the Company may condition the transfer of the Warrant contemplated hereby upon the delivery to the Company by the undersigned or the Transferee, as the case may be, of a written opinion of counsel (which opinion shall be in form, substance and scope customary for opinions of counsel in comparable transactions) to the effect that such transfer may be made without registration under the Securities Act and under applicable securities laws of the states of the United States.

Dated: _____, __

_____
(Signature must conform in all respects to name of holder as specified on the face of the Warrant)

_____
Address of Transferee

_____

_____

In the presence of:

_____

Exhibit 4.3

[FORM OF] SENIOR SECURED CONVERTIBLE NOTE

NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE CONVERTIBLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THESE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL TO THE HOLDER (IF REQUESTED BY THE COMPANY), IN A FORM REASONABLY ACCEPTABLE TO THE COMPANY, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD OR ELIGIBLE TO BE SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES.

AQUA METALS, INC.

Senior Secured Convertible Note

Issuance Date: October 31, 2014 Principal Amount: U.S. $[_____]

FOR VALUE RECEIVED, Aqua Metals, Inc., a [_____] corporation (the "**Company**"), hereby promises to pay to the order of [_____] or its registered assigns ("**Holder**") the amount set out above as the Principal Amount (the "**Principal**") when due, whether upon the Maturity Date (as defined below), acceleration, prepayment or otherwise (in each case in accordance with the terms hereof) and to pay interest ("**Interest**") on the outstanding Principal at the applicable Interest Rate (as defined below) from the date set out above as the Issuance Date (the "**Issuance Date**") until the same becomes due and payable, whether upon the Maturity Date or acceleration, conversion, prepayment or otherwise (in each case in accordance with the terms hereof). This Senior Secured Convertible Note (this "**Note**") is one of an issue of Senior Secured Convertible Notes issued either (i) pursuant to the Securities Purchase Agreement (as defined below) on the Closing Date (as defined below); or (ii) in exchange for that senior convertible note in the principal amount of $500,000 issued by the Company to Wirtz Manufacturing Co. Inc. on August 20, 2014 (collectively, the "**Other Notes**" and together with this Note, the "**Notes**"). Certain capitalized terms used herein are defined in Section 23. All other capitalized terms not defined herein shall have the meaning given to such terms in the Securities Purchase Agreement.

1 . PREPAYMENT. The Company may, at any time prior to the Maturity Date, prepay this Note in full, and in part, including all unpaid and accrued interest thereon, upon the written consent of the Holder. In the event the Company wishes to prepay this Note, it shall notify the Holder and the holders of the Other Notes to obtain their respective consents. A prepayment made pursuant to this Section 1 shall be made pro rata among all consenting Note holders.

2. INTEREST RATE. So long as no Event of Default shall have occurred and be continuing, Interest on this Note shall accrue at a rate equal to six percent (6%) simple interest per annum. If an Event of Default shall have occurred and be continuing, the Interest Rate shall automatically be increased to twelve percent (12%) simple interest during the period of such Event of Default, until such Event of Default is later cured. Interest due on this Note shall be computed on the basis of a three hundred sixty-five (365)-day year.

3. CONVERSION OF NOTES. This Note shall be convertible into validly issued, fully paid and non-assessable shares of Common Stock (as defined below), on the terms and conditions set forth in this Section 3.

(a) Mandatory Conversion - IPO. Upon consummation of the IPO (as defined below), this Note shall automatically convert, through no further action on the part of the Company or the Holder, into that number of shares of Common Stock equal to the quotient of (A) the Conversion Amount (as defined below) divided by (B) the Conversion Price. For the purpose of this Section 3(a), the "Conversion Price" shall be equal to fifty percent (50%) of the IPO Price to Public (as defined below) (rounded to two decimal places); *provided*; *however*, that in no event shall the Conversion Price be greater than $2.27 or nor less than $1.52, in each case as adjusted for stock splits, stock dividends, stock combinations, recapitalizations, or the like that occur after the Issuance Date in accordance with Section 5.

(b) Mandatory Conversion – Financing. Upon consummation of a Subsequent Placement approved by the Required Buyers pursuant to Section 4(k) of the Securities Purchase Agreement, this Note shall automatically convert, through no further action on the part of the Company or the Holder, into that number of shares of Common Stock equal to the quotient of (A) the Conversion Amount divided by (B) the Conversion Price. For the purposes of this Section 3(b), the "Conversion Price" shall be equal to fifty percent (50%) of the purchase price of the securities being sold by the Company in such Subsequent Placement (rounded to two decimal places); *provided*; *however*, that in no event shall the Conversion Price be greater than $2.27 or nor less than $1.52, in each case as adjusted for stock splits, stock dividends, stock combinations, recapitalizations, or the like that occur after the Issuance Date in accordance with Section 5.

(c) Optional Conversion. At any time after the Issuance Date and until ten (10) calendar days prior to the consummation of the IPO (as set forth in the IPO Notice), the Holder shall be entitled to convert this Note into that number of shares of Common Stock equal to the quotient of (A) the Conversion Amount divided by (B) the Conversion Price. For the purposes of this Section 3(c), the "**Conversion Price**" shall be equal to $2.27, as adjusted for stock splits, stock dividends, stock combinations, recapitalizations, or the like that occur after the Issuance Date in accordance with Section 5.

(d) Mechanics of Conversion.

(i) Conversion; Issuance of Shares. To convert this Note pursuant to Sections 3(c) above into shares of Common Stock on any date (a "**Conversion Date**"), the Holder shall deliver (whether via facsimile or otherwise) a copy of a properly and fully-completed and executed notice of conversion in the form attached hereto as Exhibit I (the "**Conversion Notice**") to the Company. On or before the second Business Day following the date of receipt of such Conversion Notice, the Company shall transmit by facsimile or email (by attachment in PDF format) an acknowledgment of confirmation, in the form attached hereto as Exhibit II, of receipt of such Conversion Notice to the Holder and the Company's transfer agent (the "**Transfer Agent**"). On or before the third Business Day following the date of receipt of a Conversion Notice or the triggering of a mandatory conversion pursuant to Section 3(a) or 3(b) above, the Company shall instruct the Transfer Agent to issue and deliver (via reputable overnight courier) to the Holder a certificate, registered in the name of the Holder or its designee, for the number of shares of Common Stock to which the Holder shall be entitled, with the legends required by the Securities Purchase Agreement or applicable law.

(ii) Registration; Book-Entry. The Company shall maintain a register (the "**Register**") for the recordation of the names and addresses of the holders of each Note and the principal amount of the Notes held by such holders (the "**Registered Notes**"). The entries in the Register shall be conclusive and binding for all purposes absent manifest error. The Company and the holders of the Notes shall treat each Person whose name is recorded in the Register as the owner of a Note for all purposes (including, without limitation, the right to receive payments of Principal and Interest hereunder) notwithstanding notice to the contrary. A Registered Note may be assigned, transferred or sold in whole or in part only by registration of such assignment or sale on the Register. Upon its receipt of a written request to assign, transfer or sell all or part of any Registered Note by the holder thereof and subject to the holder's compliance with Section 12, the Company shall record the information contained therein in the Register and issue one or more new Registered Notes in the same aggregate principal amount as the principal amount of the surrendered Registered Note to the designated assignee or transferee pursuant to Section 13, provided that if the Company does not so record an assignment, transfer or sale (as the case may be) of all or part of any Registered Note within two (2) Business Days of its receipt of such a request, then the Register shall be automatically updated to reflect such assignment, transfer or sale (as the case may be). The Holder and the Company shall maintain records showing the Principal and Interest converted and/or paid (as the case may be) and the dates of such conversion and/or payments (as the case may be) or shall use such other method, reasonably satisfactory to the Holder and the Company, so as not to require physical surrender of this Note upon conversion.

(iii) No Fractional Shares; Transfer Taxes. The Company shall not issue any fraction of a share of Common Stock upon any conversion. If the issuance would result in the issuance of a fraction of a share of Common Stock, the Company shall round such fraction of a share of Common Stock up to the nearest whole share. The Company shall pay any and all transfer, stamp, issuance and similar taxes that may be payable with respect to the issuance and delivery of Common Stock upon any conversion.

4. RIGHTS UPON EVENT OF DEFAULT.

(a) Event of Default. Each of the following events shall constitute an "**Event of Default**":

(i) the Company's failure to convert this Note in strict compliance with Section 3;

(ii) the Company's failure to pay to the Holder any amount of Principal, Interest when and as due under this Note or any other agreement, document, certificate or other instrument delivered in connection with the transactions contemplated hereby and thereby, including, but not limited to, any Transaction Document, except, in the case of a failure to pay Principal or Interest when and as due, in which case only if such failure remains uncured for a period of at least five (5) days;

(iii) the occurrence of any default under, redemption of or acceleration prior to maturity of any Indebtedness of the Company;

(iv) liquidation proceedings shall be instituted by or against the Company and, if instituted against the Company by a third party, shall not be dismissed within sixty (60) days of their initiation;

(v) bankruptcy, insolvency, reorganization or other proceedings for the relief of debtors shall be instituted against the Company and shall not be dismissed within sixty (60) days of their initiation;

(vi) the commencement by the Company of a voluntary case or proceeding under any applicable federal, state or foreign bankruptcy, insolvency, reorganization or other similar law or the consent by it to the entry of a decree, order, judgment or other similar document in respect of the Company in an involuntary case or proceeding under any applicable federal, state or foreign bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under any applicable federal, state or foreign law, or the consent by it to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the execution of a composition of debts, or the occurrence of any other similar federal, state or foreign proceeding, or the admission by it in writing of its inability to pay its debts generally as they become due, the taking of corporate action by the Company in furtherance of any such action;

(vii) the entry by a court of (i) a decree, order, judgment or other similar document in respect of the Company of a voluntary or involuntary case or proceeding under any applicable federal, state or foreign bankruptcy, insolvency, reorganization or other similar law; or (ii) a decree, order, judgment or other similar document adjudging the Company as bankrupt or insolvent, or approving as properly filed a petition seeking liquidation, reorganization, arrangement, adjustment or composition of or in respect of the Company under any applicable federal, state or foreign law; or (iii) a decree, order, judgment or other similar document appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree, order, judgment or other similar document or any such other decree, order, judgment or other similar document unstayed and in effect for a period of sixty (60) consecutive days;

(viii) a final judgment or judgments for the payment of money aggregating in excess of $250,000 are rendered against the Company and which judgments are not, within sixty (60) days after the entry thereof, bonded, discharged or stayed pending appeal, or are not discharged within sixty (60) days after the expiration of such stay;

(ix) the Company fails to pay, when due, or within any applicable grace period, any payment with respect to any Indebtedness in excess of $250,000 due to any third party (other than, with respect to unsecured Indebtedness only, payments contested by the Company in good faith by proper proceedings and with respect to which adequate reserves have been set aside for the payment thereof in accordance with GAAP) or is otherwise in breach or violation of any agreement for monies owed or owing in an amount in excess of $250,000, which breach or violation permits the other party thereto to declare a default or otherwise accelerate amounts due thereunder;

(x) other than as specifically set forth in another clause of this Section 4(a), the Company breaches any material representation, warranty, covenant or other term or condition of any Transaction Document, except, in the case of a breach of a covenant or other term or condition that is curable, only if such breach remains uncured for a period of thirty (30) days after actual knowledge of the Company of such breach;

(xi) the validity or enforceability of any provision of any Transaction Document shall be contested by the Company, or a proceeding shall be commenced by the Company seeking to establish the invalidity or unenforceability thereof;

(xii) the Security Documents shall for any reason, except (A) to the extent permitted by the terms hereof or thereof, or (B) as a result of the act or omission of Holder or the holder of any Other Note and not materially related to the failure of the Company to satisfy or tender to satisfy its obligations under the Security Documents, fail or cease to create a separate valid and perfected first priority Lien on the Collateral (as defined in the Security Agreement) in favor of each of the Secured Parties (as defined in the Security Agreement) and such breach remains uncured for a period of three (3) Business Days after notice from Holder or the holder of any Other Note of such failure or ceasing; or

(xiii) any Event of Default (as defined in the Other Notes) occurs with respect to any Other Notes.

(b) Notice of an Event of Default. Upon the occurrence of an Event of Default with respect to this Note or any Other Note, the Company shall within two (2) Business Days deliver written notice thereof via facsimile and overnight courier (with next day delivery specified) (an "**Event of Default Notice**") to the Holder. At any time after the earlier of the Holder's receipt of an Event of Default Notice and the Holder becoming aware of an Event of Default, the Holder may, by notice to the Company, declare this Note to be forthwith due and payable, whereupon the Principal and all accrued and unpaid Interest thereon, plus all costs of enforcement and collection (including court costs and reasonable attorney's fees), shall immediately become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Company.

5. ADJUSTMENT OF CONVERSION PRICE.

(a) Adjustment of Conversion Price upon Subdivision or Combination of Common Stock. If the Company subdivides (by any stock split, stock dividend, recapitalization or otherwise) one or more classes of its outstanding shares of Common Stock into a greater number of shares, the Conversion Price in effect immediately prior to such subdivision will be proportionately reduced. If the Company at any time combines (by combination, reverse stock split or otherwise) one or more classes of its outstanding shares of Common Stock into a smaller number of shares, the Conversion Price in effect immediately prior to such combination will be proportionately increased. Any adjustment pursuant to this Section 5(a) shall become effective immediately after the effective date of such subdivision or combination.

(b) Other Events. In the event that the Company shall take any action to which the provisions of Section 5(a) are not strictly applicable, or, if applicable, would not operate to protect the Holder from dilution or if any event occurs of the type contemplated by the provisions of this Section 5 but not expressly provided for by such provisions, then the Company's Board of Directors shall in good faith determine and implement an appropriate adjustment in the Conversion Price so as to protect the rights of the Holder, provided that no such adjustment pursuant to this Section 5(b) will increase the Conversion Price as otherwise determined pursuant to this Section 5, provided further that if the Holder does not accept such adjustments as appropriately protecting its interests hereunder against such dilution, then the Company's Board of Directors and the Holder shall agree, in good faith, upon an independent investment bank of nationally recognized standing to make such appropriate adjustments, whose determination shall be final and binding and whose fees and expenses shall be borne by the Company.

6. NONCIRCUMVENTION. The Company hereby covenants and agrees that the Company will not, by amendment of its Certificate of Incorporation or Bylaws or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Note, and will at all times in good faith carry out all of the provisions of this Note and take all action as may be required to protect the rights of the Holder of this Note. Without limiting the generality of the foregoing, so long as any of the Notes remain outstanding, the Company (i) shall not increase the par value of any shares of Common Stock receivable upon conversion of this Note above the Conversion Price then in effect and (ii) shall take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and non-assessable shares of Common Stock upon the conversion of this Note, including without limitation complying with Section 7(b) hereof.

7. RESERVATION OF AUTHORIZED SHARES.

(a) Reservation. The Company shall at all times reserve and keep available out of its authorized but unissued shares Common Stock, solely for the purpose of effecting the conversion of the Note, no less than one hundred ten percent (110%) of the maximum number of shares issuable on conversion of the Note (the "**Required Reserve Amount**").

(b) Insufficient Authorized Shares. If, notwithstanding Section 7(a), and not in limitation thereof, at any time while any of the Notes remain outstanding the Company does not have a sufficient number of authorized and unreserved shares of Common Stock to satisfy its obligation to reserve a number of shares of Common Stock equal to the Required Reserve Amount (an "**Authorized Share Failure**"), then the Company shall immediately take all action within its power necessary to increase the Company's authorized shares of Common Stock to an amount sufficient to allow the Company to reserve the Required Reserve Amount for the Notes then outstanding, including without limitation using its best efforts to secure necessary Board of Directors and stockholder approvals, as further described below, to appropriately amend the Company's Certificate of Incorporation to provide for such increase. Without limiting the generality of the foregoing sentence, if not earlier approved by written consent of the stockholders, as soon as practicable after the date of the occurrence of an Authorized Share Failure, but in no event later than seventy (70) days after the occurrence of such Authorized Share Failure, the Company shall hold a meeting of its stockholders for the approval of an increase in the number of authorized shares of Common Stock; in connection with any such meeting, the Company shall provide each stockholders with a proxy statement and shall use its best efforts to solicit its stockholders' approval of such increase in authorized shares of Common Stock and to cause its Board of Directors to recommend to the stockholders that they approve such proposal.

8. COVENANTS. Until all of the Notes have been converted or otherwise satisfied in accordance with their terms:

(a) Rank. All payments due under this Note shall rank *pari passu* with all Other Notes.

(b) New Subsidiaries. Simultaneously with the acquisition or formation of each New Subsidiary, the Company shall cause such New Subsidiary to execute, and deliver to each holder of Notes, all joinders to, or as applicable additional, Security Documents (as defined in the Security Agreement) as requested by the Holder. The Company shall not, directly or indirectly, acquire or form any New Subsidiary if such New Subsidiary would not be wholly-owned, directly or indirectly, by the Company.

(c) Announcement of Initial Public Offering. After such time as the Company determines that it will consummate an IPO, it shall send a notice to the Holder (the "**IPO Notice**") of the proposed consummation date of the IPO (the expected date of such consummation is the "**Announced IPO Date**"), but such IPO Notice shall be dispatched in any event no later than ten (10) calendar days prior to such Announced IPO Date. To the extent that the Announced IPO Date is subsequently advanced or delayed, the Company shall send an amended IPO Notice of the revised proposed consummation date of the IPO to the Holder; provided, however, the Company may not advance the Announced IPO Date to a date less than five (5) Business Days after the date of the latest amending IPO Notice. If any Announced IPO Date is delayed, the amending IPO Notice will be deemed the establishment of a new Announced IPO Date and any Conversion Notice given based on a previously Announced IPO Date will be deemed cancelled unless the Holder affirms in writing the Conversion Notice as given.

9. SECURITY. This Note and the Other Notes are secured to the extent and in the manner set forth in the Transaction Documents (including, without limitation, the Security Agreement and the other Security Documents).

10. DISTRIBUTION PARTICIPATION. In addition to any adjustments pursuant to Section 5, if while this Note remains outstanding, the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of shares of Common Stock, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) (a "**Distribution**"), at any time after the issuance of this Note, then, in each such case, upon conversion of this Note entirely into Common Stock pursuant to Section 3, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein as if the Holder had held, as of immediately before the date on which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the participation in such Distribution, the number of shares of Common Stock held immediately after such conversion.

11. AMENDING THE TERMS OF THIS NOTE. No provision of this Note may be amended other than by an instrument in writing signed by the Company and the Required Holders which hold this Note and the Other Notes then outstanding, and any amendment to any provision of this Note made in conformity with the provisions of this Section 11 shall be binding on all Holders, provided that no such amendment shall be effective to the extent that it (1) applies to less than all of the holders of the Notes then outstanding or (2) imposes any obligation or liability on any Holder without such Holder's prior written consent (which may be granted or withheld in such Holder's sole discretion). No waiver of any provision of this Note shall be effective unless it is in writing and signed by an authorized representative of the waiving party, provided that the Required Holders which hold this Note and the Other Notes then outstanding may waive any provision of this Note, and any waiver of any provision of this Note made in conformity with the provisions of this Section 11 shall be binding on all Holders, provided that no such waiver shall be effective to the extent that it (1) applies to less than all of the holders of the Notes then outstanding (unless a party gives a waiver as to itself only) or (2) imposes any obligation or liability on any Holder without such Holder's prior written consent (which may be granted or withheld in such Holder's sole discretion). No amendment to or waiver of any provision this Note shall amend or waive any provision of any other Transaction Document.

12. TRANSFER. This Note and any shares of Common Stock issued upon conversion of this Note (the "**Conversion Shares**") may be offered, sold, assigned or transferred by the Holder without the consent of the Company, subject only to the provisions of Section 2(g) of the Securities Purchase Agreement and any other restrictions that may be mutually agreed by the Company and the Holder hereof. Notwithstanding anything in this Note to the contrary, neither this Note nor any Conversion Shares may be sold, assigned or transferred by the Holder unless the recipient of such agrees in writing to be bound by the terms and conditions of Section 4(v) of the Securities Purchase Agreement and the Registration Rights Agreement.

13. REISSUANCE OF THIS NOTE.

(a) Transfer. If this Note is to be transferred, the Holder shall surrender this Note to the Company, whereupon the Company will forthwith issue and deliver upon the order of the Holder a new Note (in accordance with Section 13(d)), registered as the Holder may request, representing the outstanding Principal being transferred by the Holder and, if less than the entire outstanding Principal is being transferred, a new Note (in accordance with Section 13(d)) to the Holder representing the outstanding Principal not being transferred.

(b) Lost, Stolen or Mutilated Note. Upon receipt by the Company of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Note (as to which a written certification and the indemnification contemplated below shall suffice as such evidence), and, in the case of loss, theft or destruction, of any indemnification undertaking by the Holder to the Company in customary and reasonable form and, in the case of mutilation, upon surrender and cancellation of this Note, the Company shall execute and deliver to the Holder a new Note (in accordance with Section 13(d)) representing the outstanding Principal.

(c) Note Exchangeable for Different Denominations. This Note is exchangeable, upon the surrender hereof by the Holder at the principal office of the Company, for a new Note or Notes (in accordance with Section 13(d) and in principal amounts of at least $1,000) representing in the aggregate the outstanding Principal of this Note, and each such new Note will represent such portion of such outstanding Principal as is designated by the Holder at the time of such surrender.

(d) Issuance of New Notes. Whenever the Company is required to issue a new Note pursuant to the terms of this Note, such new Note (i) shall be of like tenor with this Note, (ii) shall represent, as indicated on the face of such new Note, the Principal remaining outstanding (or in the case of a new Note being issued pursuant to Section 13(a) or Section 13(c), the Principal designated by the Holder which, when added to the principal represented by the other new Notes issued in connection with such issuance, does not exceed the Principal remaining outstanding under this Note immediately prior to such issuance of new Notes), (iii) shall have an issuance date, as indicated on the face of such new Note, which is the same as the Issuance Date of this Note, (iv) shall have the same rights and conditions as this Note, and (v) shall represent accrued and unpaid Interest on the Principal of this Note, from the Issuance Date.

14. REMEDIES, CHARACTERIZATIONS, OTHER OBLIGATIONS, BREACHES AND INJUNCTIVE RELIEF. The remedies provided in this Note shall be cumulative and in addition to all other remedies available under this Note and any of the other Transaction Documents at law or in equity (including a decree of specific performance and/or other injunctive relief); provided, the Holder shall not be entitled to any duplication or multiplication of damages. The Company covenants to the Holder that there shall be no characterization concerning this instrument other than as expressly provided herein. Amounts set forth or provided for herein with respect to payments, conversion and the like (and the computation thereof) shall be the amounts to be received by the Holder and shall not, except as expressly provided herein or in the other Transaction Documents, be subject to any other obligation of the Company (or the performance thereof). The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Holder and that the remedy at law for any such breach may be inadequate. The Company therefore agrees that, in the event of any such breach or threatened breach, the Holder shall be entitled, in addition to all other available remedies, to an injunction restraining any such breach or any such threatened breach, without the necessity of showing economic loss and without any bond or other security being required. The Company shall provide all information and documentation to the Holder that is reasonably requested by the Holder to enable the Holder to confirm the Company's compliance with the terms and conditions of this Note (including, without limitation, compliance with Section 5).

15. PAYMENT OF COLLECTION, ENFORCEMENT AND OTHER COSTS. If (a) this Note is placed in the hands of an attorney for collection or enforcement of the debt evidenced hereby or is collected or enforced through any legal proceeding or the Holder otherwise takes action to collect amounts due under this Note or to enforce the provisions of this Note or (b) there occurs any bankruptcy, reorganization, receivership of the Company or other proceedings affecting Company creditors' rights and involving a claim under this Note, then the Company shall pay the reasonable costs incurred by the Holder for such collection, enforcement or action or in connection with such bankruptcy, reorganization, receivership or other proceeding, including, without limitation, reasonable attorneys' fees and disbursements.

16. CONSTRUCTION; HEADINGS. This Note shall be deemed to be jointly drafted by the Company and the Holder and shall not be construed against any Person as the drafter hereof. The headings of this Note are for convenience of reference and shall not form part of, or affect the interpretation of, this Note.

17. FAILURE OR INDULGENCE NOT WAIVER. No failure or delay on the part of the Holder in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege. No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving party.

18. DISPUTE RESOLUTION. If the Holder and the Company are unable to agree as to the arithmetic calculation of the Conversion Price the Holder and the Company will confer in good faith to resolve such disagreement and the Company shall promptly issue upon conversion of this Note at the number of shares of Common Stock that are uncontested. Thereafter, the Company and Holder will confer in good faith to attempt to reach agreement regarding the Conversion Price with the Required Note Holders; if the Required Note Holders and the Company agree in writing upon a Conversion Price, that agreement will be binding on Holder and all holders of the Other Notes.

19. NOTICES; PAYMENTS.

(a) Notices. Whenever notice is required to be given under this Note, unless otherwise provided herein, such notice shall be given in accordance with Section 9(f) of the Securities Purchase Agreement. The Company shall provide the Holder with prompt written notice of all actions taken pursuant to this Note, including in reasonable detail a description of such action and the reason therefore. Without limiting the generality of the foregoing, the Company will give written notice to the Holder (i) promptly, but in any event within ten (10) calendar days, upon any adjustment of the Conversion Price, setting forth in reasonable detail, and certifying, the calculation of such adjustment and (ii) at least fifteen (15) days prior to the date on which the Company closes its books or takes a record with respect to any dividend or distribution upon the Common Stock.

(b) Payments. Whenever any payment of cash is to be made by the Company to any Person pursuant to this Note, unless otherwise expressly set forth herein, such payment shall be made in lawful money of the United States of America by a check drawn on the account of the Company and sent via overnight courier service to such Person at such address as previously provided to the Company in writing (which address, in the case of each of the Buyers, which shall initially the address set forth on the Schedule of Buyers attached to the Securities Purchase Agreement), provided that the Holder may elect to receive a payment of cash via wire transfer of immediately available funds by providing the Company with prior written notice setting out such request and the Holder's wire transfer instructions. Whenever any amount expressed to be due by the terms of this Note is due on any day which is not a Business Day, the same shall instead be due on the next succeeding day which is a Business Day.

20. CANCELLATION. After all Principal, accrued Interest and other amounts at any time owed on this Note have been paid or converted in full, this Note shall automatically be deemed canceled, shall be surrendered promptly, but in any event within ten (10) calendar days, to the Company by the Holder for cancellation and shall not be reissued.

21. WAIVER OF NOTICE. To the extent permitted by law, the Company hereby irrevocably waives demand, notice, presentment, protest and all other demands and notices in connection with the delivery, acceptance, performance, default or enforcement of this Note.

22. GOVERNING LAW. This Note shall be construed and enforced in accordance with, and all questions concerning the construction, validity, interpretation and performance of this Note shall be governed by, the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of New York. The Company hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in The City of New York, Borough of Manhattan, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. In the event that any provision of this Note is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any such provision which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision of this Note. Nothing contained herein shall be deemed or operate to preclude the Holder from bringing suit or taking other legal action against the Company in any other jurisdiction to collect on the Company's obligations to the Holder, to realize on any collateral or any other security for such obligations, or to enforce a judgment or other court ruling in favor of the Holder. **EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS NOTE OR ANY TRANSACTION CONTEMPLATED HEREBY.**

23. CERTAIN DEFINITIONS. For purposes of this Note, the following terms shall have the following meanings:

(a) "**Business Day**" means any day other than Saturday, Sunday or other day on which commercial banks in The City of New York are authorized or required by law to remain closed.

(b) "**Closing Date**" shall have the meaning set forth in the Securities Purchase Agreement, which date is the date the Company initially issued Notes pursuant to the terms of the Securities Purchase Agreement.

(c) "**Common Stock**" means (i) the Company's shares of common stock, $0.001 par value per share, and (ii) any capital stock into which such common stock shall have been changed or any share capital resulting from a reclassification of such common stock.

(d) "**Conversion Amount**" means the sum of the outstanding and unpaid Principal plus all accrued and unpaid Interest thereon plus, if any, other unpaid amounts due under this Note.

(e) "**GAAP**" means United States generally accepted accounting principles, consistently applied.

(f) "**IPO**" means a firm commitment underwritten initial public offering of the Company's Common Stock pursuant to a registration statement filed on Form S-1 (or any successor from thereto) that is declared effective by the SEC and consummated prior to the Maturity Date.

(g) "**IPO Price to Public**" means the price to public specified in the IPO registration statement.

(h) "**Interest Rate**" means six percent (6%) per annum, as may be adjusted from time to time in accordance with Section 2.

(i) "**Maturity Date**" shall mean December 31, 2015.

(j) "**New Subsidiary**" means, as of any date of determination, any Person in which the Company after the Closing Date, directly or indirectly, (i) owns or acquires any of the outstanding capital stock or holds any equity or similar interest of such Person or (ii) controls or operates all or any part of the business, operations or administration of such Person, and all of the foregoing, collectively, "**New Subsidiaries**."

(k) "**Person**" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity or a government or any department or agency thereof.

(l) "**Registration Rights Agreement**" means that certain registration rights agreement, dated as of the Closing Date, by and among the Company and the initial holders of the Notes, as may be amended from time to time.

(m) "**Required Holders**" means holders of Notes having principal amounts in the aggregate that are at least equal to fifty percent (50%) of the aggregate principal amounts of all Notes then outstanding.

(n) "**SEC**" means the United States Securities and Exchange Commission or the successor thereto.

(o) "**Securities Purchase Agreement**" means that certain securities purchase agreement, dated as of October 31, 2014, by and among the Company and the initial holders of certain Other Notes pursuant to which the Company issued such Other Notes, as may be amended from time to time.

(p) "**Security Agreement**" means that certain security agreement, dated as of the Closing Date, by and among the Company and the initial holders of the Notes, as may be amended from time to time.

24. MAXIMUM PAYMENTS. Nothing contained in this Note shall, or shall be deemed to, establish or require the payment of a rate of interest or other charges in excess of the maximum permitted by applicable law. In the event that the rate of interest required to be paid or other charges under this Note exceeds the maximum permitted by such law, any payments in excess of such maximum shall be credited against amounts owed by the Company to the Holder and thus refunded to the Company.

25. SURRENDER OR ACKNOWLEDGEMENT AND CERTIFICATION: Upon payment in full or conversion of this Note, Holder shall surrender the original physical copy of this Note for cancellation; alternatively, if the Holder promptly requests in connection with such payment or conversion, the Holder may deliver to the Company a signed acknowledgement of payment in full and a certification that the Holder has cancelled or destroyed the Note in a form reasonably acceptable to the Company.

[*Signature page follows*]

IN WITNESS WHEREOF, the Company has caused this Note to be duly executed as of the Issuance Date set out above.

AQUA METALS, INC.,
a Delaware corporation

By: _____
Dr. Stephen R. Clarke,
President and Chief Executive Officer

EXHIBIT I

AQUA METALS, INC.
CONVERSION NOTICE

Reference is made to the Senior Secured Convertible Note (the "**Note**") issued to the undersigned by Aqua Metals, Inc. (the "**Company**"). In accordance with and pursuant to the Note, the undersigned hereby elects to convert the Conversion Amount (as defined in the Note) of the Note indicated below into shares of common stock, $0.001 par value per share (the "**Common Stock**"), of the Company, as of the date specified below.

Date of Conversion: _____

Aggregate Conversion Amount to be converted: _____

Conversion Price: _____

Number of shares of Common Stock to be issued: _____

Please issue the Common Stock into which the Note is being converted in the following name and to the following address:

Issue to: _____

_____

_____

Facsimile Number: _____

Holder: _____

By: _____

Title: _____

Dated: _____

EXHIBIT II

ACKNOWLEDGMENT

The Company hereby acknowledges this Conversion Notice and hereby directs _____ to issue the above indicated number of shares of Common Stock in accordance with the Transfer Agent Instructions dated _____, 20__ from the Company and acknowledged and agreed to by _____.

AQUA METALS, INC.

By: _____
Name:
Title:

NEITHER THESE SECURITIES NOR THE SECURITIES ISSUABLE UPON EXERCISE OF THESE SECURITIES HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "***SECURITIES ACT***") AND APPLICABLE STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO (I) AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR (II) AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS OR BLUE SKY LAWS. THESE SECURITIES AND THE SECURITIES ISSUABLE UPON EXERCISE OF THESE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES.

AQUA METALS, INC.

WARRANT TO PURCHASE COMMON STOCK

Warrant No. 2 Original Issue Date: October 31, 2014

Aqua Metals, Inc., a Delaware corporation (the "***Company***"), hereby certifies that, for value received, National Securities Corporation, or its permitted registered assigns (the "***Holder***"), is entitled to purchase from the Company such number of shares of common stock, $0.001 par value (the "***Common Stock***"), of the Company (each such share, a "***Warrant Share***" and all such shares, the "***Warrant Shares***") as determined in accordance with the terms herewith, at the Exercise Price (as defined below), at any time and from time to time from, on or after the date hereof (the "***Trigger Date***"), but subject to the delay on exercise set forth in Section 13 hereof, and through and including 5:00 P.M., prevailing Pacific time, on October 31, 2019 (the "***Expiration Date***"), and subject to the following terms and conditions:

This Warrant (this "***Warrant***") is issued pursuant to that certain Engagement Agreement dated September 8, 2014 between the Company and the Holder (the "***Engagement Agreement***").

1 . Definitions. In addition to the terms defined elsewhere in this Warrant, capitalized terms that are not otherwise defined herein have the meanings given to such terms in the Engagement Agreement. As used in this Warrant, the term "***Notes***" means those certain convertible secured promissory notes of the Company offered in a private placement and issued under the terms of the Securities Purchase Agreements entered into by various investors with the Company, all of like tenor, initially dated on or about October 31, 2014.

2 . Exercise Price. For purposes of this Warrant, the "**Exercise Price**" shall be equal to 120% of the Conversion Price of the Notes, as determined pursuant to Section 3(a) or 3(b) of the Notes, as applicable; provided, however, that to the extent the Conversion Price of the Notes is adjusted pursuant to Section 5 of the Notes, no further adjustment to the Exercise Price shall be made pursuant to Section 11 herein. Notwithstanding the foregoing, until such time as the Notes are converted pursuant to Section 3(a) or 3(b) of the Notes, as applicable, the Exercise Price shall be equal to $2.72 (as adjusted from time to time as provided in Section 11 herein.

3 . Number of Warrant Shares. The aggregate number of Warrant Shares shall be equal to 10% of the aggregate number of shares of Common Stock issued by the Company upon conversion of the Notes pursuant to Section 3(a) or 3(b) of the Notes, as applicable. Notwithstanding the foregoing, until such time as the Notes are converted pursuant to Section 3(a) or 3(b) of the Notes, as applicable, the Number of Warrant Shares shall be equal to 242,291 shares of Common Stock (as adjusted from time to time as provided in Section 11 herein.

4 . Registration of Warrants . The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the "***Warrant Register***"), in the name of the record Holder (which shall include the initial Holder or, as the case may be, any registered assignee to which this Warrant is permissibly assigned hereunder) from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

5 . Registration of Transfers. The Company shall register the transfer of all or any portion of this Warrant in the Warrant Register, upon (i) surrender of this Warrant, with the Form of Assignment attached as Schedule 2 hereto duly completed and signed, to the Company's transfer agent or to the Company at its address specified herein (ii) delivery, at the request of the Company, of an opinion of counsel reasonably satisfactory to the Company to the effect that the transfer of such portion of this Warrant may be made pursuant to an available exemption from the registration requirements of the Securities Act of 1933 ("***Securities Act***") and all applicable state securities or blue sky laws and (iii) delivery by the transferee of a written statement to the Company certifying that the transferee is an "accredited investor" as defined in Rule 501(a) under the Securities Act and making the representations and certifications as the Company may reasonably request to procure an exemption from section 5 of the Securities Act. Upon any such registration or transfer, a new warrant to purchase Common Stock in substantially the form of this Warrant (any such new warrant, a "***New Warrant***") evidencing the portion of this Warrant so transferred shall be issued to the transferee, and a New Warrant evidencing the remaining portion of this Warrant not so transferred, if any, shall be issued to the transferring Holder. The acceptance of the New Warrant by the transferee thereof shall be deemed the acceptance by such transferee of all of the rights and obligations of a Holder of a Warrant.

6. Exercise and Duration of Warrants.

(a) All or any part of this Warrant shall be exercisable by the registered Holder at any time and from time to time on or after the Trigger Date and through and including 5:00 P.M. prevailing Pacific time on the Expiration Date. At 5:00 P.M., prevailing Pacific time, on the Expiration Date, the portion of this Warrant not exercised prior thereto shall be and become void and of no value and this Warrant shall be terminated and no longer outstanding.

(b) The Holder may exercise this Warrant by delivering to the Company (i) an exercise notice, in the form attached as Schedule 1 hereto (the "***Exercise Notice***"), appropriately completed and duly signed, (ii) payment of the Exercise Price for the number of Warrant Shares as to which this Warrant is being exercised (which may take the form of a "cashless exercise" if so indicated in the Exercise Notice and if a "cashless exercise" may occur at such time pursuant to Section 12 below), and the date such items are delivered to the Company (as determined in accordance with the notice provisions hereof) is an "***Exercise Date***." The Holder shall not be required to deliver the original Warrant in order to effect an exercise hereunder. Execution and delivery of the Exercise Notice shall have the same effect as cancellation of the original Warrant and issuance of a New Warrant evidencing the right to purchase the remaining number of Warrant Shares.

7 . Delivery of Warrant Shares. Upon exercise of this Warrant, the Company shall promptly issue or cause to be issued and cause to be delivered to or upon the written order of the Holder and in such name or names as the Holder may designate a certificate for the Warrant Shares issuable upon such exercise, with an appropriate restrictive legends. The Holder, or any Person permissibly so designated by the Holder to receive Warrant Shares, shall be deemed to have become the holder of record of such Warrant Shares as of the Exercise Date.

8 . Charges, Taxes and Expenses. Issuance and delivery of certificates for shares of Common Stock upon exercise of this Warrant shall be made without charge to the Holder for any issue or transfer tax, transfer agent fee or other incidental tax or expense in respect of the issuance of such certificates, all of which taxes and expenses shall be paid by the Company; *provided, however*, that the Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the registration of any certificates for Warrant Shares or Warrants in a name other than that of the Holder or an Affiliate thereof. The Holder shall be responsible for all other tax liability that may arise as a result of holding or transferring this Warrant or receiving Warrant Shares upon exercise hereof.

9 . Replacement of Warrant. If this Warrant is mutilated, lost, stolen or destroyed, the Company shall issue or cause to be issued in exchange and substitution for and upon cancellation hereof, or in lieu of and substitution for this Warrant, a New Warrant, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft or destruction (in such case) and, in each case, a customary and reasonable indemnity (which shall not include a surety bond), if requested. Applicants for a New Warrant under such circumstances shall also comply with such other reasonable regulations and procedures and pay such other reasonable third-party costs as the Company may prescribe. If a New Warrant is requested as a result of a mutilation of this Warrant, then the Holder shall deliver such mutilated Warrant to the Company as a condition precedent to the Company's obligation to issue the New Warrant.

10 . Reservation of Warrant Shares. The Company covenants that it will at all times reserve and keep available out of the aggregate of its authorized but unissued and otherwise unreserved Common Stock, solely for the purpose of enabling it to issue Warrant Shares upon exercise of this Warrant as herein provided, the number of Warrant Shares which are then issuable and deliverable upon the exercise of this entire Warrant, free from preemptive rights or any other contingent purchase rights of persons other than the Holder (taking into account the adjustments and restrictions of Section 11). The Company covenants that all Warrant Shares so issuable and deliverable shall, upon issuance and the payment of the applicable Exercise Price in accordance with the terms hereof, be duly and validly authorized, issued and fully paid and nonassessable. The Company will take all such action as may be necessary to assure that such shares of Common Stock may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of any securities exchange or automated quotation system upon which the Common Shares may be listed.

11 . Certain Adjustments. The Exercise Price and number of Warrant Shares issuable upon exercise of this Warrant are subject to adjustment from time to time as set forth in this Section 11.

(a) Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding, (i) pays a stock dividend on its Common Stock or otherwise makes a distribution on any class of capital stock that is payable in shares of Common Stock, (ii) subdivides its outstanding shares of Common Stock into a larger number of shares, or (iii) combines its outstanding shares of Common Stock into a smaller number of shares, then in each such case the Exercise Price shall be multiplied by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately before such event and the denominator of which shall be the number of shares of Common Stock outstanding immediately after such event. Any adjustment made pursuant to clause (i) of this paragraph shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution, and any adjustment pursuant to clause (ii) or (iii) of this paragraph shall become effective immediately after the effective date of such subdivision or combination.

(b) Fundamental Transactions. If, at any time while this Warrant is outstanding (i) the Company effects any merger or consolidation of the Company with or into another Person, in which the Company is not the survivor, (ii) the Company effects any sale of all or substantially all of its assets or a majority of its Common Stock is acquired by a third party, in each case, in one or a series of related transactions, (iii) any tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which all or substantially all of the holders of Common Stock are permitted to tender or exchange their shares for other securities, cash or property, or (iv) the Company effects any reclassification of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property (other than as a result of a subdivision or combination of shares of Common Stock covered by Section 11(a) above) (in any such case, a "***Fundamental Transaction***"), then the Holder shall have the right thereafter to receive, upon exercise of this Warrant, the same amount and kind of securities, cash or property as it would have been entitled to receive upon the occurrence of such Fundamental Transaction if it had been, immediately prior to such Fundamental Transaction, the holder of the number of Warrant Shares then issuable upon exercise in full of this Warrant without regard to any limitations on exercise contained herein (the "***Alternate Consideration***"). The Company shall not effect any such Fundamental Transaction unless prior to or simultaneously with the consummation thereof, any successor to the Company, surviving entity or the corporation purchasing or otherwise acquiring such assets or other appropriate corporation or entity shall assume the obligation to deliver to the Holder, such Alternate Consideration as, in accordance with the foregoing provisions, the Holder may be entitled to purchase and/or receive (as the case may be), and the other obligations under this Warrant. The provisions of this paragraph (c) shall similarly apply to subsequent transactions analogous to a Fundamental Transaction.

(c) Number of Warrant Shares. Simultaneously with any adjustment to the Exercise Price pursuant to paragraph (a) of this Section, the number of Warrant Shares that may be purchased upon exercise of this Warrant shall be increased or decreased proportionately, so that after such adjustment the aggregate Exercise Price payable hereunder for the increased or decreased number of Warrant Shares shall be the same as the aggregate Exercise Price in effect immediately prior to such adjustment.

(d) Calculations. All calculations under this Section 11 shall be made to the nearest cent or the nearest $1/100^{th}$ of a share, as applicable. The number of shares of Common Stock outstanding at any given time shall not include shares owned or held by or for the account of the Company, and the sale or issuance of any such shares shall be considered an issue or sale of Common Stock.

(e) Notice of Adjustments. Upon the occurrence of each adjustment pursuant to this Section 11, the Company at its expense will, at the written request of the Holder, promptly compute such adjustment, in good faith, in accordance with the terms of this Warrant and prepare a certificate setting forth such adjustment, including a statement of the adjusted Exercise Price and adjusted number or type of Warrant Shares or other securities issuable upon exercise of this Warrant (as applicable), describing the transactions giving rise to such adjustments and showing in detail the facts upon which such adjustment is based. Upon written request, the Company will promptly deliver a copy of each such certificate to the Holder and to the Company's transfer agent.

(f) Notice of Corporate Events. If, while this Warrant is outstanding, the Company (i) declares a dividend or any other distribution of cash, securities or other property in respect of its Common Stock, including, without limitation, any granting of rights or warrants to subscribe for or purchase any capital stock of the Company, (ii) authorizes or approves, enters into any agreement contemplating or solicits stockholder approval for any Fundamental Transaction or (iii) authorizes the voluntary dissolution, liquidation or winding up of the affairs of the Company, then, except if such notice and the contents thereof shall be deemed to constitute material non-public information, the Company shall deliver to the Holder a notice describing the material terms and conditions of such transaction at least ten (10) Trading Days prior to the applicable record or effective date on which a Person would need to hold Common Stock in order to participate in or vote with respect to such transaction, and the Company will take all steps reasonably necessary in order to insure that the Holder is given the practical opportunity to exercise this Warrant prior to such time so as to participate in or vote with respect to such transaction; *provided, however*, that the failure to deliver such notice or any defect therein shall not affect the validity of the corporate action required to be described in such notice.

12. Payment of Exercise Price. The Holder shall pay the Exercise Price in immediately available funds; *provided, however*, the Holder may, in its sole discretion, commencing on the date that is 18 months from the date of this Warrant, satisfy its obligation to pay the Exercise Price through a "cashless exercise", in which event the Company shall issue to the Holder the number of Warrant Shares determined as follows:

$$X = Y [(A-B)/A]$$

where:

X = the number of Warrant Shares to be issued to the Holder.

Y = the total number of Warrant Shares with respect to which this Warrant is being exercised.

A = the average of the Closing Sale Prices of the shares of Common Stock (as reported by Bloomberg Financial Markets) for the five Trading Days ending on the date immediately preceding the Exercise Date.

B = the Exercise Price then in effect for the applicable Warrant Shares at the time of such exercise.

For purposes of this Warrant, "***Closing Sale Price***" means, for any security as of any date, the last trade price for such security on the principal securities exchange or trading market for such security, as reported by Bloomberg Financial Markets, or, if such exchange or trading market begins to operate on an extended hours basis and does not designate the last trade price, then the last trade price of such security prior to 4:00:00 p.m., New York Time, as reported by Bloomberg Financial Markets, or if the foregoing do not apply, the last trade price of such security in the over-the-counter market on the electronic bulletin board for such security as reported by Bloomberg Financial Markets, or, if no last trade price is reported for such security by Bloomberg Financial Markets, the average of the bid prices, or the ask prices, respectively, of any market makers for such security as reported in the "**pink sheets**" by Pink Sheets LLC. If the Closing Sale Price cannot be calculated for a security on a particular date on any of the foregoing bases, the Closing Sale Price of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. If the Company and the Holder are unable to agree upon the fair market value of such security, then the Company shall, within two business days submit via facsimile (a) the disputed determination of the Warrant Exercise Price to an independent, reputable investment bank selected by the Company and approved by the Holder or (b) the disputed arithmetic calculation of the Warrant Shares to the Company's independent, outside accountant. The Company shall cause at its expense the investment bank or the accountant, as the case may be, to perform the determinations or calculations and notify the Company and the Holder of the results no later than ten business days from the time it receives the disputed determinations or calculations. Such investment bank's or accountant's determination or calculation, as the case may be, shall be binding upon all parties absent demonstrable error. All such determinations to be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during the applicable calculation period.

For purposes of Rule 144 promulgated under the Securities Act, it is intended, understood and acknowledged that the Warrant Shares issued in a cashless exercise transaction shall be deemed to have been acquired by the Holder, and the holding period for the Warrant Shares shall be deemed to have commenced, on the date this Warrant was originally issued pursuant to the Engagement Agreement (provided that the Commission continues to take the position that such treatment is proper at the time of such exercise).

1 3 . Limitation on Exercises. In the event that the Company registers the sale of any of its securities pursuant to the Securities Act of 1933, as amended, as an initial public offering, in an transaction that is subject FINRA review for compensation purposes, where the Holder is a, or an affiliate of a, distribution participant for the offering, then this Warrant may not be exercised for 90 days after the effective date of the initial registration statement under that act. Additionally, the Company shall not effect the exercise of this Warrant, and the Holder shall not have the right to exercise this Warrant, to the extent that after giving effect to such exercise, the Holder (together with such Holder's affiliates) would beneficially own in excess of 4.99% ("***Maximum Percentage***") of the shares of Common Stock outstanding immediately after giving effect to such exercise. For purposes of the foregoing sentence, the aggregate number of shares of Common Stock beneficially owned by such Holder and its affiliates shall include the number of shares of Common Stock issuable upon exercise of this Warrant with respect to which the determination of such sentence is being made, but shall exclude shares of Common Stock which would be issuable upon (A) exercise of the remaining, unexercised portion of this Warrant beneficially owned by such Holder and its affiliates and (B) exercise or conversion of the unexercised or unconverted portion of any other securities of the Company beneficially owned by such Person and its affiliates (including, without limitation, any convertible notes or convertible preferred stock or warrants) subject to a limitation on conversion or exercise analogous to the limitation contained herein. Except as set forth in the preceding sentence, for purposes of this paragraph, beneficial ownership shall be calculated in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended. To the extent that the limitation contained in this Section 13 applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any affiliate) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any affiliate) and of which portion of this Warrant is exercisable, in each case subject to such aggregate percentage limitation, and the Company shall have no obligation to verify or confirm the accuracy of the determination. For purposes of this Warrant, in determining the number of outstanding shares of Common Stock, the Holder may rely on the number of outstanding shares of Common Stock as reflected in (1) the Company's most recent Form 10-K, Form 10-Q, Current Report on Form 8-K or other public filing with the Securities and Exchange Commission, as the case may be, (2) a more recent public announcement by the Company or (3) any other notice by the Company setting forth the number of shares of Common Stock outstanding. For any reason at any time, upon the written or oral request of the Holder, the Company shall within one (1) business day confirm orally and in writing to the Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder and its affiliates since the date as of which such number of outstanding shares of Common Stock was reported. By written notice to the Company, any Holder may decrease the Maximum Percentage to any other percentage specified in such notice; provided that such decrease will apply only to the Holder sending such notice and not to any other holder of Warrants. In addition, by written notice to the Company, any Holder may remove the limitations on exercises provided in this Section 13 entirely; provided that (i) any such removal will not be effective until the 61st day after such notice is delivered to the Company, and (ii) any such removal will apply only to the Holder sending such notice and not to any other holder of Warrants. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 13 to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended beneficial ownership limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation.

14. No Fractional Shares. No fractional Warrant Shares will be issued in connection with any exercise of this Warrant. In lieu of any fractional shares which would otherwise be issuable, the number of Warrant Shares to be issued shall be rounded up to the next whole number.

15. Notices. Any and all notices or other communications or deliveries hereunder (including, without limitation, any Exercise Notice) shall be in writing and shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via email at the email address specified in the Engagement Agreement prior to 5:00 p.m. (prevailing Pacific time) on a Trading Day, (ii) the next Trading Day after the date of transmission, if such notice or communication is delivered via email at the email address specified in the Engagement Agreement t on a day that is not a Trading Day or later than 5:00 p.m. (prevailing Pacific time) on any Trading Day, (iii) the Trading Day following the date of mailing, if sent by nationally recognized overnight courier service specifying next business day delivery, or (iv) upon actual receipt by the party to whom such notice is required to be given, if by hand delivery. The address and facsimile number of a party for such notices or communications shall be as set forth in the Engagement Agreement unless changed by such party by two Trading Days' prior notice to the other party in accordance with this Section 15.

16. Warrant Agent. The Company shall serve as warrant agent under this Warrant. Upon thirty (30) days' notice to the Holder, the Company may appoint a new warrant agent. Any corporation into which the Company or any new warrant agent may be merged or any corporation resulting from any consolidation to which the Company or any new warrant agent shall be a party or any corporation to which the Company or any new warrant agent transfers substantially all of its corporate trust or shareholders services business shall be a successor warrant agent under this Warrant without any further act. Any such successor warrant agent shall promptly cause notice of its succession as warrant agent to be mailed (by first class mail, postage prepaid) to the Holder at the Holder's last address as shown on the Warrant Register.

17. Registration Rights. The Company agrees that the Holder and its assigns will have registration rights covering the resale of the Warrant Shares, including "**piggyback**" registration rights on the registrations of the Company or demand registrations (voting with the other registrable securities to effect any such demand), no less favorable than those granted to any other person by the Company prior or subsequent to the date of this Warrant. At such time, and from time to time, as the Company enters into an agreement subsequent to the date of this Warrant pursuant to which the Company grants any third party rights with respect to the Company's registration of Company securities under the Securities Act held by such party, the Company shall offer to enter into a formal written registration rights agreement with the Holder and its assigns on substantially the same terms and such other terms as are customary and usual for agreements of such nature. In addition to, and without restricting or limiting the scope of this subparagraph (a), the Company further agrees that:

(a) Right to Piggyback. Whenever the Company proposes to register any of its securities under the Securities Act, the Company will give prompt written notice to the Holder of its intention to effect such registration and will include in such registration all Warrant Shares with respect to which the Company has received a written request from the Holder for inclusion therein within 15 days after the receipt of the Company's notice. The Company will pay, or cause to be paid, the registration expenses of the Holder in all piggyback registrations.

(b) Underwritten Offering. If a piggyback registration is an underwritten primary or secondary registration on behalf of the Company and/or other holders of the Common Stock, and the managing underwriters advise the Company in writing that in their opinion the number of shares requested to be included in such registration (including the Warrant Shares and any other shares of Common Stock held by holders with registration rights) exceeds the number which can be sold in such offering without materially and adversely affecting the marketability of the offering, the Company will promptly furnish the Holder with a copy of the underwriter's opinion and may, by written notice to the Holder, include in such registration (i) first, the securities the Company proposes to sell, and (ii) second, the Common Stock requested to be included in such registration pro rata among all holders with registration rights on the basis of the number of shares owned by each such holder.

(c) Underwriting Agreement. In any registration in which the Warrant Shares is to be included, the Holder shall be a party to the underwriting agreement entered into by the Company in connection therewith, and the representations and warranties by, and the other agreements on the part of, the Company and for the benefit of the underwriters shall also be made to and for the benefit of the Holder.

(d) Documents, etc. The Company shall provide to the Holder any and all documents, statements, opinions and forms as the Holder reasonably deems necessary for the Holder to participate in any piggyback registrations and to facilitate the disposition of the Warrant Shares covered by such registration pursuant to the terms and conditions of this Agreement and the applicable securities laws.

(e) Indemnification. In the event of any piggyback registration of any Warrant Shares under the Securities Act, and in connection with any registration statement or any other disclosure document pursuant to which securities of the Company are sold, the Company will, and hereby does, jointly and severally, indemnify and hold harmless the Holder, its directors, officers, members, fiduciaries, and agents (each, a "***Covered Person***") against any losses, claims, damages or liabilities, joint or several, to which such Covered Person may be or become subject under the Securities Act, any other securities or other laws of any jurisdiction, common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) arise out of or are based upon (1) any untrue statement or alleged untrue statement of any material fact contained or incorporated by reference in any registration statement under the Securities Act, any preliminary prospectus or final prospectus included therein, or any amendment or supplement thereto, or any document incorporated by reference therein, or any other such disclosure document, or (2) any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statement therein not misleading, and will reimburse such Covered Person for any legal or any other expenses incurred by in connection with investigating or defending any such loss, claim, damage, liability, action or proceeding; provided, however, the Company shall not be liable to any Covered Person in any such case to the extent that any such loss, claim, damage, liability, action or proceeding arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement, any such preliminary prospectus, final prospectus, amendment or supplement, any document incorporated by reference or other such disclosure document in reliance upon and in conformity with written information furnished to the Company through an instrument duly executed by such Covered Person specifically stating this it is for use in the preparation thereof.

(f) All fees and expenses incurred by the Company in connection with the performance of its obligation to register the Warrant Shares pursuant to Section 17 shall be borne by the Company; provided that any fees and expenses of the holder or holders thereof or of its or their counsel, and transfer taxes applicable to the sale of such Warrant Shares, shall be borne by such holder or holders.

18. Miscellaneous.

(a) The Holder, solely in such Person's capacity as a holder of this Warrant, shall not be entitled to vote or receive dividends or be deemed the holder of share capital of the Company for any purpose, nor shall anything contained in this Warrant be construed to confer upon the Holder, solely in such Person's capacity as the Holder of this Warrant, any of the rights of a stockholder of the Company or any right to vote, give or withhold consent to any corporate action (whether any reorganization, issue of stock, reclassification of stock, consolidation, merger, amalgamation, conveyance or otherwise), receive notice of meetings, receive dividends or subscription rights, or otherwise, prior to the issuance to the Holder of the Warrant Shares which such Person is then entitled to receive upon the due exercise of this Warrant. In addition, nothing contained in this Warrant shall be construed as imposing any liabilities on the Holder to purchase any securities (upon exercise of this Warrant or otherwise) or as a stockholder of the Company, whether such liabilities are asserted by the Company or by creditors of the Company. Notwithstanding this Section 18(a), the Company shall provide the Holder with copies of the same notices and other information given to the shareholders of the Company, contemporaneously with the giving thereof to the shareholders.

(b) Subject to the restrictions on transfer set forth on the first page hereof, and compliance with applicable securities laws, this Warrant may be assigned by the Holder. This Warrant may not be assigned by the Company except to a successor in the event of a Fundamental Transaction. This Warrant shall be binding on and inure to the benefit of the parties hereto and their respective successors and assigns. Subject to the preceding sentence, nothing in this Warrant shall be construed to give to any Person other than the Company and the Holder any legal or equitable right, remedy or cause of action under this Warrant. This Warrant may be amended only in writing signed by the Company and the Holder, or their successors and assigns.

(c) GOVERNING LAW; VENUE; WAIVER OF JURY TRIAL. ALL QUESTIONS CONCERNING THE CONSTRUCTION, VALIDITY, ENFORCEMENT AND INTERPRETATION OF THIS WARRANT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA WITHOUT REGARD TO THE PRINCIPLES OF CONFLICTS OF LAW THEREOF. EACH PARTY HEREBY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS SITTING IN THE CITY OF LOS ANGELES, CALIFORNIA, FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION HEREWITH OR WITH ANY TRANSACTION CONTEMPLATED HEREBY OR DISCUSSED HEREIN (INCLUDING WITH RESPECT TO THE ENFORCEMENT OF ANY OF THE TRANSACTION DOCUMENTS), AND HEREBY IRREVOCABLY WAIVES, AND AGREES NOT TO ASSERT IN ANY SUIT, ACTION OR PROCEEDING, ANY CLAIM THAT IT IS NOT PERSONALLY SUBJECT TO THE JURISDICTION OF ANY SUCH COURT, THAT SUCH SUIT, ACTION OR PROCEEDING IS IMPROPER. EACH PARTY HEREBY IRREVOCABLY WAIVES PERSONAL SERVICE OF PROCESS AND CONSENTS TO PROCESS BEING SERVED IN ANY SUCH SUIT, ACTION OR PROCEEDING BY MAILING A COPY THEREOF VIA REGISTERED OR CERTIFIED MAIL OR OVERNIGHT DELIVERY (WITH EVIDENCE OF DELIVERY) TO SUCH PARTY AT THE ADDRESS IN EFFECT FOR NOTICES TO IT UNDER THIS AGREEMENT AND AGREES THAT SUCH SERVICE SHALL CONSTITUTE GOOD AND SUFFICIENT SERVICE OF PROCESS AND NOTICE THEREOF. NOTHING CONTAINED HEREIN SHALL BE DEEMED TO LIMIT IN ANY WAY ANY RIGHT TO SERVE PROCESS IN ANY MANNER PERMITTED BY LAW. THE COMPANY HEREBY WAIVES ALL RIGHTS TO A TRIAL BY JURY.

(d) The headings herein are for convenience only, do not constitute a part of this Warrant and shall not be deemed to limit or affect any of the provisions hereof.

(e) In case any one or more of the provisions of this Warrant shall be invalid or unenforceable in any respect, the validity and enforceability of the remaining terms and provisions of this Warrant shall not in any way be affected or impaired thereby, and the parties will attempt in good faith to agree upon a valid and enforceable provision which shall be a commercially reasonable substitute therefor, and upon so agreeing, shall incorporate such substitute provision in this Warrant.

(f) Except as otherwise set forth herein, prior to exercise of this Warrant, the Holder hereof shall not, by reason of by being a Holder, be entitled to any rights of a stockholder with respect to the Warrant Shares.

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed by its authorized officer as of the date first indicated above.

AQUA METALS, INC

By:/s/ Thomas Murphy
Thomas Murphy
Chief Financial Officer

SCHEDULE 1

FORM OF EXERCISE NOTICE

(To be executed by the Holder to exercise the right to purchase shares
of Common Stock under the foregoing Warrant)

Ladies and Gentlemen:

(1) The undersigned is the Holder of Warrant No. _____ (the "**Warrant**") issued by Aqua Metals, Inc., a Delaware corporation (the "**Company**"). Capitalized terms used herein and not otherwise defined herein have the respective meanings set forth in the Warrant.

(2) The undersigned hereby exercises its right to purchase _____ Warrant Shares pursuant to the Warrant.

(3) The Holder intends that payment of the Exercise Price shall be made as (check one):

€ Cash Exercise

€ "Cashless Exercise" under Section 12

(4) If the Holder has elected a Cash Exercise, the Holder shall pay the sum of $_____ in immediately available funds to the Company in accordance with the terms of the Warrant.

(5) Pursuant to this Exercise Notice, the Company shall deliver to the Holder _____ Warrant Shares in accordance with the terms of the Warrant.

Dated:_____, _____

[Company]

_____
By:

(Signature must conform in all respects to name of Holder as specified on the face of the Warrant)

SCHEDULE 2

FORM OF ASSIGNMENT

[To be completed and signed only upon transfer of Warrant]

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ (the "***Transferee***" the right represented by the within Warrant to purchase _____ shares of Common Stock of Aqua Metals, Inc. (the "***Company***") to which the within Warrant relates and appoints _____ attorney to transfer said right on the books of the Company with full power of substitution in the premises. In connection therewith, the undersigned represents, warrants, covenants and agrees to and with the Company that:

(a) the offer and sale of the Warrant contemplated hereby is being made in compliance with Section 4(1) of the United States Securities Act of 1933, as amended (the "***Securities Act***") or another valid exemption from the registration requirements of Section 5 of the Securities Act and in compliance with all applicable securities laws of the states of the United States;

(b) the undersigned has not offered to sell the Warrant by any form of general solicitation or general advertising, including, but not limited to, any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over television or radio, and any seminar or meeting whose attendees have been invited by any general solicitation or general advertising;

(c) the undersigned has read the Transferee's investment letter included herewith, and to its actual knowledge, the statements made therein are true and correct; and

(d) the undersigned understands that the Company may condition the transfer of the Warrant contemplated hereby upon the delivery to the Company by the undersigned or the Transferee, as the case may be, of a written opinion of counsel (which opinion shall be in form, substance and scope customary for opinions of counsel in comparable transactions) to the effect that such transfer may be made without registration under the Securities Act and under applicable securities laws of the states of the United States.

Dated:_____, _____

[Company]

_____

By:

(Signature must conform in all respects to name of Holder as specified on the face of the Warrant)

Address of Transferee

_____

_____

Exhibit 10.1

[Form of]

AQUA METALS, INC.

INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT ("***Agreement***") is effective as of May 5, 2015, by and between **Aqua Metals, Inc**., a Delaware corporation (the "***Company***"), and _____ ("***Indemnitee***").

A. The Company desires to attract and retain the services of highly qualified individuals, such as Indemnitee, to serve the Company and its related entities.

B. In order to induce Indemnitee to continue to provide services to the Company, the Company wishes to provide for the indemnification of and the advancement of expenses to, Indemnitee to the maximum extent permitted by law.

C. The Company and Indemnitee recognize the continued difficulty in obtaining liability insurance for the Company's directors, officers, employees, agents and fiduciaries, the significant increases in the cost of such insurance and the general reductions in the coverage of such insurance.

D. Indemnitee does not regard the protection available under the Company's bylaws and insurance as adequate in the present circumstances, and may not be willing to serve as an officer or director without adequate protection, and the Company desires Indemnitee to serve in such capacity.

E. The Company and Indemnitee further recognize the substantial increase in corporate litigation in general, subjecting directors, officers, employees, agents and fiduciaries to expensive litigation risks at the same time as the availability and coverage of liability insurance has been severely limited.

F. In view of the considerations set forth above, the Company desires that Indemnitee shall be indemnified and advanced expenses by the Company as set forth in this Agreement.

G. Indemnitee may have certain rights to indemnification and/or insurance provided by one or more other entities and/or organizations, which Indemnitee and the Company intend to be secondary to the primary obligation of the Company to indemnify Indemnitee as provided herein, with the Company's acknowledgement and agreement to the foregoing being a material condition to Indemnitee's willingness to serve as an officer or director of the Company.

The parties agree as follows:

1. DEFINITIONS.

(a) "***Board of Directors***" means the board of directors of the Company.

(b) "***Change in Control***" means, and will be deemed to have occurred if, on or after the date of this Agreement, (i) any "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended), other than a trustee or other fiduciary holding securities under an employee benefit plan of the Company acting in such capacity or a corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company, becomes the "beneficial owner" (as defined in Rule 13d-3 under said Act), directly or indirectly, of securities of the Company representing more than 30% of the total voting power represented by the Company's then outstanding Voting Securities (as defined below), (ii) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board of Directors of the Company and any new director whose election by the Board of Directors or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof, or (iii) the stockholders of the Company approve a merger or consolidation of the Company with any other corporation other than a merger or consolidation that would result in the Voting Securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into Voting Securities of the surviving entity) at least 80% of the total voting power represented by the Voting Securities of the Company or such surviving entity outstanding immediately after such merger or consolidation, or (vi) the stockholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of (in one transaction or a series of related transactions) all or substantially all of the Company's assets.

(c) "***Claim***" means, with respect to a Covered Event (as defined below), any threatened, pending or completed action, suit, proceeding or alternative dispute resolution mechanism, or any hearing, inquiry or investigation that Indemnitee in good faith believes might lead to the institution of any such action, suit, proceeding or alternative dispute resolution mechanism, whether civil, criminal, administrative, investigative or other and whether brought in the right of or by the Company or otherwise.

(d) References to the "***Company***" include, in addition to Aqua Metals, Inc., any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger to which Aqua Metals, Inc. (or any of its wholly owned subsidiaries) is a party, that, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees, agents or fiduciaries, so that if Indemnitee is or was a director, officer, employee, agent or fiduciary of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee, agent or fiduciary of another corporation, partnership, joint venture, employee benefit plan, trust or other enterprise, Indemnitee will stand in the same position under the provisions of this Agreement with respect to the resulting or surviving corporation as Indemnitee would have with respect to such constituent corporation if its separate existence had continued.

(e) "***Covered Event***" means any event or occurrence (i) related to the fact that Indemnitee is or was a director, officer, employee, agent or fiduciary of the Company, or any subsidiary of the Company or (ii) related to the fact that Indemnitee is or was serving at the request of the Company as a director, officer, employee, agent or fiduciary of another corporation, partnership, joint venture, trust or other enterprise, or by reason of any action or inaction on the part of Indemnitee while serving in either capacity.

(f) "***Expenses***" means any and all expenses (including attorneys' fees and all other costs, expenses and obligations incurred in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing to defend, to be a witness in or to participate in, any action, suit, proceeding, alternative dispute resolution mechanism, hearing, inquiry or investigation), judgments, fines, penalties and amounts paid in settlement (if such settlement is approved in advance by the Company, which approval will not be unreasonably withheld), actually and reasonably incurred, of any Claim and any federal, state, local or foreign taxes imposed on the Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement.

(g) "***Expense Advance***" means a payment to Indemnitee pursuant to Section 3 of Expenses in advance of the settlement of or final judgment in any action, suit, proceeding or alternative dispute resolution mechanism, hearing, inquiry or investigation that constitutes a Claim.

(h) "***Independent Legal Counsel***" means an attorney or firm of attorneys, selected in accordance with the provisions of Section 2(d) hereof, who will not have otherwise performed services for the Company or Indemnitee within the last three years (other than with respect to matters concerning the rights of Indemnitee under this Agreement, or of other indemnitees under similar indemnity agreements).

(i) References to "***other enterprises***" include employee benefit plans; references to "***fines***" include any excise taxes assessed on Indemnitee with respect to an employee benefit plan; and references to "***serving at the request of the Company***" include any service as a director, officer, employee, agent or fiduciary of the Company, which role imposes duties on, or involves services by, such director, officer, employee, agent or fiduciary with respect to an employee benefit plan, its participants or its beneficiaries; and if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan, Indemnitee will be deemed to have acted in a manner "***not opposed to the best interests of the Company***" as referred to in this Agreement.

(j) "***Reviewing Party***" means, subject to the provisions of Section 2(d), any person or body appointed by the Board of Directors in accordance with applicable law to review the Company's obligations hereunder and under applicable law, which may include (i) the directors who are not parties to the action, suit or proceeding in question ("***Disinterested Directors***"), even if less than a quorum, (ii) a committee of Disinterested Directors designated by a vote of the majority of the Disinterested Directors, even if less than a quorum, (iii), by Independent Legal Counsel, if there are no such Disinterested Directors, or if such Disinterested Directors so direct or (iv) by the stockholders.

(k) "***Section***" refers to a section of this Agreement unless otherwise indicated.

(l) "***Voting Securities***" means any securities of the Company that vote generally in the election of directors.

2. INDEMNIFICATION.

(a) Indemnification of Expenses. Subject to the provisions of Section 2(b) below, the Company shall indemnify Indemnitee for Expenses to the fullest extent permitted by law if Indemnitee was or is or becomes a party to or witness or other participant in, or is threatened to be made a party to or witness or other participant in, any Claim (whether by reason of or arising in part out of a Covered Event), including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses.

(b) Review of Indemnification Obligations. Notwithstanding the foregoing, upon written request for indemnification pursuant to Section 4(b), a determination with respect to Indemnitee's entitlement thereto shall be determined by a Reviewing Party selected pursuant to Section 2(d). In the event any Reviewing Party will have determined (in a written opinion, in any case in which Independent Legal Counsel is the Reviewing Party) that Indemnitee is not entitled to be indemnified hereunder under applicable law, (i) the Company shall have no further obligation under Section 2(a) to make any payments to Indemnitee not made prior to such determination by such Reviewing Party, and (ii) the Company shall be entitled to be reimbursed by Indemnitee (who hereby agrees to reimburse the Company) for all Expenses theretofore paid in indemnifying Indemnitee; *provided, however*, that if Indemnitee has commenced or thereafter commences legal proceedings in a court of competent jurisdiction to secure a determination that Indemnitee is entitled to be indemnified hereunder under applicable law, any determination made by any Reviewing Party that Indemnitee is not entitled to be indemnified hereunder under applicable law will not be binding and Indemnitee shall not be required to reimburse the Company for any Expenses theretofore paid in indemnifying Indemnitee until a final judicial determination is made with respect thereto (as to which all rights of appeal therefrom have been exhausted or lapsed). Indemnitee's obligation to reimburse the Company for any Expenses will be unsecured and no interest will be charged thereon.

(c) Indemnitee Rights on Unfavorable Determination; Binding Effect. If any Reviewing Party determines that Indemnitee is not entitled to be indemnified hereunder in whole or in part under applicable law, Indemnitee shall have the right to commence litigation seeking an initial determination by the court or challenging any such determination by such Reviewing Party or any aspect thereof, including the legal or factual bases therefor, and, subject to the provisions of Section 15, the Company hereby consents to service of process and to appear in any such proceeding. Absent such litigation, any determination by any Reviewing Party will be conclusive and binding on the Company and Indemnitee.

(d) Selection of Reviewing Party; Change in Control. If there has not been a Change in Control, any Reviewing Party will be selected by the Board of Directors and approved by the Indemnitee (which approval will not be unreasonably withheld). If the Board chooses to utilize an Independent Legal Counsel as the Reviewing Party, the Independent Legal Counsel will be chosen by the Company and approved by the Indemnitee (which approval will not be unreasonably withheld). If there has been such a Change in Control (other than a Change in Control that has been approved by a majority of the Company's Board of Directors who were directors immediately prior to such Change in Control), any Reviewing Party with respect to all matters thereafter arising concerning the rights of Indemnitee to indemnification of Expenses under this Agreement or any other agreement or under the Company's certificate of incorporation or bylaws as now or hereafter in effect, or under any other applicable law, if desired by Indemnitee, will be Independent Legal Counsel selected by Indemnitee and approved by the Company (which approval shall not be unreasonably withheld). Such counsel, among other things, will render its written opinion to the Company and Indemnitee as to whether and to what extent Indemnitee would be entitled to be indemnified hereunder under applicable law and the Company agrees to abide by such opinion. The Company agrees to pay the reasonable fees of the Independent Legal Counsel referred to above and to indemnify fully such counsel against any and all expenses (including attorneys' fees), claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto. Notwithstanding any other provision of this Agreement, the Company shall not be required to pay Expenses of more than one Independent Legal Counsel in connection with all matters concerning a single Indemnitee, and such Independent Legal Counsel shall be the Independent Legal Counsel for any or all other Indemnitees unless (i) the Company otherwise determines or (ii) any Indemnitee shall provide a written statement setting forth in detail a reasonable objection to such Independent Legal Counsel representing other Indemnitees.

(e) Mandatory Payment of Expenses. Notwithstanding any other provision of this Agreement other than Section 10 hereof, to the extent that Indemnitee has been successful on the merits or otherwise, including, without limitation, the dismissal of an action without prejudice, in defense of any Claim, Company shall indemnify Indemnitee against all Expenses incurred by Indemnitee in connection therewith.

3. EXPENSE ADVANCES.

(a) Obligation to Make Expense Advances. The Company will make Expense Advances to Indemnitee upon receipt of a written undertaking by or on behalf of the Indemnitee to repay such amounts if it is ultimately determined that the Indemnitee is not entitled to be indemnified therefor by the Company.

(b) Form of Undertaking. Any written undertaking by the Indemnitee to repay any Expense Advances hereunder will be unsecured, and no interest shall be charged thereon.

4. PROCEDURES FOR INDEMNIFICATION AND EXPENSE ADVANCES.

(a) Timing of Payments. All payments of Expenses (including without limitation Expense Advances) by the Company to the Indemnitee pursuant to this Agreement will be made to the fullest extent permitted by law as soon as practicable after written demand by Indemnitee therefor is presented to the Company, but in no event later than 30 days after such written demand by Indemnitee is presented to the Company, except in the case of Expense Advances, which will be made no later than 20 days after such written demand by Indemnitee is presented to the Company.

(b) Notice/Cooperation by Indemnitee. Indemnitee shall, as a condition precedent to Indemnitee's right to be indemnified or Indemnitee's right to receive Expense Advances under this Agreement, give the Company notice in writing as soon as practicable of any Claim made against Indemnitee for which indemnification will or could be sought under this Agreement. Notice to the Company will be directed to the President or Chief Executive Officer of the Company at the address shown on the signature page of this Agreement (or such other address as the Company shall designate in writing to Indemnitee). In addition, Indemnitee will give the Company such information and cooperation as it may reasonably require and as shall be within Indemnitee's power. The failure by Indemnitee to timely notify the Company of any Claim will not relieve the Company from any liability hereunder unless, and only to the extent that, such failure results in forfeiture by the Company of substantial defenses, rights, or insurance coverage.

(c) Timing of Indemnification Determination. The Company will use its reasonable best efforts to cause any determination by a Reviewing Party to be made as promptly as practicable. If the Reviewing Party shall not have made a determination within 60 days after the later of (A) receipt by the Company of written notice from Indemnitee advising the Company of the final disposition of the applicable Covered Event and (B) the selection of an Independent Counsel, if such determination is to be made by Independent Counsel, then Indemnitee shall be deemed to have satisfied the applicable standard of conduct absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law; *provided, however*, that such 60-day period may be extended for a reasonable time, not to exceed (1) an additional 30 days, if the person, persons or entity making such determination with respect to entitlement to indemnification in good faith requires such additional time to obtain or evaluate documentation and/or information relating thereto or (2) an additional 75 days, if the Reviewing Party will be the stockholders of the Company.

(d) No Presumptions; Burden of Proof. For purposes of this Agreement, the termination of any Claim by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of *nolo contendere*, or its equivalent, will not create a presumption that Indemnitee did not meet any particular standard of conduct or have any particular belief or that a court has determined that indemnification is not permitted by this Agreement or applicable law. In addition, neither the failure of any Reviewing Party to have made a determination as to whether Indemnitee has met any particular standard of conduct or had any particular belief, nor an actual determination by any Reviewing Party that Indemnitee has not met such standard of conduct or did not have such belief, prior to the commencement of legal proceedings by Indemnitee to secure a judicial determination that Indemnitee should be indemnified under this Agreement or applicable law, shall be a defense to Indemnitee's claim or create a presumption that Indemnitee has not met any particular standard of conduct or did not have any particular belief. In connection with any determination by any Reviewing Party or otherwise as to whether the Indemnitee is entitled to be indemnified hereunder, the burden of proof will be on the Company to establish that Indemnitee is not so entitled.

(e) Notice to Insurers. If, at the time of the receipt by the Company of a notice of a Claim pursuant to Section (b) hereof, the Company has liability insurance in effect that may cover such Claim, the Company shall give prompt notice of the commencement of such Claim to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such Claim in accordance with the terms of such policies; *provided, however*, that nothing in this subsection (e) shall relieve the Company of its obligations hereunder (or allow the Company to delay in its performance of its obligations hereunder) to provide indemnification for or make any Expense Advances with respect to the Expenses of any Claim, between the time that it so notifies its insurers and the time that its insurers actually pay any such amounts payable as a result of any such Claim to the Company.

(f) Selection of Counsel. In the event the Company shall be obligated hereunder to provide indemnification for or make any Expense Advances with respect to the Expenses of any Claim, the Company, if appropriate, shall be entitled to assume the defense of such Claim with counsel shall be selected by the Company and approved by Indemnitee (which approval shall not be unreasonably withheld) upon the delivery to Indemnitee of written notice of the Company's election to do so. After delivery of such notice, approval of such counsel by Indemnitee and the retention of such counsel by the Company, the Company will not be liable to Indemnitee under this Agreement for any fees or expenses of separate counsel subsequently employed by or on behalf of Indemnitee with respect to the same Claim; *provided, however*, that (i) Indemnitee shall have the right to employ Indemnitee's separate counsel in any such Claim at Indemnitee's expense and (ii) if (A) the employment of separate counsel by Indemnitee has been previously authorized by the Company, (B) Indemnitee shall have reasonably concluded that there may be a conflict of interest between the Company and Indemnitee in the conduct of any such defense, or (C) the Company shall not continue to retain such counsel to defend such Claim, then the fees and expenses of Indemnitee's separate counsel will be Expenses for which Indemnitee may receive indemnification or Expense Advances hereunder. The Company shall not be liable to Indemnitee under this Agreement for any amounts paid in settlement of any threatened or pending Claim effected without the Company's prior written consent. The Company shall not, without the prior written consent of the Indemnitee, effect any settlement of any threatened or pending Claim which the Indemnitee is or could have been a party unless such settlement solely involves the payment of money and includes a complete and unconditional release of the Indemnitee from all liability on any claims that are the subject matter of such Claim. Neither the Company nor Indemnitee shall unreasonably withhold its consent to any proposed settlement; *provided* that Indemnitee may withhold consent to any settlement that does not provide a complete and unconditional release of Indemnitee.

5. ADDITIONAL INDEMNIFICATION RIGHTS; NONEXCLUSIVITY.

(a) Scope. The Company hereby agrees to indemnify the Indemnitee to the fullest extent permitted by law, notwithstanding that such indemnification is not specifically authorized by the other provisions of this Agreement, the Company's certificate of incorporation, the Company's bylaws or by statute. In the event of any change after the date of this Agreement in any applicable law, statute or rule that expands the right of a Delaware corporation to indemnify a member of its board of directors or an officer, employee, agent or fiduciary, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits afforded by such change. In the event of any change in any applicable law, statute or rule that narrows the right of a Delaware corporation to indemnify a member of its board of directors or an officer, employee, agent or fiduciary, such change, to the extent not otherwise required by such law, statute or rule to be applied to this Agreement, will have no effect on this Agreement or the parties' rights and obligations hereunder except as set forth in Section 10(a) hereof.

(b) Nonexclusivity. The indemnification and the payment of Expense Advances provided by this Agreement will be in addition to any rights to which Indemnitee may be entitled under the Company's certificate of incorporation, its bylaws, any other agreement, any vote of stockholders or disinterested directors, the Delaware General Corporation Law, or otherwise. The indemnification and the payment of Expense Advances provided under this Agreement will continue as to Indemnitee for any action taken or not taken while serving in an indemnified capacity even though subsequent thereto Indemnitee may have ceased to serve in such capacity.

(c) Company Obligations Primary. The Company hereby acknowledges that Indemnitee may have certain rights to indemnification, advancement of expenses and/or insurance provided by one or more other entities and/or organizations (collectively, the "***Secondary Indemnitors***"). The Company hereby agrees that (i) it is the indemnitor of first resort (i.e., its obligations to Indemnitee are primary and any obligation of the Secondary Indemnitors to advance expenses or to provide indemnification for the same Expenses or liabilities incurred by Indemnitee are secondary), (ii) it will be required to advance the full amount of Expenses incurred by Indemnitee and will be liable for the full amount of all Expenses, judgments, penalties, fines and amounts paid in settlement to the extent legally permitted and as required by the certificate of incorporation or bylaws of the Company (or any agreement between the Company and Indemnitee), without regard to any rights Indemnitee may have against the Secondary Indemnitors and (iii) it irrevocably waives relinquishes and releases the Secondary Indemnitors from any and all claims against the Secondary Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the Secondary Indemnitors on behalf of Indemnitee with respect to any claim for which Indemnitee has sought indemnification from the Company will affect the foregoing and the Secondary Indemnitors will have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of Indemnitee against the Company. The Company and Indemnitee agree that the Secondary Indemnitors are express third party beneficiaries of the terms hereof.

6. NO DUPLICATION OF PAYMENTS. Subject to Section 5(c) above, the Company will not be liable under this Agreement to make any payment in connection with any Claim made against Indemnitee to the extent Indemnitee has otherwise actually received payment (under any insurance policy, provision of the Company's certificate of incorporation, bylaws or otherwise) of the amounts otherwise payable under this Agreement.

7. PARTIAL INDEMNIFICATION. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of Expenses incurred in connection with any Claim, but not, however, for all of the total amount thereof, the Company will indemnify Indemnitee for the portion of such Expenses to which Indemnitee is entitled.

8. MUTUAL ACKNOWLEDGMENT. Both the Company and Indemnitee acknowledge that in certain instances, federal law or applicable public policy may prohibit the Company from indemnifying its directors, officers, employees, agents or fiduciaries under this Agreement or otherwise. Indemnitee understands and acknowledges that the Company has undertaken or may be required in the future to undertake with the Securities and Exchange Commission to submit the question of indemnification to a court in certain circumstances for a determination of the Company's right under public policy to indemnify Indemnitee.

9. LIABILITY INSURANCE. The Company shall obtain and maintain during the term of this Agreement liability insurance applicable to directors, officers or fiduciaries in an amount determined by the Company's board of directors; *provided, however*, that nothing in this Section 9 shall relieve the Company of its obligations hereunder (or allow the Company to delay in its performance of its obligations hereunder) to provide indemnification for or make any Expense Advances with respect to the Expenses of any Claim. To the extent the Company maintains liability insurance applicable to directors, officers or fiduciaries, Indemnitee shall be covered by such policies in such a manner as to provide Indemnitee the same rights and benefits as are provided to the most favorably insured of the Company's directors, if Indemnitee is a director; or of the Company's officers, if Indemnitee is not a director of the Company but is an officer. The Company shall promptly notify Indemnitee of any expiration, lapse, non-renewal or denial of coverage under any such policy.

10. EXCEPTIONS.

(a) Excluded Action or Omissions. The Company will not indemnify Indemnitee for Expenses resulting from acts, omissions or transactions for which Indemnitee is prohibited from receiving indemnification under this Agreement or applicable law; *provided, however*, that notwithstanding any limitation set forth in this subsection (a) regarding the Company's obligation to provide indemnification, Indemnitee will be entitled under Section 3 to receive Expense Advances hereunder with respect to any such Claim unless and until a court having jurisdiction over the Claim will have made a final judicial determination (as to which all rights of appeal therefrom have been exhausted or lapsed) that Indemnitee has engaged in acts, omissions or transactions for which Indemnitee is prohibited from receiving indemnification under this Agreement or applicable law.

(b) Claims Initiated by Indemnitee. The Company will not indemnify or make Expense Advances to Indemnitee with respect to Claims initiated or brought voluntarily by Indemnitee and not by way of defense, counterclaim or cross claim, except (i) with respect to actions or proceedings brought to establish or enforce a right to indemnification under this Agreement or any other agreement or insurance policy or under the Company's certificate of incorporation or bylaws now or hereafter in effect relating to Claims for Covered Events, (ii) in specific cases if the Board of Directors has approved the initiation or bringing of such Claim, or (iii) as otherwise required under Section 145 of the Delaware General Corporation Law (relating to indemnification of officers, directors, employees and agents; and insurance), regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification or insurance recovery, as the case may be.

(c) Lack of Good Faith. The Company will not indemnify Indemnitee for any Expenses incurred by the Indemnitee with respect to any action in which the Indemnitee has been finally adjudged by a court having jurisdiction in the matter (i) to have acted in bad faith; (ii) to not have acted in a manner Indemnitee reasonably believed to be in the best interests of the Company; or (iii) with respect to criminal actions or proceedings, to have had reasonable cause to believe Indemnitee's conduct was unlawful.

(d) Claims Under Section 16(b). The Company will not indemnify Indemnitee for Expenses and the payment of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 16(b) of the Securities Exchange Act of 1934, as amended, or any similar successor statute; *provided, however*, that notwithstanding any limitation set forth in this subsection (d) regarding the Company's obligation to provide indemnification, Indemnitee shall be entitled under Section 3 to receive Expense Advances hereunder with respect to any such Claim unless and until a court having jurisdiction over the Claim will have made a final judicial determination (as to which all rights of appeal therefrom have been exhausted or lapsed) that Indemnitee has violated said statute.

(e) Clawback Under Sarbanes-Oxley Act. The Company will not indemnify Indemnitee in connection with any Claim for reimbursement of the Company by Indemnitee of any bonus or other incentive-based or equity-based compensation or of any profits realized by Indemnitee from the sale of securities of the Company, as required in each case under the Securities Exchange Act of 1934, as amended (including any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the "***Sarbanes-Oxley Act***"), or the payment to the Company of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act), if Indemnitee is held liable therefor (including pursuant to any settlement).

11. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which will be an original, but all of which together will constitute one instrument.

12. BINDING EFFECT; SUCCESSORS AND ASSIGNS. This Agreement will be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors, assigns (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Company), spouses, heirs and personal and legal representatives. The Company shall require and cause any successor (whether direct or indirect, and whether by purchase, merger, consolidation or otherwise) to all, substantially all, or a substantial part, of the business or assets of the Company, by written agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place. This Agreement will continue in effect regardless of whether Indemnitee continues to serve as a director, officer, employee, agent or fiduciary (as applicable) of the Company or of any other enterprise at the Company's request, but only with respect to Covered Events.

13. EXPENSES INCURRED IN ACTION RELATING TO ENFORCEMENT OR INTERPRETATION. In the event that any action is instituted by Indemnitee under this Agreement or under any liability insurance policies maintained by the Company to enforce or interpret any of the terms hereof or thereof, Indemnitee shall be entitled to be indemnified for all Expenses incurred by Indemnitee with respect to such action (including without limitation attorneys' fees), regardless of whether Indemnitee is ultimately successful in such action, unless as a part of such action a court having jurisdiction over such action makes a final judicial determination (as to which all rights of appeal therefrom have been exhausted or lapsed) that each of the material assertions made by Indemnitee as a basis for such action was not made in good faith or was frivolous; *provided, however*, that until such final judicial determination is made, Indemnitee shall be entitled under Section 3 to receive payment of Expense Advances hereunder with respect to such action. In the event of an action instituted by or in the name of the Company under this Agreement to enforce or interpret any of the terms of this Agreement, Indemnitee shall be entitled to be indemnified for all Expenses incurred by Indemnitee in defense of such action (including without limitation costs and expenses incurred with respect to Indemnitee's counterclaims and cross-claims made in such action), unless as a part of such action a court having jurisdiction over such action makes a final judicial determination (as to which all rights of appeal therefrom have been exhausted or lapsed) that each of the material defenses asserted by Indemnitee in such action was made in bad faith or was frivolous; *provided, however*, that until such final judicial determination is made, Indemnitee shall be entitled under Section 3 to receive payment of Expense Advances hereunder with respect to such action.

14. NOTICES. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient; if not, then on the next business day, (c) five days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. Addresses for notice to either party are as shown on the signature page of this Agreement or as subsequently modified by written notice.

15. CONSENT TO JURISDICTION. The Company and Indemnitee each hereby irrevocably consent to the jurisdiction of the courts of the State of Delaware for all purposes in connection with any action or proceeding which arises out of or relates to this Agreement and agree that any action instituted under this Agreement will be commenced, prosecuted and continued only in the Court of Chancery of the State of Delaware in and for New Castle County, which will be the exclusive and only proper forum for adjudicating such a claim.

16. CHOICE OF LAW. This Agreement will be governed by and construed under the laws of the State of Delaware in all respects as such laws are applied to agreements among Delaware residents entered into and performed entirely within Delaware, without giving effect to conflict of law principles thereof.

17. SEVERABILITY. In the event one or more of the provisions of this Agreement should, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability will not affect any other provisions of this Agreement, and this Agreement will be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

18. SUBROGATION. Subject to Section 5(c) above, in the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all documents required and shall do all acts that may be necessary to secure such rights and to enable the Company effectively to bring suit to enforce such rights.

19. AMENDMENT AND WAIVER. No amendment, modification, termination or cancellation of this Agreement will be effective unless it is in writing signed by both the parties hereto. No waiver of any of the provisions of this Agreement will be deemed to be or will constitute a waiver of any other provisions hereof (whether or not similar), nor will such waiver constitute a continuing waiver.

20. INTEGRATION; ENTIRE AGREEMENT. This Agreement sets forth the entire understanding between the parties hereto and supersedes and merges all previous written and oral negotiations, commitments, understandings and agreements between the parties relating to the subject matter contained in this Agreement.

21. HEADINGS. The section and subsection headings contained in this Agreement are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement.

22. NO CONSTRUCTION AS EMPLOYMENT AGREEMENT. Nothing contained in this Agreement will be construed as giving Indemnitee any right to be retained in the employ of the Company or any of its subsidiaries or affiliated entities.

The parties have executed this Indemnification Agreement as of the date first above written.

AQUA METALS, INC.

By: _____
Stephen R. Clarke
President

Agreed to and accepted by:

INDEMNITEE:

_____
Signature of Indemnitee

_____
Print or Type Name of Indemnitee

Address:

Exhibit 10.2

AQUA METALS, INC.

AMENDED AND RESTATED

2014 STOCK INCENTIVE PLAN
(May 5, 2015)

1. Purpose of Plan.

The purpose of this Aqua Metals, Inc. 2014 Stock Incentive Plan (the "Plan") is to advance the interests of Aqua Metals, Inc. ("Company") and its stockholders by enabling the Company and its Subsidiaries to attract and retain qualified individuals through opportunities for equity participation in the Company, and to reward those individuals who contribute to the Company's achievement of its economic objectives. This Plan assumes and gives effect to the filing of the Company's Amended and Restated Certificate of Incorporation approved by the Board (as defined below) on September 8, 2014.

2. Definitions.

The following terms will have the meanings set forth below, unless the context clearly otherwise requires:

2.1. "Board" means the Company's Board of Directors.

2.2. "Broker Exercise Notice" means a written notice pursuant to which a Participant, upon exercise of an Option, irrevocably instructs a broker or dealer to sell a sufficient number of shares or loan a sufficient amount of money to pay all or a portion of the exercise price of the Option and/or any related withholding tax obligations and remit such sums to the Company and directs the Company to deliver stock certificates to be issued upon such exercise directly to such broker or dealer or their nominee.

2.3. "Cause" means (i) dishonesty, fraud, misrepresentation, embezzlement or deliberate injury or attempted injury, in each case related to the Company or any Subsidiary, (ii) any unlawful or criminal activity of a serious nature, (iii) any intentional and deliberate breach of a duty or duties that, individually or in the aggregate, are material in relation to the Participant's overall duties, (iv) any material breach of any confidentiality or noncompete agreement entered into with the Company or any Subsidiary, or (v) with respect to a particular Participant, any other act or omission that constitutes "cause" as may be defined in any employment, consulting or similar agreement between such Participant and the Company or any Subsidiary.

2.4. "Change in Control" means an event described in Section 11.1 of the Plan.

2.5. "Code" means the Internal Revenue Code of 1986, as amended.

2.6. "Committee" means the group of individuals administering the Plan, as provided in Section 3 of the Plan.

2.7. "Common Stock" means the common stock of the Company, $0.001 par value per share, or the number and kind of shares of stock or other securities into which such Common Stock may be changed in accordance with Section 4.3 of the Plan.

2.8. "Disability" means any medically determinable physical or mental impairment resulting in the service provider's inability to perform the duties of his or her position or any substantially similar position, where such impairment can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.

2.9. "Effective Date" means September 8, 2014, but no Incentive Stock Option shall be exercised unless and until the Plan has been approved by the stockholders of the Company, which approval shall be within twelve (12) months before or after the date the Plan is adopted by the Board.

2.10. "Eligible Recipients" means all employees, officers and directors of the Company or any Subsidiary, and any person who has a relationship with the Company or any Subsidiary.

2.11. "Exchange Act" means the Securities Exchange Act of 1934, as amended.

2.12. "Fair Market Value" means, with respect to the Common Stock, as of any date: (i) the mean between the reported high and low sale prices of the Common Stock at the end of the regular trading session if the Common Stock is listed, admitted to unlisted trading privileges, or reported on any national securities exchange or on the NASDAQ Global Select or Global Market on such date (or, if no shares were traded on such day, as of the next preceding day on which there was such a trade); or (ii) if the Common Stock is not so listed, admitted to unlisted trading privileges, or reported on any national exchange or on the NASDAQ Global Select or Global Market, the closing bid price as of such date at the end of the regular trading session, as reported by the Nasdaq Capital Market, OTC Bulletin Board, The OTC Market, or other comparable service; or (iii) if the Common Stock is not so listed or reported, such price as the Committee determines in good faith in the exercise of its reasonable discretion.

2.13. "Incentive Award " means an Option, Restricted Stock Award or Performance Stock Award granted to an Eligible Recipient pursuant to the Plan.

2.14. "Incentive Stock Option" means a right to purchase Common Stock granted to an Eligible Recipient pursuant to Section 6 of the Plan that qualifies as an "incentive stock option" within the meaning of Section 422 of the Code.

2.15. "Non-Statutory Stock Option" means a right to purchase Common Stock granted to an Eligible Recipient pursuant to Section 6 of the Plan that does not qualify as an Incentive Stock Option.

2.16. "Option" means an Incentive Stock Option or a Non-Statutory Stock Option.

2.17. "Participant" means an Eligible Recipient who receives one or more Incentive Awards under the Plan.

2.18. "Performance Criteria" means the performance criteria that may be used by the Committee in granting Restricted Stock Awards or Performance Stock Awards contingent upon achievement of such performance goals as the Committee may determine in its sole discretion. The Committee may select one criterion or multiple criteria for measuring performance, and the measurement may be based upon Company, Subsidiary or business unit performance, or the individual performance of the Eligible Recipient, either absolute or by relative comparison to other companies, other Eligible Recipients or any other external measure of the selected criteria.

2.19. "Performance Stock Awards" means an award of Common Stock granted to an Eligible Recipient pursuant to Section 8 of the Plan and with respect to which shares of Common Stock will be transferred to the Eligible Recipient in accordance with the provisions of such Section 8 and any agreement evidencing a Deferred Share Award.

2.20. "Previously Acquired Shares" means shares of Common Stock that are already owned by the Participant or, with respect to any Incentive Award, that are to be issued upon the grant, exercise or vesting of such Incentive Award.

2.21. "Restricted Stock Award " means an award of Common Stock granted to an Eligible Recipient pursuant to Section 7 of the Plan that is subject to the restrictions on transferability and the risk of forfeiture imposed by the provisions of such Section 7.

2.22. "Retirement" means normal or approved early termination of employment or service.

2.23. "Securities Act" means the Securities Act of 1933, as amended.

2.24. "Subsidiary" means any entity that is directly or indirectly controlled by the Company or any entity in which the Company has a significant equity interest, as determined by the Committee.

3. Plan Administration.

3.1. The Committee. The Plan will be administered by the Board or by a committee of the Board. So long as the Company has a class of its equity securities registered under Section 12 of the Exchange Act, any committee administering the Plan will consist solely of two or more members of the Board who are "non-employee directors" within the meaning of Rule 16b-3 under the Exchange Act. Such a committee, if established, will act by majority approval of the members (unanimous approval with respect to action by written consent), and a majority of the members of such a committee will constitute a quorum. As used in the Plan, "Committee" will refer to the Board or to such a committee, if established. To the extent consistent with applicable corporate law of the Company's jurisdiction of incorporation, the Committee may delegate to any officers of the Company the duties, power and authority of the Committee under the Plan pursuant to such conditions or limitations as the Committee may establish; provided, however, that only the Committee may exercise such duties, power and authority with respect to Eligible Recipients who are subject to Section 16 of the Exchange Act. The Committee may exercise its duties, power and authority under the Plan in its sole and absolute discretion without the consent of any Participant or other party, unless the Plan specifically provides otherwise. Each determination, interpretation or other action made or taken by the Committee pursuant to the provisions of the Plan will be conclusive and binding for all purposes and on all persons, and no member of the Committee will be liable for any action or determination made in good faith with respect to the Plan or any Incentive Award granted under the Plan.

3.2. Authority of the Committee.

(a) In accordance with and subject to the provisions of the Plan, the Committee will have the authority to determine all provisions of Incentive Awards as the Committee may deem necessary or desirable and as consistent with the terms of the Plan, including, without limitation, the following: (i) the Eligible Recipients to be selected as Participants; (ii) the nature and extent of the Incentive Awards to be made to each Participant (including the number of shares of Common Stock to be subject to each Incentive Award, any exercise price, the manner in which Incentive Awards will vest or become exercisable and whether Incentive Awards will be granted in tandem with other Incentive Awards) and the form of written agreement, if any, evidencing such Incentive Award; (iii) the time or times when Incentive Awards will be granted and, where applicable, settled; (iv) the duration of each Incentive Award; and (v) the restrictions and other conditions to which the payment or vesting of Incentive Awards may be subject. In addition, the Committee will have the authority under the Plan in its sole discretion to pay the economic value of any Incentive Award in the form of cash, Common Stock or any combination of both.

(b) Subject to Section 3.2(d), below, the Committee will have the authority under the Plan to amend or modify the terms of any outstanding Incentive Award in any manner, including, without limitation, the authority to modify the number of shares or other terms and conditions of an Incentive Award, extend the term of an Incentive Award, accelerate the exercisability or vesting or otherwise terminate any restrictions relating to an Incentive Award, accept the surrender of any outstanding Incentive Award or, to the extent not previously exercised or vested, authorize the grant of new Incentive Awards in substitution for surrendered Incentive Awards; provided, however that the amended or modified terms are permitted by the Plan as then in effect and that any Participant adversely affected by such amended or modified terms has consented to such amendment or modification. Notwithstanding the foregoing, no Performance Stock Award (or any other Incentive Award) that is subject to the requirements and restrictions of Section 409A of the Code may be amended in a manner that would violate Section 409A of the Code.

(c) In the event of (i) any reorganization, merger, consolidation, recapitalization, liquidation, reclassification, stock dividend, stock split, combination of shares, rights offering, extraordinary dividend or divestiture (including a spin-off) or any other change in corporate structure or shares; (ii) any purchase, acquisition, sale, disposition or write-down of a significant amount of assets or a significant business; (iii) any change in accounting principles or practices, tax laws or other such laws or provisions affecting reported results; or (iv) any other similar change, in each case with respect to the Company or any other entity whose performance is relevant to the grant or vesting of an Incentive Award, the Committee (or, if the Company is not the surviving corporation in any such transaction, the board of directors of the surviving corporation) may, without the consent of any affected Participant, amend or modify the vesting criteria (including Performance Criteria) of any outstanding Incentive Award that is based in whole or in part on the financial performance of the Company (or any Subsidiary or division or other subunit thereof) or such other entity so as equitably to reflect such event, with the desired result that the criteria for evaluating such financial performance of the Company or such other entity will be substantially the same (in the sole discretion of the Committee or the board of directors of the surviving corporation) following such event as prior to such event; provided, however, that the amended or modified terms are permitted by the Plan as then in effect.

(d) Notwithstanding any other provision of this Plan other than Section 4.3, the Committee may not, without prior approval of the Company's stockholders, seek to effect any re-pricing of any previously granted, "underwater" Option by: (i) amending or modifying the terms of the Option to lower the exercise price; (ii) canceling the underwater Option and granting either (A) replacement Options having a lower exercise price; (B) Restricted Stock Awards; or (C) Performance Stock Awards in exchange; or (iii) repurchasing the underwater Options and granting new Incentive Awards under this Plan. For purposes of this Section 3.2(d) and Section 11.4, an Option will be deemed to be "underwater" at any time when the Fair Market Value of the Common Stock is less than the exercise price of the Option.

4. Shares Available for Issuance.

4.1. Maximum Number of Shares Available; Certain Restrictions on Awards. Subject to adjustment as provided in Section 4.3 of the Plan, the maximum number of shares of Common Stock that will be available for issuance under the Plan will be 1,500,000. The shares available for issuance under the Plan may, at the election of the Committee, be either treasury shares or shares authorized but unissued, and, if treasury shares are used, all references in the Plan to the issuance of shares will, for corporate law purposes, be deemed to mean the transfer of shares from treasury.

4.2. Accounting for Incentive Awards. Shares of Common Stock that are issued under the Plan or that are subject to outstanding Incentive Awards will be applied to reduce the maximum number of shares of Common Stock remaining available for issuance under the Plan; provided, however, that shares subject to an Incentive Award that lapses, expires, is forfeited (including issued shares forfeited under a Restricted Stock Award) or for any reason is terminated unexercised or unvested or is settled or paid in cash or any form other than shares of Common Stock will automatically again become available for issuance under the Plan. To the extent that the exercise price of any Option and/or associated tax withholding obligations are paid by tender or attestation as to ownership of Previously Acquired Shares, or to the extent that such tax withholding obligations are satisfied by withholding of shares otherwise issuable upon exercise of the Option, only the number of shares of Common Stock issued net of the number of shares tendered, attested to or withheld will be applied to reduce the maximum number of shares of Common Stock remaining available for issuance under the Plan.

4.3. Adjustments to Shares and Incentive Awards. In the event of any reorganization, merger, consolidation, recapitalization, liquidation, reclassification, stock dividend, stock split, combination of shares or any other change in the corporate structure or shares of the Company, the Committee (or, if the Company is not the surviving corporation in any such transaction, the board of directors of the surviving corporation) will make appropriate adjustment (which determination will be conclusive) as to the number and kind of securities or other property (including cash) available for issuance or payment under the Plan and, in order to prevent dilution or enlargement of the rights of Participants, the number and kind of securities or other property (including cash) subject to outstanding Incentive Awards and the exercise price of outstanding Options.

5. Participation.

Participants in the Plan will be those Eligible Recipients who, in the judgment of the Committee, have contributed, are contributing or are expected to contribute to the achievement of economic objectives of the Company or its Subsidiaries. Eligible Recipients may be granted from time to time one or more Incentive Awards, singly or in combination or in tandem with other Incentive Awards, as may be determined by the Committee in its sole discretion. Incentive Awards will be deemed to be granted as of the date specified in the grant resolution of the Committee, which date will be the date of any related agreement with the Participant.

6. Options.

6 . 1 . Grant. An Eligible Recipient may be granted one or more Options under the Plan, and such Options will be subject to such terms and conditions, consistent with the other provisions of the Plan, as may be determined by the Committee in its sole discretion. The Committee may designate whether an Option is to be considered an Incentive Stock Option or a Non-Statutory Stock Option. To the extent that any Incentive Stock Option granted under the Plan ceases for any reason to qualify as an "incentive stock option" for purposes of Section 422 of the Code, such Incentive Stock Option will continue to be outstanding for purposes of the Plan but will thereafter be deemed to be a Non-Statutory Stock Option.

6 . 2 . Exercise Price. The per share price to be paid by a Participant upon exercise of an Option will be determined by the Committee in its discretion at the time of the Option grant; provided, however, that such price will not be less than 100% of the Fair Market Value of one share of Common Stock on the date of grant with respect to any Incentive Stock Option (110% of the Fair Market Value with respect to an Incentive Stock Option if, at the time such Incentive Stock Option is granted, the Participant owns, directly or indirectly, more than 10% of the total combined voting power of all classes of stock of the Company or any parent or subsidiary corporation of the Company).

6 . 3 . Exercisability and Duration. An Option will become exercisable at such times and in such installments and upon such terms and conditions as may be determined by the Committee in its sole discretion at the time of grant (including without limitation (i) the achievement of one or more of the Performance Criteria and/or (ii) that the Participant remain in the continuous employ or service of the Company or a Subsidiary for a certain period); provided, however, that if the Committee does not specify the expiration date of the Option, the expiration date shall be 10 years from the date on which the Option was granted. In no case may an Option may be exercisable after 10 years from its date of grant (five years from its date of grant in the case of an Incentive Stock Option if, at the time the Incentive Stock Option is granted, the Participant owns, directly or indirectly, more than 10% of the total combined voting power of all classes of stock of the Company or any parent or subsidiary corporation of the Company).

6.4. Payment of Exercise Price. The total purchase price of the shares to be purchased upon exercise of an Option will be paid entirely in cash (including check, bank draft or money order); provided, however, that the Committee, in its sole discretion and upon terms and conditions established by the Committee, may allow such payments to be made, in whole or in part, by tender of a Broker Exercise Notice, by tender, or attestation as to ownership, of Previously Acquired Shares that have been held for the period of time necessary to avoid a charge to the Company's earnings for financial reporting purposes and that are otherwise acceptable to the Committee, or by a combination of such methods. For purposes of such payment, Previously Acquired Shares tendered or covered by an attestation will be valued at their Fair Market Value on the exercise date.

6.5. Manner of Exercise. An Option may be exercised by a Participant in whole or in part from time to time, subject to the conditions contained in the Plan and in the agreement evidencing such Option, by delivery in person, by facsimile or electronic transmission or through the mail of written notice of exercise to the Company at its legal department and by paying in full the total exercise price for the shares of Common Stock to be purchased in accordance with Section 6.4 of the Plan.

7. Restricted Stock Awards.

7.1. Grant. An Eligible Recipient may be granted one or more Restricted Stock Awards under the Plan, and such Restricted Stock Awards will be subject to such terms and conditions, consistent with the other provisions of the Plan, as may be determined by the Committee in its sole discretion. The Committee may impose such restrictions or conditions, not inconsistent with the provisions of the Plan, to the vesting of such Restricted Stock Awards as it deems appropriate, including, without limitation, (i) the achievement of one or more of the Performance Criteria and/or (ii) that the Participant remain in the continuous employ or service of the Company or a Subsidiary for a certain period.

7.2. Rights as a Stockholder; Transferability. Except as provided in Sections 7.1, 7.3, 7.4 and 12.3 of the Plan, a Participant will have all voting, dividend, liquidation and other rights with respect to shares of Common Stock issued to the Participant as a Restricted Stock Award under this Section 7 upon the Participant becoming the holder of record of such shares as if such Participant were a holder of record of shares of unrestricted Common Stock.

7.3. Dividends and Distributions. Unless the Committee determines otherwise in its sole discretion (either in the agreement evidencing the Restricted Stock Award at the time of grant or at any time after the grant of the Restricted Stock Award), any dividends or distributions (other than regular quarterly cash dividends) paid with respect to shares of Common Stock subject to the unvested portion of a Restricted Stock Award will be subject to the same restrictions as the shares to which such dividends or distributions relate. The Committee will determine in its sole discretion whether any interest will be paid on such dividends or distributions.

7.4. Enforcement of Restrictions. To enforce the restrictions referred to in this Section 7, the Committee may place a legend on the stock certificates referring to such restrictions and may require the Participant, until the restrictions have lapsed, to keep the stock certificates, together with duly endorsed stock powers, in the custody of the Company or its transfer agent, or to maintain evidence of stock ownership, together with duly endorsed stock powers, in a certificateless book-entry stock account with the Company's transfer agent.

8. Performance Stock Awards.

8.1. Grant. An Eligible Recipient may be granted one or more Performance Stock Awards under the Plan, and such Performance Stock Awards will be subject to such terms and conditions, if any, consistent with the other provisions of the Plan, as may be determined by the Committee in its sole discretion. The Committee may impose such restrictions or conditions, not inconsistent with the provisions of the Plan, to the vesting of such Performance Stock Awards as it deems appropriate, including, without limitation, (i) the achievement of one or more of the Performance Criteria and/or (ii) that the Participant remain in the continuous employ or service of the Company or a Subsidiary for a certain period.

8.2. Settlement – Time of Payment.

(a) At the time any Performance Stock Award is granted, the agreement evidencing the Performance Stock Award will specify the time at which the vested portion of the Performance Stock Award will be settled. In no event may the time of payment be changed after the Performance Stock Award is granted.

(b) The agreement may specify that settlement will be made upon vesting or the settlement will occur with respect to all vested Performance Stock Awards as of a specified time.

(c) To the extent the agreement does not provide for the settlement of vested Performance Stock Awards on or before the date that is 2-1/2 months after the end of the year in which the Performance Stock Award (or the relevant portion thereof) vests, the agreement will provide for payment to occur: (a) upon the Eligible Recipient's separation from service, death or disability; (b) upon a change in control of the Company; or (c) upon a specified date or pursuant to a specified schedule. In all cases in which payment is to be made in accordance with this Section 8.2(c), the times specified for payment will be interpreted and administered in accordance with the requirements of Section 409A of the Code and any applicable regulations or guidance issued in connection with that Code section.

8.3. Settlement – Form of Payment. Unless otherwise specified in the Plan, the agreement evidencing the Performance Stock Award, or some other written agreement between the Company and the Eligible Recipient, vested Performance Stock Awards will be settled in shares of Common Stock.

8.4. Rights as a Stockholder. A Participant holding a Performance Stock Award shall have no rights as a holder of Common Stock unless and until the Performance Stock Award is settled and shares of Common Stock are delivered to the Participant in such settlement.

8.5. Dividends and Distributions. Unless the Committee determines otherwise in its sole discretion (either in the agreement evidencing the Performance Stock Award at the time of grant or at any time after the grant of the Performance Stock Award), the Participant shall not be entitled to receive dividends or distributions with respect to the Shares subject to a Performance Stock Award unless and until the Performance Stock Award is settled and shares of Common Stock are delivered to the Participant in such settlement.

8.6. Unfunded and Unsecured Obligation of the Company. A Performance Stock Award represents an unfunded and unsecured obligation of the Company to make payment to a Participant in accordance with the terms of this Plan or an award agreement. The Participant's rights with respect to a Performance Stock Award shall be those of an unsecured creditor of the Company.

9. Effect of Termination of Employment or Other Service.

9.1. Termination Due to Death or Disability. In the event a Participant's employment or other service with the Company and all Subsidiaries is terminated by reason of death or Disability:

(a) All outstanding Options then held by the Participant will, to the extent exercisable as of such termination, remain exercisable for a period of six (6) months after such termination (but in no event after the expiration date of any such Option); and

(b) All Restricted Stock Awards then held by the Participant that have not vested as of such termination will be terminated and forfeited; and

(c) All outstanding Performance Stock Awards then held by the Participant that have not vested as of such termination will be terminated and forfeited.

9.2. Termination Due to Retirement. Subject to Section 9.5 of the Plan, in the event a Participant's employment or other service with the Company and all Subsidiaries is terminated by reason of Retirement:

(a) All outstanding Options then held by the Participant will, to the extent exercisable as of such termination, remain exercisable in full for a period of three (3) months after such termination (but in no event after the expiration date of any such Option). Options not exercisable as of such Retirement will be forfeited and terminate; and

(b) All Restricted Stock Awards then held by the Participant that have not vested as of such termination will be terminated and forfeited; and

(c) All outstanding Performance Stock Awards then held by the Participant that have not vested as of such termination will be terminated and forfeited.

9.3. Termination for Reasons Other than Death, Disability or Retirement. Subject to Section 9.5 of the Plan, in the event a Participant's employment or other service is terminated with the Company and all Subsidiaries for any reason other than death, Disability or Retirement, or a Participant is in the employ of a Subsidiary and the Subsidiary ceases to be a Subsidiary of the Company (unless the Participant continues in the employ of the Company or another Subsidiary):

(a) All outstanding Options then held by the Participant will, to the extent exercisable as of such termination, remain exercisable in full for a period of three (3) months after such termination (but in no event after the expiration date of any such Option). Options not exercisable as of such termination will be forfeited and terminate; and

(b) All Restricted Stock Awards then held by the Participant that have not vested as of such termination will be terminated and forfeited; and

(c) All outstanding Performance Stock Awards then held by the Participant that have not vested as of such termination will be terminated and forfeited.

9.4. Modification of Rights Upon Termination. Notwithstanding the other provisions of this Section 10, the Committee may, in its sole discretion (which may be exercised in connection with the grant or after the date of grant, including following such termination), determine that upon a Participant's termination of employment or other service with the Company and all Subsidiaries, any Options (or any part thereof) then held by such Participant may become or continue to become exercisable and/or remain exercisable following such termination of employment or service, and Restricted Stock Awards and Performance Stock Awards then held by such Participant may vest and/or continue to vest or become free of restrictions and conditions to issuance, as the case may be, following such termination of employment or service, in each case in the manner determined by the Committee.

9.5. Effects of Actions Constituting Cause. Notwithstanding anything in the Plan to the contrary, in the event that a Participant is determined by the Committee, acting in its sole discretion, to have committed any action which would constitute Cause as defined in Section 2.3, irrespective of whether such action or the Committee's determination occurs before or after termination of such Participant's employment or service with the Company or any Subsidiary, all rights of the Participant under the Plan and any agreements evidencing an Incentive Award then held by the Participant shall terminate and be forfeited without notice of any kind. The Company may defer the exercise of any Option or the vesting of any Restricted Stock Award or Performance Stock Award for a period of up to ninety (90) days in order for the Committee to make any determination as to the existence of Cause.

9.6. Determination of Termination of Employment or Other Service. Unless the Committee otherwise determines in its sole discretion, a Participant's employment or other service will, for purposes of the Plan, be deemed to have terminated on the date recorded on the personnel or other records of the Company or the Subsidiary for which the Participant provides employment or service, as determined by the Committee in its sole discretion based upon such records.

10. Payment of Withholding Taxes.

10.1. General Rules. The Company is entitled to (a) withhold and deduct from future wages of the Participant (or from other amounts that may be due and owing to the Participant from the Company or a Subsidiary), or make other arrangements for the collection of, all legally required amounts necessary to satisfy any and all federal, foreign, state and local withholding and employment-related tax requirements attributable to an Incentive Award, including, without limitation, the grant, exercise or vesting of, or payment of dividends with respect to, an Incentive Award or a disqualifying disposition of stock received upon exercise of an Incentive Stock Option, or (b) require the Participant promptly to remit the amount of such withholding to the Company before taking any action, including issuing any shares of Common Stock, with respect to an Incentive Award.

10.2. Special Rules. The Committee may, in its sole discretion and upon terms and conditions established by the Committee, permit or require a Participant to satisfy, in whole or in part, any withholding or employment-related tax obligation described in Section 10.1 of the Plan by electing to tender, or by attestation as to ownership of, Previously Acquired Shares that have been held for the period of time necessary to avoid a charge to the Company's earnings for financial reporting purposes and that are otherwise acceptable to the Committee, by delivery of a Broker Exercise Notice or a combination of such methods. For purposes of satisfying a Participant's withholding or employment-related tax obligation, Previously Acquired Shares tendered or covered by an attestation will be valued at their Fair Market Value.

11. Change in Control.

11.1. A "Change in Control" shall be deemed to have occurred if the event set forth in any one of the following paragraphs has occurred:

(a) the sale, lease, exchange or other transfer, directly or indirectly, of substantially all of the assets of the Company (in one transaction or in a series of related transactions) to any Successor;

(b) the approval by the stockholders of the Company of any plan or proposal for the liquidation or dissolution of the Company;

(c) any Successor (as defined in Section 11.2 below), other than a Bona Fide Underwriter (as defined in Section 11.2 below), becomes after the effective date of the Plan the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of (i) 25% or more, but not 50% or more, of the combined voting power of the Company's outstanding securities ordinarily having the right to vote at elections of directors, unless the transaction resulting in such ownership has been approved in advance by the Continuity Directors (as defined in Section 11.2 below), or (ii) more than 50% of the combined voting power of the Company's outstanding securities ordinarily having the right to vote at elections of directors (regardless of any approval by the Continuity Directors);

(d) a merger or consolidation to which the Company is a party if the stockholders of the Company immediately prior to effective date of such merger or consolidation have "beneficial ownership" (as defined in Rule 13d-3 under the Exchange Act), immediately following the effective date of such merger or consolidation, of securities of the surviving corporation representing (i) 50% or more, but not more than 80%, of the combined voting power of the surviving corporation's then outstanding securities ordinarily having the right to vote at elections of directors, unless such merger or consolidation has been approved in advance by the Continuity Directors, or (ii) less than 50% of the combined voting power of the surviving corporation's then outstanding securities ordinarily having the right to vote at elections of directors (regardless of any approval by the Continuity Directors); or

(e) the Continuity Directors cease for any reason to constitute at least 50% or more of the Board.

11.2. Change in Control Definitions. For purposes of this Section 11:

(a) "Continuity Directors" of the Company will mean any individuals who are members of the Board on the effective date of the Plan and any individual who subsequently becomes a member of the Board whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the Continuity Directors (either by specific vote or by approval of the Company's proxy statement in which such individual is named as a nominee for director without objection to such nomination).

(b) "Bona Fide Underwriter" means an entity engaged in business as an underwriter of securities that acquires securities of the Company through such entity's participation in good faith in a firm commitment underwriting until the expiration of 40 days after the date of such acquisition.

(c) "Successor" means any individual, corporation, partnership, group, association or other "person," as such term is used in Section 13(d) or Section 14(d) of the Exchange Act, other than the Company, any "affiliate" (as defined below) or any benefit plan(s) sponsored by the Company or any affiliate that succeeds to, or has the practical ability to control (either immediately or solely with the passage of time), the Company's business directly, by merger, consolidation or other form of business combination, or indirectly, by purchase of the Company's outstanding securities ordinarily having the right to vote at the election of directors or all or substantially all of its assets or otherwise. For this purpose, an "affiliate" is (i) any corporation at least a majority of whose outstanding securities ordinarily having the right to vote at elections of directors is owned directly or indirectly by the Company; (ii) any other form of business entity in which the Company, by virtue of a direct or indirect ownership interest, has the right to elect a majority of the members of such entity's governing body or (iii) any entity that at the time of the approval of this Plan owns in excess of 10% of the Company's common stock and its affiliates.

11.3. Acceleration of Vesting. Without limiting the authority of the Committee under Sections 3.2 and 4.3 of the Plan, if a Change in Control of the Company occurs, then, if approved by the Committee in its sole discretion either in an agreement evidencing an Incentive Award at the time of grant or at any time after the grant of an Incentive Award: (a) all Options that have been outstanding for at least six months will become immediately exercisable in full and will remain exercisable in accordance with their terms; (b) all Restricted Stock Awards that have been outstanding for at least six months will become immediately fully vested and non-forfeitable; and (c) any conditions to the issuance of shares of Common Stock pursuant to Performance Stock Awards that have been outstanding for at least six months will lapse.

11.4. Cash Payment. If a Change in Control of the Company occurs, then the Committee, if approved by the Committee in its sole discretion either in an agreement evidencing an Incentive Award at the time of grant or at any time after the grant of an Incentive Award, and without the consent of any Participant affected thereby, may determine that:

(a) Some or all Participants holding outstanding Options will receive, with respect to some or all of the shares of Common Stock subject to such Options ("Option Shares"), either (i) as of the effective date of any such Change in Control, cash in an amount equal to the excess of the Fair Market Value of such Option Shares on the last business day prior to the effective date of such Change in Control over the exercise price per share of such Option Shares, (ii) immediately prior to such Change of Control, a number of shares of Common Stock having an aggregate Fair Market Value equal to the excess of the Fair Market Value of the Option Shares as of the last business day prior to the effective date of such Change in Control over the exercise price per share of such Option Shares; or (iii) any combination of cash or shares of Common Stock with the amount of each component to be determined by the Committee not inconsistent with the foregoing clauses (i) and (ii), as proportionally adjusted; and

(b) any Options which, as of the effective date of any such Change in Control, are "underwater" (as defined in Section 3.2(d)) shall terminate as of the effective date of any such Change in Control; and

(c) some or all Participants holding Performance Stock Awards will receive, with respect to some or all of the shares of Common Stock subject to such Performance Stock Awards that remain subject to issuance based upon the future achievement of Performance Criteria or other future event as of the effective date of any such Change in Control of the Company, cash in an amount equal the Fair Market Value of such shares immediately prior to the effective date of such Change in Control.

11.5. Limitation on Change in Control Payments. Notwithstanding anything in Section 11.3 or 11.4 of the Plan to the contrary, if, with respect to a Participant, the acceleration of the exercisability of an Option as provided in Section 11.3 or the payment of cash or shares of Common Stock in exchange for all or part of an Option as provided in Section 11.4 (which acceleration or payment could be deemed a "payment" within the meaning of Section 280G(b)(2) of the Code), together with any other "payments" that such Participant has the right to receive from the Company or any corporation that is a member of an "affiliated group" (as defined in Section 1504(a) of the Code without regard to Section 1504(b) of the Code) of which the Company is a member, would constitute a "parachute payment" (as defined in Section 280G(b)(2) of the Code), then the "payments" to such Participant pursuant to Section 11.3 or 11.4 of the Plan will be reduced to the largest amount as will result in no portion of such "payments" being subject to the excise tax imposed by Section 4999 of the Code; provided, however, that if a Participant is subject to a separate agreement with the Company or a Subsidiary which specifically provides that payments attributable to one or more forms of employee stock incentives or to payments made in lieu of employee stock incentives will not reduce any other payments under such agreement, even if it would constitute an excess parachute payment, or provides that the Participant will have the discretion to determine which payments will be reduced in order to avoid an excess parachute payment, then the limitations of this Section 11.4 will, to that extent, not apply.

12. Rights of Eligible Recipients and Participants; Transferability.

12.1. Employment or Service. Nothing in the Plan will interfere with or limit in any way the right of the Company or any Subsidiary to terminate the employment or service of any Eligible Recipient or Participant at any time, nor confer upon any Eligible Recipient or Participant any right to continue in the employ or service of the Company or any Subsidiary.

12.2. Rights as a Stockholder. As a holder of Incentive Awards (other than Restricted Stock Awards), a Participant will have no rights as a stockholder unless and until such Incentive Awards are exercised for, or paid in the form of, shares of Common Stock and the Participant becomes the holder of record of such shares. Except as otherwise provided in the Plan, no adjustment will be made for dividends or distributions with respect to such Incentive Awards as to which there is a record date preceding the date the Participant becomes the holder of record of such shares, except as the Committee may determine in its discretion.

12.3. Restrictions on Transfer.

(a) Except pursuant to testamentary will or the laws of descent and distribution or as otherwise expressly permitted by subsections (b) and (c) below, no right or interest of any Participant in an Incentive Award prior to the exercise (in the case of Options) or vesting (in the case of Restricted Stock Awards or Performance Stock Awards) of such Incentive Award will be assignable or transferable, or subjected to any lien, during the lifetime of the Participant, either voluntarily or involuntarily, directly or indirectly, by operation of law or otherwise.

(b) A Participant will be entitled to designate a beneficiary to receive an Incentive Award upon such Participant's death, and in the event of such Participant's death, payment of any amounts due under the Plan will be made to, and exercise of any Options (to the extent permitted pursuant to Section 9 of the Plan) may be made by, such beneficiary. If a deceased Participant has failed to designate a beneficiary, or if a beneficiary designated by the Participant fails to survive the Participant, payment of any amounts due under the Plan will be made to, and exercise of any Options (to the extent permitted pursuant to Section 9 of the Plan) may be made by, the Participant's legal representatives, heirs and legatees. If a deceased Participant has designated a beneficiary and such beneficiary survives the Participant but dies before complete payment of all amounts due under the Plan or exercise of all exercisable Options, then such payments will be made to, and the exercise of such Options may be made by, the legal representatives, heirs and legatees of the beneficiary.

(c) Upon a Participant's request, the Committee may, in its sole discretion, permit a transfer of all or a portion of a Non-Statutory Stock Option, other than for value, to such Participant's child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, any person sharing such Participant's household (other than a tenant or employee), a trust in which any of the foregoing have more than fifty percent of the beneficial interests, a foundation in which any of the foregoing (or the Participant) control the management of assets, and any other entity in which these persons (or the Participant) own more than fifty percent of the voting interests. Any permitted transferee will remain subject to all the terms and conditions applicable to the Participant prior to the transfer. A permitted transfer may be conditioned upon such requirements as the Committee may, in its sole discretion, determine, including, but not limited to execution and/or delivery of appropriate acknowledgements, opinion of counsel, or other documents by the transferee.

12.4. Non-Exclusivity of the Plan. Nothing contained in the Plan is intended to modify or rescind any previously approved compensation plans or programs of the Company or create any limitations on the power or authority of the Board to adopt such additional or other compensation arrangements as the Board may deem necessary or desirable.

13. Securities Law and Other Restrictions.

Notwithstanding any other provision of the Plan or any agreements entered into pursuant to the Plan, the Company will not be required to issue any shares of Common Stock under this Plan, and a Participant may not sell, assign, transfer or otherwise dispose of shares of Common Stock issued pursuant to Incentive Awards granted under the Plan, unless (a) there is in effect with respect to such shares a registration statement under the Securities Act and any applicable securities laws of a state or foreign jurisdiction or an exemption from such registration under the Securities Act and applicable state or foreign securities laws, and (b) there has been obtained any other consent, approval or permit from any other U.S. or foreign regulatory body which the Committee, in its sole discretion, deems necessary or advisable. The Company may condition such issuance, sale or transfer upon the receipt of any representations or agreements from the parties involved, and the placement of any legends on certificates representing shares of Common Stock, as may be deemed necessary or advisable by the Company in order to comply with such securities law or other restrictions.

14. Plan Amendment, Modification and Termination.

The Board may suspend or terminate the Plan or any portion thereof at any time, and may amend the Plan from time to time in such respects as the Board may deem advisable in order that Incentive Awards under the Plan will conform to any change in applicable laws or regulations or in any other respect the Board may deem to be in the best interests of the Company; provided, however, that no such amendments to the Plan will be effective without approval of the Company's stockholders if: (i) stockholder approval of the amendment is then required pursuant to Section 422 of the Code or the rules of any stock exchange or the NASDAQ Global Select, Global or Capital Market or similar regulatory body; or (ii) such amendment seeks to modify Section 3.2(d) hereof. No termination, suspension or amendment of the Plan may adversely affect any outstanding Incentive Award without the consent of the affected Participant; provided, however, that this sentence will not impair the right of the Committee to take whatever action it deems appropriate under Sections 3.2(c), 4.3 and 11 of the Plan.

15. Effective Date and Duration of the Plan.

The Plan is effective as of the Effective Date. The Plan will terminate at midnight on September 8, 2024 and may be terminated prior to such time by Board action. No Incentive Award will be granted after termination of the Plan. Incentive Awards outstanding upon termination of the Plan may continue to be exercised, or become free of restrictions, according to their terms.

16. Miscellaneous.

16.1. Governing Law. Except to the extent expressly provided herein or in connection with other matters of corporate governance and authority (all of which shall be governed by the laws of the Company's jurisdiction of incorporation), the validity, construction, interpretation, administration and effect of the Plan and any rules, regulations and actions relating to the Plan will be governed by and construed exclusively in accordance with the laws of the State of Delaware notwithstanding the conflicts of laws principles of any jurisdictions.

16.2. Successors and Assigns. The Plan will be binding upon and inure to the benefit of the successors and permitted assigns of the Company and the Participants.

Exhibit 10.3

September 8, 2014

Aqua Metals, Inc.
501 23rd Avenue
Oakland, CA 94606

Attention: Dr. Stephen Clarke

Re: Engagement Agreement for Strategic Consulting Services

Dear Dr. Clarke:

This letter agreement (the ***"Agreement***") confirms the terms and conditions pursuant to which Liquid Patent Consulting. LLC ***("Consultant***") will provide certain strategic, and intellectual property advisory services to Aqua Metals, lnc. (the ***"Company***") (the ***"Engagement***").

1 . Services. Consultant shall assist the Company with all aspects of its business, strategic and intellectual property development, including:

(a) Business Strategy Activities.

(1) Identify optimal legal entity structure, shareholding of parent and structure for all subsidiaries;

(2) Assess current management and identifying and recruiting additional key members of the management team and Board of Directors;

(3) Assess the Company's market landscape;

(4) Assess the Company's current business strategy and assisting in the formulation of an optimal business strategy, including a development and commercialization strategy;

(5) Assess the competitive features/functions of the Company's current and proposed products and services;

(6) Assess the Company's current financial and accounting processes and recommend revisions to such processes;

(7) Assess and make recommendations for performance measurement metrics for various functions/organizations and total enterprise;

(8) Assess and make recommendations for the Company's sales compensation structure;

(9) Assess and make recommendations for the Company's customer service methodologies, processes, performance measurement metrics;

(10) Evaluate and recommend potential strategic partners;

(11) Assist in development of detailed measurable actionable business and financial plan for the next 18 months; and

(12) General corporate advice, as needed and requested.

(b) IP Related Activities

(1) Review and analysis of inventions held by the Company to determine their usefulness, potential for monetization and potential patentability, including advice concerning the increase in the likelihood or strength of any of the foregoing;

(2) Interviewing the Company to understand the subject inventions and researching prior art for purposes of determining the patentability of such inventions;

(3) Advise and assist in developing a strategy for the preparation and filing of one or more patents, both United States and foreign, for purposes of adequately protecting the substantive claims underlying the inventions, including for each for each such invention a complete invention package with technical disclosure documentation (each, a ***"Disclosure***") for use in the Company's patent applications;

(4) Review and comment on patent applications filed with respect to such inventions;

(5) Review and comment on office actions concerning patent applications and issued patents;

(6) Advise and assist in developing a strategy for the Company's strategic acquisitions of inventions and patent rights to enhance the Company's portfolio of patent rights, including conducting the due diligence and acquisition efforts on behalf of the Company;

(7) Advise and assist with regard to licensing, litigation and sales of patent rights held by the Company; and

(8) Provide engineering and/or scientific advisory services to the Company.

The IP related services to be provided by Consultant to the Company set forth in Section 1(b) shall be subject to a written work assignment in the form of Exhibit A attached hereto *("**Work Assignment**")*. The Company shall use a Work Assignment to request the IP Services in Section 1(b)(1) through (8). Each Work Assignment, when signed and delivered by the Company and accepted by Consultant, shall become part of this Agreement and incorporated herein by this reference. In the event of any conflict between this Agreement and a Work Assignment, this Agreement shall govern and control.

(c) Additional Services/Exclusions. It is expressly understood and agreed that Consultant has not provided nor is undertaking to provide any advice to the Company relating to legal, regulatory, securities, finance, accounting, or tax matters. The services provided to the Company hereunder are designed to assist, but not replace, the Company's own intellectual property counsel and other professional advisers to the Company. Should the Company request Consultant to perform any services or act in any capacity not specifically addressed in this Agreement, such services or activities shall constitute separate engagements, the terms and conditions of which will be embodied in separate written agreement(s).

2. Compensation. As consideration for the services provided under this Agreement, the Company will pay Consultant certain fees as follows:

(a) Cash Fees. Company shall pay Consultant a cash fee for each of the IP related services in Section 1(b)(1) through (8) in the amount set forth in the schedule of fees set forth on Exhibit B attached hereto.

(b) Warrants. Upon execution of this Agreement, the Company shall sell to Consultant or its designees, for the total amount of $1,500, a warrant, which may be issued in one or more instruments, in the form of Exhibit C attached hereto (the *"**Warrants***"), to purchase an aggregate of 100 shares of Company common stock (the "***Common Stock***"), which is in an amount equal to ten percent (10%) of the total issued and outstanding Common Stock of the Company, on a fully diluted basis, excluding shares issued or issuable to Wirtz Manufacturing (or any of its affiliates) ("Wirtz") up to the first $1,000,000 of investment, as of the date hereof. Such Warrants will be for a term of three (3) years at an exercise price of $0.01 per share and shall contain cashless exercise and anti-dilution provisions and representations and warranties normal and customary for warrants issued to investors, and will not be callable or terminable favorable than those granted to any other person prior to or subsequent to the date of this Agreement. The Company shall bear all costs and expenses of registration, including the filing and clearing of one or more registration statements. The Warrants may be assigned to any persons or entities designated by Consultant. For purposes of clarification, the Warrants acquired by the Consultant hereunder are deemed fully paid and earned as of the date of this Agreement and are not cancellable or reducible for any reason by the Company, expect as provided in the Warrant itself.

(c) Gross Up of Warrants. In the event that the Company issues any shares of common stock or other securities that are convertible into shares of common stock, not in connection with a financing, prior to the close of the First Private Placement (as defined below), to any persons that are its employees (or affiliates or family members of those employees) as of the date of this Agreement, then the Company will immediately issue a gross up warrant ("Gross Up Warrant") to Consultant or its designees to purchase shares of common stock of the Company in an amount equal to 10% of the shares of common stock that are issued or issuable under the securities issuable to the employees (or affiliates or family members of the those employees. As used herein, the term "First Private Placement" means the first private placement of the Company's securities under circumstances that entitle National Securities Corporation ("NSC") Cash Fees and Warrants (as such terms are defined in that certain Engagement Agreement ("NSC Agreement") between the Company and NSC dated September 8, 2014 with respect to such sale transactions pursuant to Section 2 of the NSC Agreement.

(d) Patent Application. In addition, to the services in Section 1(b) and cash fees in subpart (a) of this Section 2, Consultant will provide, at the Company's request, turn-key patent application services for the fee of $7,500 per patent application. The patent legal services will be provided, at the Consultant's expense, by Dentons US, LLP ("Dentons") and the Company will be required to enter fees for a separate engagement with Dentons, although the Company shall only be responsible for any filing fees or out of pocket expenses incurred by Dentons.

(e) Expenses. The Company shall fund Consultant's travel and other reasonable expenses related to the Engagement, including economy class air fare, business class accommodations, ground transportation, meals and incidentals, in connection with visits by the Consultant team to the Company's site, provided that expenses exceeding $1,000 shall be subject to the Company's prior approval which shall not be unreasonably withheld.

(f) Payments. All payments to be made to Consultant hereunder will be made in cash by wire transfer of immediately available U.S. funds. Except as expressly set forth herein, no fee payable to Consultant hereunder shall be

(f) Payments. All payments to be made to Consultant hereunder will be made in cash by wire transfer of immediately available U.S. funds. Except as expressly set forth herein, no fee payable to Consultant hereunder shall be credited against any other fee due to Consultant or any of its affiliates. The obligation to pay any fee or expense set forth herein shall be absolute and unconditional and shall not be subject to reduction by way of setoff, recoupment or counterclaim.

(g) Compensation Earned. All the compensation provided under this Agreement will be deemed fully earned as of the date of the Agreement, and not subject to return in whole or in part or subject to reduction or further limitation, The Company waives any and all rights of set off against the compensation provided for herein, including any securities underlying any Warrants.

(h) Lock-Up Period. In the event of an initial public offering by the Company, all Warrants and shares of Common Stock received pursuant to exercise of such Warrants received by Consultant and its assigns hereunder may not be sold for a period of 12 months following the initial listing on an exchange.

3 . Representations and Warranties of the Company . The Company warrants and agrees that it is the true and rightful owner of all intellectual property rights in each of the assets and inventions submitted to Consultant for analysis; that any and all technical invention information provided to Consultant may, to the actual knowledge of the officers of the Company, be transmitted across country borders subject to compliance with applicable export control and similar laws; and that no U.S. agency has suspended, revoked, or denied the Company's export privileges.

4. Term and Termination. Consultant's Engagement will commence upon the execution of this Agreement and shall continue in effect for a period of one hundred eighty (180) days (the "***Initial Term***"). After the expiration of the Initial Term, the Agreement shall automatically renew and continue in effect until it is terminated by either party with thirty (30) days' written notice to the other pursuant to Section 10. Upon termination of this Agreement for any reason, the rights and obligations of the parties hereunder shall terminate, except for the obligations set forth in Sections 2 and 5-18, which shall survive termination.

5 . Confidentiality. Consultant acknowledges that in connection with the Engagement, the Company will provide Consultant with information which the Company considers to be confidential, including its trade secrets *("**Confidential Information**"*). Consultant agrees to employ all reasonable efforts to keep the Confidential Information secret and confidential, using no less than the degree of care employed by Consultant to preserve and safeguard its own confidential information, and shall not disclose or reveal the Confidential Information to anyone except its employees, consultants, affiliates and contractors who have an obligation of confidentiality with Consultant. Consultant will not use the Confidential Information except in connection with its performance of services hereunder, unless disclosure is required by law, court order, or any government, regulatory or self-regulatory agency or body in the opinion of Consultant's counsel, in which event Consultant will provide the Company with reasonable advance notice of such disclosure. "***Confidential Information****"* does not include information which (a) was in the public domain or readily available to the trade or the public prior to the date of the disclosure; (b) becomes generally available to the public in any manner or form through no fault of Consultant or its representatives; (c) was in Consultant's possession or readily available to Consultant from another source not under obligation of secrecy to the Company prior to the disclosure; (d) is rightfully received by Consultant from another source on a non-confidential basis; (e) is developed by or for Consultant without reference to the Company's Confidential Information; (f) is disclosed by the Company to an unaffiliated third party free of any obligation of confidence; or (g) is released for disclosure with the Company's written consent. Notwithstanding any termination of this Agreement, Consultant's confidentiality obligations (1) in respect of any material that qualifies as a "***Trade Secret****"* under the Uniform Trade Secrets Act ("***UTSA***") shall survive in perpetuity under the UTSA until such information ceases to be a Trade Secret, and (2) in respect of any non-Trade Secret, for a period of two years from the date of disclosure.

6 . Indemnification, The Company hereby agrees to indemnify and hold harmless Consultant and its affiliates and each of their directors, officers, managers, agents, employees, members and counsel (collectively, the *"**Consultant Indemnified Parties***") to the fullest extent permitted by law from and against any and all losses, claims, damages, expenses, or liabilities (or actions in respect thereof) ("**Losses**"), joint or several, to which they or any of them may become subject under any statute or at common law, and to reimburse such Consultant Indemnified Parties for any reasonable legal or other expense (including but not limited to the cost of any investigation, preparation, response to third party subpoenas) incurred by them in connection with any litigation or administrative or regulatory action (***"Proceeding***"), whether pending or threatened, and whether or not resulting in any liability, insofar as such losses, claims, liabilities, or litigation arise out of or are based upon the Engagement, including, but not limited to, the Company's use or misuse (including use contrary to federal or state law) of the Disclosure(s), the Company's breach of the representations and warranties contained in Section 3 hereof, or any violation of U.S. or other import or export controls; provided, however, that while the indemnity provisions herein shall include any and all claims regardless of whether Consultant's sole negligence, active or passive, contributed to losses, they shall not apply to (i) amounts paid in settlement of any such litigation if such settlement is effected without the consent of the Company, which consent will not be unreasonably withheld, or (ii) Losses arising solely from the willful misconduct, gross negligence or violation of applicable laws of Consultant Indemnified Parties.

The provisions of this Section 6 shall survive any termination or expiration of this Agreement.

7 . Work Product and Announcements. Consultant's advice shall be the sole proprietary work product and intellectual property of Consultant and such advice may not be disclosed, in whole or in part, to third parties other than the Company's professional advisors without the prior written permission of Consultant, unless such disclosure is required by law. Any document or information prepared by Consultant in connection with this Engagement shall not be duplicated by the Company except as explicitly provided for hereunder or required by law. The Company acknowledges that Consultant, at its option and expense, may place announcements and advertisements or otherwise publicize the Engagement (which may include the reproduction of the Company's logo and a hyperlink to the Company's website) on Consultant's website and in such financial and other newspapers and journals as it may choose.

8 . Limitation of Liability. Consultant shall employ due care and attention in providing the services hereunder. However, the Company acknowledges that Consultant does not warrant or represent the accuracy or completeness of any public information or any information provided solely by the Company used in any analysis and that inaccurate or incomplete data may affect the validity and reliability of Consultant's work product, including any draft patent Disclosures. Similarly, Consultant makes no representation or warranty with respect to the non-infringement of any of the assets or inventions described in the Disclosure(s). Consultant makes no warranty, representation, promise, or undertaking with respect to any legal or financial consequences of, or any other consequences or benefits obtained from the use of any work product hereunder, including the Disclosure(s), including any representation that any patent(s) will be granted. The Company assumes all risks related to documentation or technical information and data which may be subject to U.S. export controls or export or import restrictions in other countries. Consultant SPECIFICALLY DISCLAIMS ANY OTHER WARRANTY, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. CONSULTANT SHALL NOT BE LIABLE ON ACCOUNT OF ANY ERRORS, OMISSIONS, DELAYS, OR LOSSES UNLESS CAUSED BY ITS GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. TO THE FULLEST EXTENT PERMITTED BY LAW, NEITHER CONSULTANT NOR ANY OF ITS CONTROLLING PERSONS, AFFILIATES, DIRECTORS, OFFICERS, EMPLOYEES OR CONSULTANTS WILL BE LIABLE FOR ANY LOSS, DAMAGE OR INJURY (INCLUDING WITHOUT LIMITATION LOST PROFITS, INDIRECT, SPECIAL, OR CONSEQUENTIAL DAMAGES) ALLEGED TO BE CAUSED BY USE OF THE DISCLOSURE(S) OR OTHER SERVICES PROVIDED HEREUNDER. CONSULTANT'S LIABILITY ARISING UNDER THIS AGREEMENT SHALL BE LIMITED TO THE AMOUNTS PAID BY THE COMPANY TO CONSULTANT WITH REGARD TO THE PROVISION OF THE SPECIFIC SERVICES THAT GAVE RISE TO THE CLAIM OF LIABILITY, BUT IN NO EVENT WILL SUCH LIABILITY EXCEED THE TOTAL AMOUNT ACTUALLY PAID TO CONSULTANT PURSUANT TO SECTION 2.

Neither the Consultant nor any of its controlling persons, affiliates, directors, officers, employees or consultants shall have any liability to the Company or any person asserting claims on behalf of or in right of the Company for any losses, claims, damages, liabilities or expenses arising out of or relating to the services provided by Dentons on behalf of the Company pursuant to this Agreement, unless it is finally judicially determined that such losses, claims, damages, liabilities or expenses resulted solely from gross negligence or willful misconduct of the Consultant.

9 . Other Transactions; Disclaimers. The Company acknowledges that Consultant and its affiliates are engaged in other activities from which conflicting interests or duties, or the appearance thereof, may arise. Information held elsewhere within Consultant but not accessible will not under any circumstances affect Consultant's responsibilities to the Company hereunder. The Company further acknowledges that Consultant and its affiliates have and may continue to relationships with parties other than the Company pursuant to which Consultant may acquire information of interest to the Company. Consultant shall have no obligation to disclose to the Company or to use for the Company's benefit any such non-public information or other information acquired in the course of engaging in any other transaction (on Consultant's own account or otherwise) or otherwise carrying on the business of Consultant.

The Company further acknowledges and agrees that Consultant will act solely as an independent contractor hereunder, and that Consultant's responsibility to the Company is solely contractual in nature and that Consultant does not owe the Company or any other person or entity, including but not limited to its shareholders, any fiduciary or similar duty as a result of the Engagement or otherwise.

10. Notice. All notices, demands, and other communications to given pursuant to this Agreement shall be in writing and shall be personally delivered, sent by overnight delivery using a nationally recognized courier service, sent by facsimile transmission, or emailed. Notice shall be deemed received: (a) if personally delivered, upon the date of delivery to the address of the receiving party; (b) if sent by overnight courier, the date actually received by the recipient; (c) if sent email, when sent. The parties will each promptly notify the other of any changes to the following contact information.

Notices to Consultant shall be sent to:

Liquid Patent Consulting, LLC:
12100 Wilshire Blvd, Suite 800
Los Angeles, CA 90025
Attention: Ankur V. Desai
e-mail: adesai@liquidventure.com

Notices to the Company shall be sent to:

Aqua Metals, Inc.
501 23rd Avenue
Oakland, CA 94563
Attention: Steve Clarke
email: steve.clarke@aqmetals.com

11. Complete Agreement; Amendments; Assignment. This Agreement sets forth the entire understanding of the parties relating to the subject matter hereof and supersedes and cancels any prior communications, understandings and agreements, whether oral or written, between Consultant and the Company. This Agreement may not be amended or modified except in writing. The rights of Consultant hereunder shall be freely assignable to any affiliate of Consultant, and this Agreement shall apply to, inure to the benefit of and be binding upon and enforceable against the parties and their respective successors and assigns.

12. Third Party Beneficiaries. This Agreement is intended solely for the benefit of the parties hereto and, with the exception of the rights and benefits conferred upon the Consultant Indemnified Parties by Section 6 of this Agreement, shall not be deemed or interpreted to confer any rights upon any third parties.

13. Governing Law; Jurisdiction; Venue. All aspects of the relationship created by this Agreement shall be governed by and construed in accordance with the laws of the State of California, applicable to contracts made and to be performed in California, without regard to its conflicts of laws provisions. All actions and proceedings which are not submitted to arbitration pursuant to Section 14 hereof shall be heard and determined exclusively in the state and federal courts located in the County of Los Angeles, State of California, and the Company and Consultant hereby submit to the jurisdiction of such courts and irrevocably waive any defense or objection to such forum, on *forum non conveniens* grounds or otherwise.

14. Arbitration. Any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this agreement to arbitrate, shall be determined by arbitration before one arbitrator in Los Angeles (with the exception of claims to enforce the indemnity provision contained herein, administered by JAMS pursuant to its Streamlined Arbitration Rules and Procedures. Judgment on the Award may be entered in any court having jurisdiction. This clause shall not preclude parties from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction.

The arbitrator may, in the award, allocate all or part of the costs of the arbitration, including the fees of the arbitrator and the reasonable attorneys' fees of the prevailing party.

The parties hereby agree that this Section 14 shall survive the termination and/or expiration of this Agreement.

The Company's and Consultant's consent to Arbitration are confirmed by initialing below:

Company	Consultant

15. Severability. Should any one or more covenants, restrictions and provisions contained in this Agreement be held for any reason to be void, invalid or unenforceable, in whole or in part, such unenforceability will not affect the validity of any other term of this Agreement, and the invalid provision will be binding to the fullest extent permitted by law and will be deemed amended and construed so as to meet this intent. To the extent any provision cannot be so amended or construed as a matter of law, the validity of the remaining provisions shall be deemed unaffected and the illegal or invalid provision will be deemed stricken from this Agreement.

16. Section Headings. The section headings herein are for convenience of reference only, and shall not limit or otherwise affect the meaning hereof.

17. Accounting. Any calculation, computation or accounting that may be required under this Agreement shall be made in accordance and conformity with the Generally Accepted Accounting Principles and other standards as determined by the Financial Accounting Standards board and regulatory agencies with appropriate jurisdiction.

18. Counterparts. This Agreement may be executed via facsimile transmission and may be executed in separate counterparts, each of which shall be deemed to be an original and all of which together shall constitute a single instrument.

If the above accords with your understanding and agreement, kindly indicate your consent hereto by signing below. We look forward to a long and successful relationship with you.

Very truly yours,

Liquid Patent Consulting, LLC

By: _____
Ankur Desai
Founding Partner

ACCEPTED AND AGREED TO
AS OF THE DATE FIRST ABOVE WRITTEN:

Aqua Metals, Inc.

By: _____

EXHIBIT A

Work Assignment

Services

Payment of Fees
Bill Rate:

AGREED TO:
Liquid Patent Consulting, LLC
By: _____
Title: _____
Date: _____

Aqua Metals, Inc.
By: _____
Title: _____
Date: _____

EXHIBIT B

SCHEDULE OF FEES

Nature of IP Service	**Fee**
Review and analysis of inventions held by the Company to determine their usefulness, potential for monetization and potential patentability, including advice concerning the increase in the likelihood or strength of any of the foregoing;	
Interviewing Company to understand the subject inventions and researching prior art for purposes of determining the patentability of such inventions;	
Advise and assist in developing a strategy for the preparation and filing of one or more patents, both United States and foreign, for purposes of adequately protecting the substantive claims underlying the inventions	
Review and comment on patent applications filed with respect to such inventions;	
Review and comment on office actions concerning patent applications and issued patents;	
Advise and assist in developing a strategy for the Company's strategic acquisitions of inventions and patent rights to enhance the Company's portfolio of patent rights, including conducting the due diligence and acquisition efforts on behalf of the Company;	
Advise and assist with regard to licensing, litigation and sales of patent rights held by the Company	
Provide engineering and/or scientific advisory services to the Company	

EXHIBIT C

FORM OF WARRANT

NEITHER THESE SECURITIES NOR THE SECURITIES ISSUABLE UPON EXERCISE OF THESE SECURITIES HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "***SECURITIES ACT***") AND APPLICABLE STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO (I) AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR (II) AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS OR BLUE SKY LAWS. THESE SECURITIES AND THE SECURITIES ISSUABLE UPON EXERCISE OF THESE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES.

[Name of Issuer]

WARRANT TO PURCHASE COMMON STOCK

Warrant No.__ Original Issue Date: _____, 2014

_____, a _____ corporation (the *"**Company***"), hereby certifies that, for value received, Liquid Patent Consulting, LLC or its permitted registered assigns (the "***Holder***"), is entitled to purchase from the Company up to a total of _____ shares of common stock, $ _____ par value (the *"**Common Stock***"), of the Company (each such share, a "***Warrant Share***" and all such shares, the *"**Warrant Shares***") at an exercise price per share equal to $0.01 (as adjusted from time to time as provided in Section 9 herein, the *"**Exercise Price***"), at any time and from time to time from on or after the date hereof (the *"**Trigger Date**")* and through and including 5:00 P.M., prevailing Pacific time, on _____, 2017 (the "***Expiration Date***"), and subject to the following terms and conditions:

This Warrant (this *"**Warrant***") is one of a series of similar warrants issued pursuant to that certain Engagement Agreement for Strategic Consulting Services dated _____, 2014 between the Company and the Holder (the "***Consulting Agreement***"). All such warrants are referred to herein, collectively, as the *"**Warrants***."

1 . Definitions. In addition to the terms defined elsewhere in this Warrant, capitalized terms that are not otherwise defined herein have the meanings given to such terms in the Consulting Agreement.

2 . Registration of Warrants. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the ***"Warrant Register***"), in the name of the record Holder (which shall include the initial Holder or, as the case may be, any registered assignee to which this Warrant is permissibly assigned hereunder) from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

3 . Registration of Transfers. The Company shall register the transfer of all or any portion of this Warrant in the Warrant Register, upon (i) surrender of this Warrant, with the Form of Assignment attached as Schedule 2 hereto duly completed and signed, to the Company's transfer agent or to the Company at its address specified herein (ii) delivery, at the request of the Company, of an opinion of counsel reasonably satisfactory to the Company to the effect that the transfer of such portion of this Warrant may be made pursuant to an available exemption from the registration requirements of the Securities Act of 1933 ***("Securities Act***") and all applicable state securities or blue sky laws and (iii) delivery by the transferee of a written statement to the Company certifying that the transferee is an "accredited investor" as defined in Rule 501(a) under the Securities Act and making the representations and certifications as the Company may reasonably request to procure an exemption from section 5 of the Securities Act. Upon any such registration or transfer, a new warrant to purchase Common Stock in substantially the form of this Warrant (any such new warrant, a ***"New Warrant***") evidencing the portion of this Warrant so transferred shall be issued to the transferee, and a New Warrant evidencing the remaining portion of this Warrant not so transferred, if any, shall be issued to the transferring Holder. The acceptance of the New Warrant by the transferee thereof shall be deemed the acceptance by such transferee of all of the rights and obligations of a Holder of a Warrant.

4 Exercise and Duration of Warrants.

(a) All or any part of this Warrant shall be exercisable by the registered Holder at any time and from time to time on or after the Trigger Date and through and including 5:00 P.M. prevailing Pacific time on the Expiration Date. At 5:00 P.M., prevailing Pacific time, on the Expiration Date, the portion of this Warrant not exercised prior thereto shall be and become void and of no value and this Warrant shall be terminated and no longer outstanding.

(b) The Holder may exercise this Warrant by delivering to the Company (i) an exercise notice, in the form attached as Schedule 1 hereto (the *"**Exercise Notice***"), appropriately completed and duly signed, (ii) payment of the Exercise Price for the number of Warrant Shares as to which this Warrant is being exercised (which may take the form of a "cashless exercise" if so indicated in the Exercise Notice and if a "cashless exercise" may occur at such time pursuant to Section 10 below), and the date such items are delivered to the Company (as determined in accordance with the notice provisions hereof) is an "***Exercise Date**."* The Holder shall not be required to deliver the original Warrant in order to effect an exercise hereunder. Execution and delivery of the Exercise Notice shall have the same effect as cancellation of the original Warrant and issuance of a New Warrant evidencing the right to purchase the remaining number of Warrant Shares.

5. Delivery of Warrant Shares. Upon exercise of this Warrant, the Company shall promptly issue or cause to be issued and cause to be delivered to or upon the written order of the Holder and in such name or names as the Holder may designate a certificate for the Warrant Shares issuable upon such exercise, with an appropriate restrictive legends. The Holder, or any Person permissibly so designated by the Holder to receive Warrant Shares, shall be deemed to have become the holder of record of such Warrant Shares as of the Exercise Date.

6. Charges, Taxes and Expenses. Issuance and delivery of certificates for shares of Common Stock upon exercise of this Warrant shall be made without charge to the Holder for any issue or transfer tax, transfer agent fee or other incidental tax or expense in respect of the issuance of such certificates, all of which taxes and expenses shall be paid by the Company; *provided*, *however,* that the Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the registration of any certificates for Warrant Shares or Warrants in a name other than that of the Holder or an Affiliate thereof. The Holder shall be responsible for all other tax liability that may arise as a result of holding or transferring this Warrant or receiving Warrant Shares upon exercise hereof.

7. Replacement of Warrant. If this Warrant is mutilated, lost, stolen or destroyed, the Company shall issue or cause to be issued in exchange and substitution for and upon cancellation hereof, or in lieu of and substitution for this Warrant, a New Warrant, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft or destruction (in such case) and, in each case, a customary and reasonable indemnity (which shall not include a surety bond), if requested. Applicants for a New Warrant under such circumstances shall also comply with such other reasonable regulations and procedures and pay such other reasonable third-party costs as the Company may prescribe. If a New Warrant is requested as a result of a mutilation of this Warrant, then the Holder shall deliver such mutilated Warrant to the Company as a condition precedent to the Company's obligation to issue the New Warrant.

8. Reservation of Warrant Shares. The Company covenants that it will at all times reserve and keep available out of the aggregate of its authorized but unissued and otherwise unreserved Common Stock, solely for the purpose of enabling it to issue Warrant Shares upon exercise of this Warrant as herein provided, the number of Warrant Shares which are then issuable and deliverable upon the exercise of this entire Warrant, free from preemptive rights or any other contingent purchase rights of persons other than the Holder (taking into account the adjustments and restrictions of Section 9). The Company covenants that all Warrant Shares so issuable and deliverable shall, upon issuance and the payment of the applicable Exercise Price in accordance with the terms hereof, be duly and validly authorized, issued and fully paid and nonassessable. The Company will take all such action as may be necessary to assure that such shares of Common Stock may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of any securities exchange or automated quotation system upon which the Common Shares may be listed.

9. Certain Adjustments. The Exercise Price and number of Warrant Shares issuable upon exercise of this Warrant are subject to adjustment from time to time as set forth in this Section 9.

(a) Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding, (i) pays a stock dividend on its Common Stock or otherwise makes a distribution on any class of capital stock that is payable in shares of Common Stock, (ii) subdivides its outstanding shares of Common Stock into a larger number of shares, or (iii) combines its outstanding shares of Common Stock into a smaller number of shares, then in each such case the Exercise Price shall be multiplied by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately before such event and the denominator of which shall be the number of shares of Common Stock outstanding immediately after such event. Any adjustment made pursuant to clause (i) of this paragraph shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution, and any adjustment pursuant to clause (ii) or (iii) of this paragraph shall become effective immediately after the effective date of such subdivision or combination.

(b) Fundamental Transactions. If, at any time while this Warrant is outstanding (i) the Company effects any merger or consolidation of the Company with or into another Person, in which the Company is not the survivor, (ii) the Company effects any sale of all or substantially all of its assets or a majority of its Common Stock is acquired by a third party, in each case, in one or a series of related transactions, (iii) any tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which all or substantially all of the holders of Common Stock are permitted to tender or exchange their shares for other securities, cash or property, or (iv) the Company effects any reclassification of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property (other than as a result of a subdivision or combination of shares of Common Stock covered by Section 9(a) above) (in any such case, a "***Fundamental Transaction***"), then the Holder shall have the right thereafter to receive, upon exercise of this Warrant, the same amount and kind of securities, cash or property as it would have been entitled to receive upon the occurrence of such Fundamental Transaction if it had been, immediately prior to such Fundamental Transaction, the holder of the number of Warrant Shares then issuable upon exercise in full of this Warrant without regard to any limitations on exercise contained herein (the "***Alternate Consideration****").* The Company shall not effect any such Fundamental Transaction unless prior to or simultaneously with the consummation thereof, any successor to the Company, surviving entity or the corporation purchasing or otherwise acquiring such assets or other appropriate corporation or entity shall assume the obligation to deliver to the Holder, such Alternate Consideration as, in accordance with the foregoing provisions, the Holder may be entitled to purchase and/or receive (as the case may be), and the other obligations under this Warrant. The provisions of this paragraph (c) shall similarly apply to subsequent transactions analogous to a Fundamental Transaction.

(c) Number of Warrant Shares. Simultaneously with any adjustment to the Exercise Price pursuant to paragraph (a) of this Section, the number of Warrant Shares that may be purchased upon exercise of this Warrant shall be increased or decreased proportionately, so that after such adjustment the aggregate Exercise Price payable hereunder for the increased or decreased number of Warrant Shares shall be the same as the aggregate Exercise Price in effect immediately prior to such adjustment.

(d) Calculations. All calculations under this Section 9 shall be made to the nearest cent or the nearest $1/100^{th}$ of a share, as applicable. The number of shares of Common Stock outstanding at any given time shall not include shares owned or held by or for the account of the Company, and the sale or issuance of any such shares shall be considered an issue or sale of Common Stock.

(e) Notice of Adjustments. Upon the occurrence of each adjustment pursuant to this Section 9, the Company at its expense will, at the written request of the Holder, promptly compute such adjustment, in good faith, in accordance with the terms of this Warrant and prepare a certificate setting forth such adjustment, including a statement of the adjusted Exercise Price and adjusted number or type of Warrant Shares or other securities issuable upon exercise of this Warrant (as applicable), describing the transactions giving rise to such adjustments and showing in detail the facts upon which such adjustment is based. Upon written request, the Company will promptly deliver a copy of each such certificate to the Holder and to the Company's transfer agent.

(f) Notice of Corporate Events. If, while this Warrant is outstanding, the Company (i) declares a dividend or any other distribution of cash, securities or other property in respect of its Common Stock, including, without limitation, any granting of rights or warrants to subscribe for or purchase any capital stock of the Company, (ii) authorizes or approves, enters into any agreement contemplating or solicits stockholder approval for any Fundamental Transaction or (iii) authorizes the voluntary dissolution, liquidation or winding up of the affairs of the Company, then, except if such notice and the contents thereof shall be deemed to constitute material non-public information, the Company shall deliver to the Holder a notice describing the material terms and conditions of such transaction at least ten (10) Trading Days prior to the applicable record or effective date on which a Person would need to hold Common Stock in order to participate in or vote with respect to such transaction, and the Company will take all steps reasonably necessary in order to insure that the Holder is given the practical opportunity to exercise this Warrant prior to such time so as to participate in or vote with respect to such transaction; *provided, however,* that the failure to deliver such notice or any defect therein shall not affect the validity of the corporate action required to be described in such notice.

10. Payment of Exercise Price. The Holder shall pay the Exercise Price in immediately available funds; *provided, however,* the Holder may, in its sole discretion, commencing on the date that is 18 months from the date of this Warrant, satisfy its obligation to pay the Exercise Price through a "cashless exercise", in which event the Company shall issue to the Holder the number of Warrant Shares determined as follows:

$$X = Y [(A-B)/A]$$

where:

X = the number of Warrant Shares to be issued to the Holder.

Y = the total number of Warrant Shares with respect to which this Warrant is being exercised.

A = the average of the Closing Sale Prices of the shares of Common Stock (as reported by Bloomberg Financial Markets) for the five Trading Days ending on the date immediately preceding the Exercise Date.

B = the Exercise Price then in effect for the applicable Warrant Shares at the time of such exercise.

For purposes of this Warrant, *"**Closing Sale Price**"* means, for any security as of any date, the last trade price for such security on the principal securities exchange or trading market for such security, as reported by Bloomberg Financial Markets, or, if such exchange or trading market begins to operate on an extended hours basis and does not designate the last trade price, then the last trade price of such security prior to 4:00:00 p.m., New York Time, as reported by Bloomberg Financial Markets, or if the foregoing do not apply, the last trade price of such security in the over-the-counter market on the electronic bulletin board for such security as reported by Bloomberg Financial Markets, or, if no last trade price is reported for such security by Bloomberg Financial Markets, the average of the bid prices, or the ask prices, respectively, of any market makers for such security as reported in the "**pink sheets**" by Pink Sheets LLC. If the Closing Sale Price cannot be calculated for a security on a particular date on any of the foregoing bases, the Closing Sale Price of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. If the Company and the Holder are unable to agree upon the fair market value of such security, then the Company shall, within two business days submit via facsimile (a) the disputed determination of the Warrant Exercise Price to an independent, reputable investment bank selected by the Company and approved by the Holder or (b) the disputed arithmetic calculation of the Warrant Shares to the Company's independent, outside accountant. The Company shall cause at its expense the investment bank or the accountant, as the case may be, to perform the determinations or calculations and notify the Company and the Holder of the results no later than ten business days from the time it receives the disputed determinations or calculations. Such investment bank's or accountant's determination or calculation, as the case may be, shall be binding upon all parties absent demonstrable error. All such determinations to be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during the applicable calculation period.

For purposes of Rule 144 promulgated under the Securities Act, it is intended, understood and acknowledged that the Warrant Shares issued in a cashless exercise transaction shall be deemed to have been acquired by the Holder, and the holding period for the Warrant Shares shall be deemed to have commenced, on the date this Warrant was originally issued pursuant to the Consulting Agreement (provided that the Commission continues to take the position that such treatment is proper at the time of such exercise).

11. Limitation on Exercises. In the event that the Company registers the sale of any of its securities pursuant to the Securities Act of 1933, as amended, as an initial public offering, in an transaction that is subject FINRA review for compensation purposes, where the Holder is, or an affiliate of, a distribution participant for the offering, then this Warrant may not be exercised for 90 days after the effective date of the initial registration statement under that act. Additionally, the Company shall not effect the exercise of this Warrant, and the Holder shall not have the right to exercise this Warrant, to the extent that after giving effect to such exercise, the Holder (together with such Holder's affiliates) would beneficially own in excess of 4.99% ***("Maximum Percentage***") of the shares of Common Stock outstanding immediately after giving effect to such exercise. For purposes of the foregoing sentence, the aggregate number of shares of Common Stock beneficially owned by such Holder and its affiliates shall include the number of shares of Common Stock issuable upon exercise of this Warrant with respect to which the determination of such sentence is being made, but shall exclude shares of Common Stock which would be issuable upon (A) exercise of the remaining, unexercised portion of this Warrant beneficially owned by such Holder and its affiliates and (B) exercise or conversion of the unexercised or unconverted portion of any other securities of the Company beneficially owned by such Person and its affiliates (including, without limitation, any convertible notes or convertible preferred stock or warrants) subject to a limitation on conversion or exercise analogous to the limitation contained herein. Except as set forth in the preceding sentence, for purposes of this paragraph, beneficial ownership shall be calculated in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended. To the extent that the limitation contained in this Section 11 applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any affiliate) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any affiliate) and of which portion of this Warrant is exercisable, in each case subject to such aggregate percentage limitation, and the Company shall have no obligation to verify or confirm the accuracy of the determination. For purposes of this Warrant, in determining the number of outstanding shares of Common Stock, the Holder may rely on the number of outstanding shares of Common Stock as reflected in (1) the Company's most recent Form 10-K, Form 10-Q, Current Report on Form 8-K or other public filing with the Securities and Exchange Commission, as the case may be, (2) a more recent public announcement by the Company or (3) any other notice by the Company setting forth the number of shares of Common Stock outstanding, For any reason at any time, upon the written or oral request of the Holder, the Company shall within one (1) business day confirm orally and in writing to the Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder and its affiliates since the date as of which such number of outstanding shares of Common Stock was reported. By written notice to the Company, any Holder may decrease the Maximum Percentage to any other percentage specified in such notice; provided that such decrease will apply only to the Holder sending such notice and not to any other holder of Warrants. In addition, by written notice to the Company, any Holder may remove the limitations on exercises provided in this Section 11 entirely; provided that (i) any such removal will not be effective until the 61st day after such notice is delivered to the Company, and (ii) any such removal will apply only to the Holder sending such notice and not to any other holder of Warrants. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 11 to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended beneficial ownership limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation.

12. No Fractional Shares. No fractional Warrant Shares will be issued in connection with any exercise of this Warrant. In lieu of any fractional shares which would otherwise be issuable, the number of Warrant Shares to be issued shall be rounded up to the next whole number.

13. Notices. Any and all notices or other communications or deliveries hereunder (including, without limitation, any Exercise Notice) shall be in writing and shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via email at the email address specified in the Consulting Agreement prior to 5:00 p.m. (prevailing Pacific time) on a Trading Day, (ii) the next Trading Day after the date of transmission, if such notice or communication is delivered via email at the email address specified in the Consulting Agreement t on a day that is not a Trading Day or later than 5:00 p.m. (prevailing Pacific time) on any Trading Day, (iii) the Trading Day following the date of mailing, if sent by nationally recognized overnight courier service specifying next business day delivery, or (iv) upon actual receipt by the party to whom such notice is required to be given, if by hand delivery. The address and facsimile number of a party for such notices or communications shall be as set forth in the Consulting Agreement unless changed by such party by two Trading Days" prior notice to the other party in accordance with this Section 13.

1 4 . Warrant Agent. The Company shall serve as warrant agent under this Warrant. Upon thirty (30) days' notice to the Holder, the Company may appoint a new warrant agent. Any corporation into which the Company or any new warrant agent may be merged or any corporation resulting from any consolidation to which the Company or any new warrant agent shall be a party or any corporation to which the Company or any new warrant agent transfers substantially all of its corporate trust or shareholders services business shall be a successor warrant agent under this Warrant without any further act. Any such successor warrant agent shall promptly cause notice of its succession as warrant agent to be mailed (by first class mail, postage prepaid) to the Holder at the Holder's last address as shown on the Warrant Register.

15. Registration Rights. The Company agrees that the Holder and its assigns will have registration rights covering the resale of the Warrant Shares, including **"piggyback"** registration rights on the registrations of the Company or demand registrations (voting with the other registrable securities to effect any such demand), no less favorable than those granted to any other person by the Company prior or subsequent to the date of this Warrant. At such time, and from time to time, as the Company enters into an agreement subsequent to the date of this Warrant pursuant to which the Company grants any third party rights with respect to the Company's registration of Company securities under the Securities Act held by such party, the Company shall offer to enter into a formal written registration rights agreement with the Holder and its assigns on substantially the same terms and such other terms as are customary and usual for agreements of such nature. In addition to, and without restricting or limiting the scope of this subparagraph (a), the Company further agrees that:

(a) Right to Piggyback. Whenever the Company proposes to register any of its securities under the Securities Act, the Company will give prompt written notice to the Holder of its intention to effect such registration and will include in such registration all Warrant Shares with respect to which the Company has received a written request from the Holder for inclusion therein within 15 days after the receipt of the Company's notice. The Company will pay, or cause to be paid, the registration expenses of the Holder in all piggyback registrations.

(b) Underwritten Offering. If a piggyback registration is an underwritten primary or secondary registration on behalf of the Company and/or other holders of the Common Stock, and the managing underwriters advise the Company in writing that in their opinion the number of shares requested to be included in such registration (including the Warrant Shares and any other shares of Common Stock held by holders with registration rights) exceeds the number which can be sold in such offering without materially and adversely affecting the marketability of the offering, the Company will promptly furnish the Holder with a copy of the underwriter's opinion and may, by written notice to the Holder, include in such registration (i) first, the securities the Company proposes to sell, and (ii) second, the Common Stock requested to be included in such registration pro rata among all holders with registration rights on the basis of the number of shares owned by each such holder.

(c) Underwriting Agreement. In any registration in which the Warrant Shares is to be included, the Holder shall be a party to the underwriting agreement entered into by the Company in connection therewith, and the representations and warranties by, and the other agreements on the part of, the Company and for the benefit of the underwriters shall also be made to and for the benefit of the Holder.

(d) Documents, etc. The Company shall provide to the Holder any and all documents, statements, opinions and forms as the Holder reasonably deems necessary for the Holder to participate in any piggyback registrations and to facilitate the disposition of the Warrant Shares covered by such registration pursuant to the terms and conditions of this Agreement and the applicable securities laws.

(e) Indemnification. In the event of any piggyback registration of any Warrant Shares under the Securities Act, and in connection with any registration statement or any other disclosure document pursuant to which securities of the Company are sold, the Company will, and hereby does, jointly and severally, indemnify and hold harmless the Holder, its directors, officers, members, fiduciaries, and agents (each, a ***"Covered Person***") against any losses, claims, damages or liabilities, joint or several, to which such Covered Person may be or become subject under the Securities Act, any other securities or other laws of any jurisdiction, common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) arise out of or are based upon (1) any untrue statement or alleged untrue statement of any material fact contained or incorporated by reference in any registration statement under the Securities Act, any preliminary prospectus or final prospectus included therein, or any amendment or supplement thereto, or any document incorporated by reference therein, or any other such disclosure document, or (2) any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statement therein not misleading, and will reimburse such Covered Person for any legal or any other expenses incurred by in connection with investigating or defending any such loss, claim, damage, liability, action or proceeding; provided, however, the Company shall not be liable to any Covered Person in any such case to the extent that any such loss, claim, damage, liability, action or proceeding arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement, any such preliminary prospectus, final prospectus, amendment or supplement, any document incorporated by reference or other such disclosure document in reliance upon and in conformity with written information furnished to the Company through an instrument duly executed by such Covered Person specifically stating this it is for use in the preparation thereof.

(f) All fees and expenses incurred by the Company in connection with the performance of its obligation to register the Warrant Shares pursuant to Section 15 shall be borne by the Company; provided that any fees and expenses of the holder or holders thereof or of its or their counsel, and transfer taxes applicable to the sale of such Warrant Shares, shall be borne by such holder or holders.

16. Miscellaneous.

(a) The Holder, solely in such Person's capacity as a holder of this Warrant, shall not be entitled to vote or receive dividends or be deemed the holder of share capital of the Company for any purpose, nor shall anything contained in this Warrant be construed to confer upon the Holder, solely in such Person's capacity as the Holder of this Warrant, any of the rights of a stockholder of the Company or any right to vote, give or withhold consent to any corporate action (whether any reorganization, issue of stock, reclassification of stock, consolidation, merger, amalgamation, conveyance or otherwise), receive notice of meetings, receive dividends or subscription rights, or otherwise, prior to the issuance to the Holder of the Warrant Shares which such Person is then entitled to receive upon the due exercise of this Warrant. In addition, nothing contained in this Warrant shall be construed as imposing any liabilities on the Holder to purchase any securities (upon exercise of this Warrant or otherwise) or as a stockholder of the Company, whether such liabilities are asserted by the Company or by creditors of the Company. Notwithstanding this Section 16(a), the Company shall provide the Holder with copies of the same notices and other information given to the shareholders of the Company, contemporaneously with the giving thereof to the shareholders.

(b) Subject to the restrictions on transfer set forth on the first page hereof, and compliance with applicable securities laws, this Warrant may be assigned by the Holder. This Warrant may not be assigned by the Company except to a successor in the event of a Fundamental Transaction. This Warrant shall be binding on and inure to the benefit of the parties hereto and their respective successors and assigns. Subject to the preceding sentence, nothing in this Warrant shall be construed to give to any Person other than the Company and the Holder any legal or equitable right, remedy or cause of action under this Warrant. This Warrant may be amended only in writing signed by the Company and the Holder, or their successors and assigns.

(c) GOVERNING LAW; VENUE; WAIVER OF JURY TRIAL. ALL QUESTIONS CONCERNING THE CONSTRUCTION, VALIDITY, ENFORCEMENT AND INTERPRETATION OF THIS WARRANT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA WITHOUT REGARD TO THE PRINCIPLES OF CONFLICTS OF LAW THEREOF. EACH PARTY HEREBY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS SITTING IN THE CITY OF LOS ANGELES, CALIFORNIA, FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION HEREWITH OR WITH ANY TRANSACTION CONTEMPLATED HEREBY OR DISCUSSED HEREIN (INCLUDING WITH RESPECT TO THE ENFORCEMENT OF ANY OF THE TRANSACTION DOCUMENTS), AND HEREBY IRREVOCABLY WAIVES, AND AGREES NOT TO ASSERT IN ANY SUIT, ACTION OR PROCEEDING, ANY CLAIM THAT IT IS NOT PERSONALLY SUBJECT TO THE JURISDICTION OF ANY SUCH COURT, THAT SUCH SUIT, ACTION OR PROCEEDING IS IMPROPER. EACH PARTY HEREBY IRREVOCABLY WAIVES PERSONAL SERVICE OF PROCESS AND CONSENTS TO PROCESS BEING SERVED IN ANY SUCH SUIT, ACTION OR PROCEEDING BY MAILING A COPY THEREOF VIA REGISTERED OR CERTIFIED MAIL OR OVERNIGHT DELIVERY (WITH EVIDENCE OF DELIVERY) TO SUCH PARTY AT THE ADDRESS IN EFFECT FOR NOTICES TO IT UNDER THIS AGREEMENT AND AGREES THAT SUCH SERVICE SHALL CONSTITUTE GOOD AND SUFFICIENT SERVICE OF PROCESS AND NOTICE THEREOF. NOTHING CONTAINED HEREIN SHALL BE DEEMED TO LIMIT IN ANY WAY ANY RIGHT TO SERVE PROCESS IN ANY MANNER PERMITTED BY LAW. THE COMPANY HEREBY WAIVES ALL RIGHTS TO A TRIAL BY JURY.

(d) The headings herein are for convenience only, do not constitute a part of this Warrant and shall not be deemed to limit or affect any of the provisions hereof.

(e) In case any one or more of the provisions of this Warrant shall be invalid or unenforceable in any respect, the validity and enforceability of the remaining terms and provisions of this Warrant shall not in any way be affected or impaired thereby, and the parties will attempt in good faith to agree upon a valid and enforceable provision which shall be a commercially reasonable substitute therefor, and upon so agreeing, shall incorporate such substitute provision in this Warrant.

(f) Except as otherwise set forth herein, prior to exercise of this Warrant, the Holder hereof shall not, by reason of by being a Holder, be entitled to any rights of a stockholder with respect to the Warrant Shares.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK,
SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed by its authorized officer as of the date first indicated above.

By: _____
(Name and Title)

SCHEDULE 1
FORM OF EXERCISE NOTICE

(To be executed by the Holder to exercise the right to purchase shares of Common Stock under the foregoing Warrant)

Ladies and Gentlemen:

(1) The undersigned is the Holder of Warrant No. _____ (the **"Warrant")** issued by _____, a _____ corporation (the **"Company").** Capitalized terms used herein and not otherwise defined herein have the respective meanings set forth in the Warrant.

(2) The undersigned hereby exercises its right to purchase _____ Warrant Shares pursuant to the Warrant.

(3) The Holder intends that payment of the Exercise Price shall be made as (check one):

Cash Exercise

"Cashless Exercise" under Section 10

(4) If the Holder has elected a Cash Exercise, the Holder shall pay the sum of $_____ in immediately available funds to the Company in accordance with the terms of the Warrant.

(5) Pursuant to this Exercise Notice, the Company shall deliver to the Holder _____ Warrant Shares in accordance with the terms of the Warrant.

Dated:_____, _____
Name of Holder: _____
By: _____
Name: _____
Title: _____
(Signature must conform in all respects to name of Holder as specified on the face of the Warrant)

SCHEDULE 2

_____.

FORM OF ASSIGNMENT

[To be completed and signed only upon transfer of Warrant]

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ (the " ***Transferee"*** the right represented by the within Warrant to purchase _____ shares of Common Stock of _____ (the ***"Company***") to which the within Warrant relates and appoints _____ attorney to transfer said right on the books of the Company with full power of substitution in the premises. In connection therewith, the undersigned represents, warrants, covenants and agrees to and with the Company that:

(a) the offer and sale of the Warrant contemplated hereby is being made in compliance with Section 4(1) of the United States Securities Act of 1933, as amended (the "***Securities Act****")* or another valid exemption from the registration requirements of Section 5 of the Securities Act and in compliance with all applicable securities laws of the states of the United States;

(b) the undersigned has not offered to sell the Warrant by any form of general solicitation or general advertising, including, but not limited to, any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over television or radio, and any seminar or meeting whose attendees have been invited by any general solicitation or general advertising;

(c) the undersigned has read the Transferee's investment letter included herewith, and to its actual knowledge, the statements made therein are true and correct; and

(d) the undersigned understands that the Company may condition the transfer of the Warrant contemplated hereby upon the delivery to the Company by the undersigned or the Transferee, as the case may be, of a written opinion of counsel (which opinion shall be in form, substance and scope customary for opinions of counsel in comparable transactions) to the effect that such transfer may be made without registration under the Securities Act and under applicable securities laws of the states of the United States.

Dated _____,__

(Signature must conform in all respects to name of holder as specified on the face of the Warrant)

Address of Transferee

In the presence of:

Exhibit 10.4

SECURITIES PURCHASE AGREEMENT

This **SECURITIES PURCHASE AGREEMENT** (this "**Agreement**"), dated as of October 31, 2014 (the "**Effective Date**"), is by and among Aqua Metals, Inc., a Delaware corporation (the "**Company**"), and the investors that have executed this Agreement and are listed on the Schedule of Buyers, attached hereto as **Exhibit A** (individually, a "**Buyer**" and collectively, the "**Buyers**").

RECITALS

A. The Company and each Buyer is executing and delivering this Agreement in reliance upon the exemption from securities registration afforded by Section 4(a)(2) of the Securities Act of 1933, as amended (the "**1933 Act**"), and Rule 506 of Regulation D ("**Regulation D**"), as promulgated by the United States Securities and Exchange Commission (the "**SEC**") under the 1933 Act.

B. The Company has authorized the issuance of senior secured convertible notes in the aggregate original principal amount of up to $4,500,000, in the form attached hereto as **Exhibit B** (the "**Notes**"), which Notes shall be convertible into shares of Common Stock (as defined in the Notes) (as converted, collectively, the "**Conversion Shares**"), in accordance with the terms of the Notes.

C. Each Buyer wishes to purchase, and the Company wishes to sell, upon the terms and conditions stated in this Agreement, the aggregate original principal amount of the Notes set forth opposite such Buyer's name in column (2) on the Schedule of Buyers.

D. At the Closing, the parties hereto shall execute and deliver a Registration Rights Agreement, in the form attached hereto as **Exhibit C** (the "**Registration Rights Agreement**"), pursuant to which the Company has agreed to provide certain registration rights with respect to the Registrable Securities (as defined in the Registration Rights Agreement), under the 1933 Act and the rules and regulations promulgated thereunder, and applicable state securities laws.

E. In connection with the Offering, the Company, together with National Securities Corporation (the "**Placement Agent**"), have entered into an escrow agreement, in the form attached hereto as **Exhibit D** (the "**Escrow Agreement**"), with U.S. Bank National Association (the ("**Escrow Agent**"), to hold the Purchase Price (as hereinafter defined), to be released at the Closing to the Company, upon the written consent of the Company and the Placement Agent.

F. The Notes and the Conversion Shares are collectively referred to herein as the "**Securities**."

G. The Notes will be secured by a first priority perfected security interest in all the assets of the Company as evidenced by a security agreement in the form attached hereto as **Exhibit E** (the "**Security Agreement**" and together with the other security documents and agreements entered into in connection with this Agreement and each of such other documents and agreements, as each may be amended or modified from time to time, collectively, the "**Security Documents**").

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and each Buyer hereby agree as follows:

1. PURCHASE AND SALE OF NOTES AND WARRANTS.

(a) Notes. Subject to the satisfaction (or waiver) of the conditions set forth in Sections 6 and 7 below, the Company shall issue and sell to each Buyer, and each Buyer severally, but not jointly, shall purchase from the Company on the Closing Date (as defined below), a Note in the original principal amount as is set forth opposite such Buyer's name in column (2) on the Schedule of Buyers.

(b) Closing. The closing (the "**Closing**") of the purchase of the Notes by the Buyers shall occur at the offices of Greenberg Traurig, LLP, 3161 Michelson Drive, Suite 1000, Irvine, CA 92612. The date and time of the Closing (the "**Closing Date**") shall be 11:00 a.m., New York time, on the first Business Day on which the conditions to the Closing set forth in Sections 6 and 7 below are satisfied or waived (or such later date as is mutually agreed to by the Company and each Buyer). As used herein "**Business Day**" means any day other than a Saturday, Sunday or other day on which commercial banks in New York, New York are authorized or required by law to remain closed.

(c) Purchase Price. The purchase price for each Note to be purchased by each Buyer (the "**Purchase Price**") shall be equal to the original principal amount of the Note set forth opposite such Buyer's name in column (2) on the Schedule of Buyers.

(d) Payment of Purchase Price; Delivery of Notes. On the Closing Date, (i) each Buyer shall pay its respective Purchase Price to the Company through the Escrow Agent for their respective Note to be issued and sold to such Buyer at the Closing, and (ii) the Company shall deliver to each Buyer a Note (in such amount as is set forth opposite such Buyer's name in column (2) on the Schedule of Buyers), in all cases, duly executed on behalf of the Company and registered in the name of such Buyer or its designee.

2. BUYER'S REPRESENTATIONS AND WARRANTIES.

Each Buyer represents and warrants to the Company with respect to only itself that:

(a) Organization; Authority. Such Buyer (i) if an entity, is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization with the requisite power and authority to enter into and to consummate the transactions contemplated by the Transaction Documents (as defined below) to which it is a party and otherwise to carry out its obligations hereunder and thereunder, or (ii) if an individual, has the legal capacity to enter into and to consummate the transactions contemplated by the Transaction Documents to which it is a party and otherwise to carry out its obligations hereunder and thereunder.

(b) No Public Sale or Distribution. Such Buyer (i) is acquiring its Note, and (ii) upon conversion of its Note will acquire the Conversion Shares issuable upon conversion thereof, in each case, for its own account and not with a view towards, or for resale in connection with, the public sale or distribution thereof in violation of applicable securities laws, except pursuant to sales registered or exempted under the 1933 Act; provided, however, by making the representations herein, such Buyer does not agree, or make any representation or warranty, to hold any of the Securities for any minimum or other specific term and reserves the right to dispose of the Securities at any time in accordance with or pursuant to a registration statement or an exemption under the 1933 Act. Such Buyer does not presently have any agreement or understanding, directly or indirectly, with any Person (as defined below) to distribute any of the Securities in violation of applicable securities laws.

(c) Accredited Investor Status. Such Buyer is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D.

(d) Reliance on Exemptions. Such Buyer understands that the Securities are being offered and sold to it in reliance on specific exemptions from the registration requirements of United States federal and state securities laws and that the Company is relying in part upon the truth and accuracy of, and such Buyer's compliance with, the representations, warranties, agreements, acknowledgments and understandings of such Buyer set forth herein in order to determine the availability of such exemptions and the eligibility of such Buyer to acquire the Securities.

(e) Information. Such Buyer and its advisors, if any, have been furnished with the Company's private placement memorandum dated October 2, 2014 (the "**Private Placement Memorandum**") and with all other materials relating to the business, finances and operations of the Company and materials relating to the offer and sale of the Securities which have been requested by such Buyer. Such Buyer and its advisors, if any, have been afforded the opportunity to ask questions of the Company. Such Buyer understands that its investment in the Securities involves a high degree of risk. Such Buyer has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision with respect to its acquisition of the Securities.

(f) No Governmental Review. Such Buyer understands that no United States federal or state agency or any other government or governmental agency has passed on or made any recommendation or endorsement of the Securities or the fairness or suitability of the investment in the Securities nor have such authorities passed upon or endorsed the merits of the offering of the Securities.

(g) Transfer or Resale. Such Buyer understands that except as provided in the Registration Rights Agreement or Section 4(h) hereof: (i) the Securities have not been and are not being registered under the 1933 Act or any state securities laws, and may not be offered for sale, sold, assigned or transferred unless (A) subsequently registered thereunder, (B) such Buyer shall have delivered to the Company (if requested by the Company) an opinion of counsel to such Buyer, in a form reasonably acceptable to the Company, to the effect that such Securities to be sold, assigned or transferred may be sold, assigned or transferred pursuant to an exemption from such registration, or (C) such Buyer provides the Company with reasonable assurance and documentation as may be requested by the Company or its legal counsel that such Securities can be sold, assigned or transferred pursuant to Rule 144 or Rule 144A promulgated under the 1933 Act (or a successor rule thereto) (collectively, "**Rule 144**"); (ii) any sale of the Securities made in reliance on Rule 144 may be made only in accordance with the terms of Rule 144, and further, if Rule 144 is not applicable, any resale of the Securities under circumstances in which the seller (or the Person through whom the sale is made) may be deemed to be an underwriter (as that term is defined in the 1933 Act) may require compliance with some other exemption under the 1933 Act or the rules and regulations of the SEC promulgated thereunder; and (iii) neither the Company nor any other Person is under any obligation to register the Securities under the 1933 Act or any state securities laws or to comply with the terms and conditions of any exemption thereunder.

(h) Validity; Enforcement. This Agreement and the other Transaction Documents executed by the Buyer have been duly and validly authorized, executed and delivered on behalf of such Buyer and constitutes the legal, valid and binding obligations of such Buyer enforceable against such Buyer in accordance with their respective terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies.

(i) No Conflicts. The execution, delivery and performance by such Buyer of this Agreement and the other Transaction Documents executed by the Buyer and the consummation by such Buyer of the transactions contemplated hereby and thereby will not (i) result in a violation of the organizational documents of such Buyer, (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which such Buyer is a party or (iii) result in a violation of any law, rule, regulation, order, judgment or decree (including federal and state securities laws) applicable to such Buyer, except in the case of clauses (ii) and (iii) above, for such conflicts, defaults, rights or violations which would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the ability of such Buyer to perform its obligations hereunder.

(j) Buyer's Principal Residence/Office. The address of Buyer's principal residence, if Buyer is a natural Person, or principal office, if Buyer is a non-natural Person, such as a corporation, limited liability company or other entity, is set forth on the Buyer's signature page hereto.

(k) No Engagements. Such Buyer has not engaged any brokers, finders or agents, and the Company has not, nor will, incur, directly or indirectly, as a result of any action taken by such Buyer, any liability for brokerage or finders' fees or agents' commissions or any similar charges in connection with the transactions consummated under this Agreement. Neither such Buyer, nor any of Buyer's officers, directors, employees, agents, stockholders or partners has either directly or indirectly, including through a broker or finder: (i) engaged in or received any general solicitation or (ii) published or received any advertisement in connection with the offer or sale of the Securities.

3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

The Company represents and warrants to each of the Buyers that:

(a) Organization and Qualification. The Company is an entity duly organized and validly existing and in good standing under the laws of the jurisdiction in which it is formed, and has the requisite power and authorization to own its properties and to carry on its business as now being conducted and as presently proposed to be conducted. The Company is duly qualified as a foreign entity to do business and is in good standing in every jurisdiction in which its ownership of property or the nature of the business conducted by it makes such qualification necessary, except to the extent that the failure to be so qualified or be in good standing would not be reasonably expected to have a Material Adverse Effect. "**Material Adverse Effect**" means any material adverse effect on (i) the business, properties, assets, liabilities, operations (including results thereof) or condition (financial or otherwise) of the Company, either individually or taken as a whole, (ii) the transactions contemplated hereby or in any of the other Transaction Documents, or (iii) the authority or ability of the Company to perform any of its obligations under any of the Transaction Documents. The Company has no Subsidiaries. "**Subsidiaries**" means any Person in which the Company, directly or indirectly, (I) owns any of the outstanding capital stock or holds any equity or similar interest of such Person or (II) controls or operates all or any part of the business, operations or administration of such Person, and each of the foregoing, is individually referred to herein as a "**Subsidiary**." Additionally, to the extent that any Subsidiary is hereafter created, and the context of the provision of this Agreement would ordinarily include a Subsidiary, then the term "Company" will be deemed to include such Subsidiary.

(b) Authorization; Enforcement; Validity. The Company has the requisite power and authority to enter into and perform its obligations under this Agreement and the other Transaction Documents and to issue the Securities in accordance with the terms hereof and thereof. The execution and delivery of this Agreement and the other Transaction Documents by the Company, and the consummation by the Company of the transactions contemplated hereby and thereby (including, without limitation, the issuance of the Notes and the reservation for issuance and issuance of the Conversion Shares issuable upon conversion of the Notes) have been duly authorized by the Company's board of directors or other governing body, as applicable, and (other than the filing with the SEC of one or more Registration Statements (as defined in the Registration Rights Agreement) in accordance with the requirements of the Registration Rights Agreement, a Form D with the SEC and any other filings as may be required by any state securities agencies) no further filing, consent or authorization is required by the Company, its respective boards of directors or the stockholders or other governing body. This Agreement has been, and the other Transaction Documents will be prior to the Closing, duly executed and delivered by the Company, and each constitutes the legal, valid and binding obligations of the Company, enforceable against the Company in accordance with its respective terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation or similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies and except as rights to indemnification and to contribution may be limited by federal or state securities law. "**Transaction Documents**" means, collectively, this Agreement, the Notes, the Security Documents, the Registration Rights Agreement, the Irrevocable Transfer Agent Instructions (as defined in the Registration Rights Agreement and each of the other agreements and instruments entered into or delivered by any of the parties hereto in connection with the consummation of the transactions contemplated hereby and thereby, as may be amended from time to time.

(c) Issuance of Conversion Shares. The Conversion Shares, when issued in accordance with the terms of the Notes, will be validly issued, fully paid and non-assessable and free from all preemptive or similar rights, taxes, liens, charges and other encumbrances with respect to the issue thereof under the terms thereof, with the holders being entitled to all rights accorded to a holder of Common Stock. The Company shall have reserved from its duly authorized capital stock not less than one hundred ten percent (110%) of the maximum number of Conversion Shares issuable upon conversion of the Notes in accordance with their terms. Subject to the accuracy of the representations and warranties of the Buyers in this Agreement, the offer and issuance by the Company of the Securities is exempt from registration under the 1933 Act.

(d) No Conflicts. The execution, delivery and performance of the Transaction Documents by the Company and the consummation by the Company of the transactions contemplated hereby and thereby (including, without limitation, the issuance of the Notes, the Conversion Shares upon conversion of the Notes, the reservation for issuance of the Conversion Shares and the creation of the security interests represented by the Security Documents) will not (i) result in a violation of the Certificate of Incorporation (as defined below) (including, without limitation, any certificate of designation contained therein) or other organizational documents of the Company, any capital stock of the Company or Bylaws (as defined below) of the Company, (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which the Company is a party or (iii) result in a violation of any law, rule, regulation, order, judgment or decree (including, without limitation, foreign, federal and state securities laws and regulations) applicable to the Company or by which any property or asset of the Company is bound or affected except, in the case of clause (ii) or (iii) above, to the extent such violations that could not reasonably be expected to have a Material Adverse Effect.

(e) Consents. The Company is not required to obtain any consent from, authorization or order of, or make any filing or registration with (other than the filing with the SEC of one or more Registration Statements in accordance with the requirements of the Registration Rights Agreement, a Form D with the SEC and any other filings as may be required by any state securities agencies), any court, governmental agency or any regulatory or self-regulatory agency or any other Person in order for it to execute, deliver or perform any of its respective obligations under, or contemplated by, the Transaction Documents, in each case, in accordance with the terms hereof or thereof. All consents, authorizations, orders, filings and registrations which the Company is required to obtain at or prior to the Closing have been or will be obtained or made on or prior to the Closing Date, and the Company is not aware of any facts or circumstances which might prevent the Company from obtaining or effecting any of the registration, application or filings contemplated by the Transaction Documents.

(f) Acknowledgment Regarding Buyer's Purchase of Securities. The Company acknowledges and agrees that each Buyer is acting solely in the capacity of an arm's length purchaser with respect to the Transaction Documents and the transactions contemplated hereby and thereby and that no Buyer is (i) an officer or director of the Company, (ii) an "affiliate" (as defined in Rule 144) of the Company or (iii) to its knowledge, a "beneficial owner" of more than ten percent (10%) of the shares of Common Stock (as defined for purposes of Rule 13d-3 of the Securities and Exchange Act of 1934 Act, as amended ("**1934 Act**")). The Company further acknowledges that no Buyer is acting as a financial advisor or fiduciary of the Company (or in any similar capacity) with respect to the Transaction Documents and the transactions contemplated hereby and thereby, and any advice given by a Buyer or any of its representatives or agents in connection with the Transaction Documents and the transactions contemplated hereby and thereby is merely incidental to such Buyer's purchase of the Securities. The Company further represents to each Buyer that the Company's decision to enter into the Transaction Documents to which it is a party has been based solely on the independent evaluation by the Company and its respective representatives.

(g) No General Solicitation; Placement Agent's Fees. Neither the Company nor any Person acting on its behalf, has engaged in any form of general solicitation or general advertising (within the meaning of Regulation D) in connection with the offer or sale of the Securities. The Company shall be responsible for the payment of any Placement Agent's fees, financial advisory fees, or brokers' commissions (other than for Persons engaged by any Buyer or its investment advisor) relating to or arising out of the transactions contemplated hereby. Other than the Placement Agent, to which a cash fee of 10% of the gross proceeds and a warrant equal to 10% of the Conversion Shares, the Company has not engaged any placement agent or other broker or dealer in connection with the offer or sale of the Securities.

(h) No Integrated Offering. None of the Company or, to its knowledge, any of its affiliates, nor any Person acting on its behalf has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would require registration of the issuance of any of the Securities under the 1933 Act, whether through integration with prior offerings or otherwise, or cause this offering of the Securities to require approval of stockholders of the Company (other than any required approval of holders of a majority of the outstanding common stock of the Company received before the Closing) under any applicable stockholder approval provisions. None of the Company, nor its affiliates nor any Person acting on their behalf will take any action or steps that would require registration of the issuance of any of the Securities under the 1933 Act or cause the offering of any of the Securities to be integrated with other offerings of securities of the Company.

(i) Dilutive Effect. The Company understands and acknowledges that the number of Conversion Shares may increase in certain circumstances. The Company further acknowledges that its obligation to issue the Conversion Shares upon conversion of the Notes in accordance with this Agreement and the Notes is absolute and unconditional, regardless of the dilutive effect that such issuance may have on the ownership interests of other stockholders of the Company.

(j) Application of Takeover Protections; Rights Agreement. The Company and its board of directors have taken all necessary action, if any, in order to render inapplicable any control share acquisition, interested stockholder, business combination, poison pill (including, without limitation, any distribution under a rights agreement) or other similar anti-takeover provision under the Certificate of Incorporation, Bylaws or other organizational documents which is or could become applicable to any Buyer as a result of the consummation of the transactions contemplated by this Agreement, including, without limitation, the Company's issuance of the Securities and any Buyer's ownership of the Securities. The Company and its board of directors have taken all necessary action, if any, in order to render inapplicable any stockholder rights plan or similar arrangement relating to accumulations of beneficial ownership of shares of Common Stock or a change in control of the Company.

(k) Placement Documents; Financial Statements. The Private Placement Memorandum provided to the Buyers in connection with the sale of the Notes, at the time of the date thereon, as it may be amended from time to time, did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. As of their respective dates, the financial statements of the Company included in the private placement memorandum are unaudited and were not prepared in accordance with generally accepted accounting principles, but fairly represented the financial position and results of the Company as of at and for the periods ended on the dates of such financial statements. No other information provided by or on behalf of the Company to any of the Buyers taken together with such Private Placement Memorandum contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein not misleading, in the light of the circumstance under which they are or were made.

(l) Absence of Certain Changes. Since the date of the Company's most recent financial statements contained in the Private Placement Memorandum provided to the Buyers in connection with the sale of the Notes, there has been no material adverse change and no material adverse development in the business, assets, liabilities, properties, operations (including results thereof), condition (financial or otherwise) or prospects of the Company. Since the date of the Company's most recent financial statements contained in in the Private Placement Memorandum provided to the Buyer in connection with the sale of the Notes, the Company has not (i) declared or paid any dividends (whether by cash, property or securities), (ii) sold any assets, individually or in the aggregate, outside of the ordinary course of business or (iii) made any capital expenditures, individually or in the aggregate, outside of the ordinary course of business. The Company has not taken any steps to seek protection pursuant to any law or statute relating to bankruptcy, insolvency, reorganization, receivership, liquidation or winding up, nor does the Company have any knowledge or reason to believe that any of their respective creditors intend to initiate involuntary bankruptcy proceedings or any actual knowledge of any fact which would reasonably lead a creditor to do so. The Company is not as of the date hereof, and after giving effect to the transactions contemplated hereby to occur at the Closing, will not be Insolvent (as defined below). "**Insolvent**" means (i) the present fair saleable value of the Company's assets is less than the amount required to pay the Company's total Indebtedness (as defined below), (ii) the Company is unable to pay its debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured or (iii) the Company intends to incur or believe that it will incur debts that would be beyond its ability to pay as such debts mature.

(m) No Undisclosed Events, Liabilities, Developments or Circumstances. The Company has no knowledge of any event, liability, development or circumstance that has occurred or exists, or that is reasonably expected to occur or exist with respect to the Company or any of its business, properties, liabilities, operations (including results thereof) or condition (financial or otherwise), that (i) would be required to be disclosed by the Company under applicable securities laws on a registration statement on Form S-1 filed with the SEC relating to an issuance and sale by the Company of its Common Stock and which has not been publicly announced or disclosed to the Buyers, (ii) could have a material adverse effect on any Buyer's investment hereunder or (iii) could have a Material Adverse Effect.

(n) Conduct of Business; Regulatory Permits. The Company is not in violation of any term of or in default under its Certificate of Incorporation or Bylaws. The Company is not in violation of any judgment, decree or order or any statute, ordinance, rule or regulation applicable to the Company, and the Company will not conduct its business in violation of any of the foregoing, except in all cases for possible violations which could not, individually or in the aggregate, have a Material Adverse Effect. Except as set forth on Schedule 3(n) attached to the Disclosure Letter, the Company possess all certificates, authorizations and permits issued by the appropriate regulatory authorities necessary to conduct their respective businesses, except where the failure to possess such certificates, authorizations or permits would not have, individually or in the aggregate, a Material Adverse Effect, and the Company has not received any notice of proceedings relating to the revocation or modification of any such certificate, authorization or permit.

(o) Foreign Corrupt Practices. The Company and none of its directors, officers, agents, employees or other Persons acting on behalf of the Company has, in the course of its actions for, or on behalf of, the Company (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977, as amended; or (iv) made any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any foreign or domestic government official or employee.

(p) Sarbanes-Oxley Act. The Company is in compliance with all applicable requirements of the Sarbanes-Oxley Act of 2002 and all applicable rules and regulations promulgated by the SEC thereunder.

(q) Transactions With Affiliates. Except as set forth on Schedule 3(q) attached to the Disclosure Letter and in the Private Placement Memorandum provided to the Buyers in connection with the sale of the Notes, none of the officers, directors, employees or affiliates of the Company is presently a party to any transaction with the Company (other than for ordinary course services as employees, officers or directors and immaterial transactions), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from any such officer, director, employee or affiliate or, to the knowledge of the Company, any corporation, partnership, trust or other Person in which any such officer, director, employee or affiliate has a substantial interest or is an employee, officer, director, trustee or partner.

(r) Equity Capitalization. As of the date hereof, the authorized capital stock of the Company consists solely of 50,000,000 shares of Common Stock, of which, 4,800,000 are issued and outstanding and no shares are reserved for issuance pursuant to Convertible Securities (as defined below) (other than the Notes), except as set forth on Schedule 3(r) attached to the Disclosure Letter. No approval of the shareholders is required for the issuance of the Notes or the Conversion Shares or any of the Convertible Securities. No shares of Common Stock are held in treasury. All of such outstanding shares are duly authorized and have been, or upon issuance will be, validly issued and are fully paid and non-assessable. 4,272,000 shares of the Company's issued and outstanding Common Stock on the date hereof are owned by Persons who are "affiliates" (as defined in Rule 405 of the 1933 Act and calculated based on the assumption that only officers, directors and holders of at least 10% of the Company's issued and outstanding Common Stock are "affiliates" without conceding that any such Persons are "affiliates" for purposes of federal securities laws) of the Company. To the Company's knowledge, no Person owns 10% or more of the Company's issued and outstanding shares of Common Stock (calculated based on the assumption that all Convertible Securities, whether or not presently exercisable or convertible, have been fully exercised or converted (as the case may be) taking account of any limitations on exercise or conversion (including "blockers") contained therein without conceding in the private placement documentation that such identified Person is a 10% stockholder for purposes of federal securities laws). Except as set forth on Schedule 3(r) attached to the Disclosure Letter, (i) none of the Company's capital stock is subject to preemptive rights or any other similar rights or any liens or encumbrances suffered or permitted by the Company; (ii) there are no outstanding options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, or exercisable or exchangeable for, any capital stock of the Company, or contracts, commitments, understandings or arrangements by which the Company is or may become bound to issue additional capital stock of the Company or options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, or exercisable or exchangeable for, any capital stock of the Company; (iii) there are no outstanding debt securities, notes, credit agreements, credit facilities or other agreements, documents or instruments evidencing Indebtedness of the Company or by which the Company is or may become bound; (iv) there are no financing statements securing obligations in any amounts filed in connection with the Company; (v) there are no agreements or arrangements under which the Company is obligated to register the sale of any of their securities under the 1933 Act (except pursuant to the Registration Rights Agreement and a warrant issued to the Placement Agent); (vi) there are no outstanding securities or instruments of the Company by which the Company is or may become bound to redeem a security of the Company; (vii) there are no securities or instruments containing anti-dilution or similar provisions that will be triggered by the issuance of the Securities; and (viii) the Company has not issued any stock appreciation rights or "phantom stock" plans or agreements or any similar plan or agreement. The Company has furnished to the Buyers true, correct and complete copies of the Company's Certificate of Incorporation, as amended and as in effect on the date hereof (the "**Certificate of Incorporation**"), and the Company's bylaws, as amended and as in effect on the date hereof (the "**Bylaws**"), and the terms of all securities convertible into, or exercisable or exchangeable for, shares of Common Stock and the material rights of the holders thereof in respect thereto. "**Convertible Securities**" means preferred stock, options, warrants or other securities directly or indirectly convertible into, exchangeable for or exercisable for Common Stock of the Company.

(s) Indebtedness and Other Contracts. The Company, except as disclosed on Schedule 3(s) attached to the Disclosure Letter, (i) has no outstanding Indebtedness (as defined below), (ii) is a party to any contract, agreement or instrument, the violation of which, or default under which, by the other party(ies) to such contract, agreement or instrument could reasonably be expected to result in a Material Adverse Effect, (iii) is in violation of any term of, or in default under, any contract, agreement or instrument relating to any Indebtedness, except where such violations and defaults would not result, individually or in the aggregate, in a Material Adverse Effect, or (iv) is a party to any contract, agreement or instrument relating to any Indebtedness, the performance of which, in the judgment of the Company's officers, has or is expected to have a Material Adverse Effect. "**Indebtedness**" of any Person means, without duplication (A) all indebtedness for borrowed money, (B) all obligations issued, undertaken or assumed as the deferred purchase price of property or services (including, without limitation, "capital leases" in accordance with generally accepted accounting principles) (other than trade payables entered into in the ordinary course of business), (C) all reimbursement or payment obligations with respect to letters of credit, surety bonds and other similar instruments, (D) all obligations evidenced by notes, bonds, debentures or similar instruments, including obligations so evidenced incurred in connection with the acquisition of property, assets or businesses, (E) all indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as financing, in either case with respect to any property or assets acquired with the proceeds of such indebtedness (even though the rights and remedies of the seller or bank under such agreement in the event of default are limited to repossession or sale of such property), (F) all monetary obligations under any leasing or similar arrangement which, in connection with generally accepted accounting principles, consistently applied for the periods covered thereby, is classified as a capital lease, (G) all indebtedness referred to in clauses (A) through (F) above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any mortgage, lien, pledge, charge, security interest or other encumbrance upon or in any property or assets (including accounts and contract rights) owned by any Person, even though the Person which owns such assets or property has not assumed or become liable for the payment of such indebtedness, and (H) all Contingent Obligations in respect of indebtedness or obligations of others of the kinds referred to in clauses (A) through (G) above. "**Contingent Obligation**" means, as to any Person, any direct or indirect liability, contingent or otherwise, of that Person with respect to any indebtedness, lease, dividend or other obligation of another Person if the primary purpose or intent of the Person incurring such liability, or the primary effect thereof, is to provide assurance to the obligee of such liability that such liability will be paid or discharged, or that any agreements relating thereto will be complied with, or that the holders of such liability will be protected (in whole or in part) against loss with respect thereto. "**Person**" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity and a government or any department or agency thereof.

(t) Absence of Litigation. Except as set forth on Schedule 3(t) attached to the Disclosure Letter, there is no action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the Company, threatened against or affecting the Company, the Common Stock or any of the Company's officers or directors which is outside of the ordinary course of business or individually or in the aggregate material to the Company. There has not been, and to the knowledge of the Company, there is not pending or contemplated, any investigation by the SEC or other United States governmental agency involving the Company or any current or former director or officer of the Company.

(u) Insurance. Except as set forth in Schedule 3(u) attached to the Disclosure Letter, the Company is insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as management of the Company believes to be prudent and customary in the businesses in which the Company is engaged. The Company has not been refused any insurance coverage sought or applied for, and the Company has no any reason to believe that it will be unable to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a Material Adverse Effect.

(v) Employee Relations. The Company is not a party to any collective bargaining agreement or employs any member of a union. The Company believes that its relations with their respective employees are good. No executive officer (as defined in Rule 501(f) promulgated under the 1933 Act) or other key employee of the Company has notified the Company that such officer intends to leave the Company or otherwise terminate such officer's employment with the Company. To the Company's knowledge, no executive officer or other key employee of the Company is, or is now expected to be, in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement, non-competition agreement, or any other contract or agreement or any restrictive covenant, and the continued employment of each such executive officer or other key employee (as the case may be) does not subject the Company to any liability with respect to any of the foregoing matters. The Company is in compliance with all federal, state, local and foreign laws and regulations respecting labor, employment and employment practices and benefits, terms and conditions of employment and wages and hours, except where failure to be in compliance would not, either individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

(w) Title. The Company has good and marketable title to all personal property owned by it which is material to the business of the Company, in each case, free and clear of all liens, encumbrances and defects except such as do not materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company.

(x) Intellectual Property Rights. To the Company's knowledge, the Company owns or possesses adequate rights or licenses to use all trademarks, trade names, service marks, service mark registrations, service names, patents, patent rights, copyrights, original works, inventions, licenses, approvals, governmental authorizations, trade secrets and other intellectual property rights and all applications and registrations therefor ("**Intellectual Property Rights**") necessary to conduct is business as now conducted and as presently proposed to be conducted. None of the Company's Intellectual Property Rights have expired, terminated or been abandoned, or are expected to expire, terminate or be abandoned, within three years from the date of this Agreement. The Company has no knowledge of any infringement by the Company of Intellectual Property Rights of others. There is no claim, action or proceeding being made or brought, or to the knowledge of the Company, being threatened, against the Company regarding their Intellectual Property Rights. The Company is not aware of any facts or circumstances which might give rise to any of the foregoing infringements or claims, actions or proceedings. The Company has taken reasonable security measures to protect the secrecy, confidentiality and value of all of its Intellectual Property Rights.

(y) Environmental Laws. The Company (i) is in compliance with all Environmental Laws (as defined below), (ii) except as set forth on Schedule 3(y) attached to the Disclosure Letter, has received all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct its business, and (iii) is in compliance with all terms and conditions of any such permit, license or approval where, in each of the foregoing clauses (i), (ii) and (iii), the failure to so comply could be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect. "**Environmental Laws**" means all federal, state, local or foreign laws relating to pollution or protection of human health or the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata), including, without limitation, laws relating to emissions, discharges, releases or threatened releases of chemicals, pollutants, contaminants, or toxic or hazardous substances or wastes (collectively, "**Hazardous Materials**") into the environment, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials, as well as all authorizations, codes, decrees, demands or demand letters, injunctions, judgments, licenses, notices or notice letters, orders, permits, plans or regulations issued, entered, promulgated or approved thereunder.

(z) Tax Status. The Company (i) has timely made or filed all foreign, federal and state income and all other tax returns, reports and declarations required by any jurisdiction to which it is subject, (ii) has timely paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations, except those being contested in good faith and (iii) has set aside on its books provision reasonably adequate for the payment of all taxes for periods subsequent to the periods to which such returns, reports or declarations apply. There are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and the officers of the Company know of no basis for any such claim. The Company is not operated in such a manner as to qualify as a passive foreign investment company, as defined in Section 1297 of the U.S. Internal Revenue Code of 1986, as amended.

(aa) Internal Accounting and Disclosure Controls. Except as set forth on Schedule 3(aa) attached to the Disclosure Letter, the Company maintains internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the 1934 Act) that is effective to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes, including that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements to maintain asset and liability accountability, (iii) access to assets or incurrence of liabilities is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accountability for assets and liabilities is compared with the existing assets and liabilities at reasonable intervals and appropriate action is taken with respect to any difference. The Company has not received any notice or correspondence from any accountant or other Person relating to any potential material weakness or significant deficiency in any part of the internal controls over financial reporting of the Company.

(bb) Off Balance Sheet Arrangements. There is no transaction, arrangement, or other relationship involving the Company in respect of an off-balance sheet entity that would be required to be disclosed by the Company in a 1934 Act filing or that otherwise could be reasonably likely to have a Material Adverse Effect.

(cc) Investment Company Status. The Company is not, and upon consummation of the sale of the Securities will not be, an "investment company," or, to the knowledge of the Company, an affiliate of an "investment company," a company controlled by an "investment company" or an "affiliated person" of, or "promoter" or "principal underwriter" for, an "investment company" as such terms are defined in the Investment Company Act of 1940, as amended.

(dd) U.S. Real Property Holding Corporation. The Company is not, and has never been a U.S. real property holding corporation within the meaning of Section 897 of the Internal Revenue Code of 1986, as amended, and the Company shall so certify upon any Buyer's request.

(ee) Transfer Taxes. On the Closing Date, all stock transfer or other taxes (other than income or similar taxes) which are required to be paid in connection with the issuance, sale and transfer of the Securities to be sold to each Buyer hereunder will be, or will have been, fully paid or provided for by the Company, and all laws imposing such taxes will be or will have been complied with.

(ff) Bank Holding Company Act. The Company is not subject to the Bank Holding Company Act of 1956, as amended (the "**BHCA**") and to regulation by the Board of Governors of the Federal Reserve System (the "**Federal Reserve**"). The Company nor any of its affiliates owns or controls, directly or indirectly, five percent (5%) or more of the outstanding shares of any class of voting securities or twenty-five percent (25%) or more of the total equity of a bank or any equity that is subject to the BHCA and to regulation by the Federal Reserve. The Company nor any of its affiliates exercises a controlling influence over the management or policies of a bank or any entity that is subject to the BHCA and to regulation by the Federal Reserve.

(gg) Shell Company Status. The Company is not, and has never been, an issuer identified in, or subject to, Rule 144(i).

(hh) Public Utility Holding Act. The Company is not a "holding company," or an "affiliate" of a "holding company," as such terms are defined in the Public Utility Holding Act of 2005.

(ii) Federal Power Act. The Company is not subject to regulation as a "public utility" under the Federal Power Act, as amended.

(jj) No Additional Agreements. The Company does not have any agreement or understanding with any Buyer with respect to the transactions contemplated by the Transaction Documents other than as specified in the Transaction Documents.

(kk) Real Property. The Company holds good title to all real property, leases in real property, or other interests in real property stated as owned or held by the Company (the "**Real Property**"). The Real Property is free and clear of all mortgages, defects, claims, liens, pledges, charges, taxes, rights of first refusal, encumbrances, security interests and other encumbrances (collectively "**Encumbrances**") and is not subject to any rights of way, building use restrictions, exceptions, variances, reservations, or limitations of any nature except for (i) liens for current taxes not yet due, and (ii) zoning laws and other land use restrictions that do not impair the present or anticipated use of the property subject thereto. Any Real Property held under lease by the Company is held under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and buildings by the Company.

(ll) Fixtures and Equipment. The Company has good title to, or a valid leasehold interest in, the tangible personal property, equipment, improvements, fixtures, and other personal property and appurtenances that are used by the Company in connection with the conduct of its business (the "**Fixtures and Equipment**"). The Fixtures and Equipment are structurally sound, are in good operating condition and repair, are adequate for the uses to which they are being put, are not in need of maintenance or repairs except for ordinary, routine maintenance and repairs and are sufficient for the conduct of the Company's business in the manner as conducted prior to the Closing. The Company owns all of its Fixtures and Equipment free and clear of all Encumbrances except for (i) liens for current taxes not yet due, and (ii) zoning laws and other land use restrictions that do not impair the present or anticipated use of the property subject thereto.

(mm) Illegal or Unauthorized Payments; Political Contributions. The Company nor, to the best of the Company's knowledge (after reasonable inquiry of its officers and directors), any of the officers, directors, employees, agents or other representatives of the Company or any other business entity or enterprise with which the Company is or has been affiliated or associated, has, directly or indirectly, made or authorized any payment, contribution or gift of money, property, or services, whether or not in contravention of applicable law, (i) as a kickback or bribe to any Person or (ii) to any political organization, or the holder of or any aspirant to any elective or appointive public office except for personal political contributions not involving the direct or indirect use of funds of the Company.

(nn) Money Laundering. The Company is in compliance with, and has not previously violated, the USA Patriot Act of 2001 and all other applicable U.S. and non-U.S. anti-money laundering laws and regulations, including, without limitation, the laws, regulations and Executive Orders and sanctions programs administered by the U.S. Office of Foreign Assets Control, including, without limitation, (i) Executive Order 13224 of September 23, 2001 entitled, "Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism" (66 Fed. Reg. 49079 (2001)); and (ii) any regulations contained in 31 CFR, Subtitle B, Chapter V.

(oo) Ranking of Notes. No Indebtedness of the Company, at the Closing, will be senior to, or *pari passu* with, the Notes in right of payment, whether with respect to payment or redemptions, interest, damages, upon liquidation or dissolution or otherwise.

(p p) Disclosure. The Company confirms that neither it nor any other Person acting on its behalf has provided any of the Buyers or their agents or counsel with any information that constitutes or could reasonably be expected to constitute material, non-public information concerning the Company, other than the existence of the transactions contemplated by this Agreement and the other Transaction Documents. The Company understands and confirms that each of the Buyers will rely on the foregoing representations in effecting the transactions consummated hereunder. All disclosure provided to the Buyers regarding the Company, its business and the transactions contemplated hereby, including the Private Placement Memorandum, the Disclosure Letter and the schedules to this Agreement, furnished by or on behalf of the Company does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. The Company acknowledges and agrees that no Buyer makes or has made any representations or warranties with respect to the transactions contemplated hereby other than those specifically set forth in Section 2.

4. COVENANTS.

(a) Best Efforts. Each Buyer shall use its best efforts to timely satisfy each of the conditions to be satisfied by it as provided in Section 6 of this Agreement. The Company shall use its best efforts to timely satisfy each of the conditions to be satisfied by it as provided in Section 7 of this Agreement.

(b) Form D and Blue Sky. The Company shall file a Form D with respect to the Securities as required under Regulation D and to provide a copy thereof to each Buyer promptly after such filing. The Company shall, on or before the Closing Date, take such action as the Company shall reasonably determine is necessary in order to obtain an exemption for, or to, qualify the Securities for sale to the Buyers at the Closing pursuant to this Agreement under applicable securities or "Blue Sky" laws of the states of the United States (or to obtain an exemption from such qualification), and shall provide evidence of any such action so taken to the Buyers on or prior to the Closing Date. Without limiting any other obligation of the Company under this Agreement, the Company shall timely make all filings and reports relating to the offer and sale of the Securities required in connection with the consummation of the transactions consummated hereunder under all applicable securities laws (including, without limitation, all applicable federal securities laws and all applicable "Blue Sky" laws), and the Company shall comply with all applicable federal, foreign, state and local laws, statutes, rules, regulations and the like relating to the offering and sale of the Securities to the Buyers.

(c) Reporting Status. After the date the Company becomes subject to the periodic reporting requirements under Sections 13 or 15(d) of the 1934 Act, as amended from time to time, together with the regulations promulgated thereunder (a "**Reporting Company**"), and until the date on which the Buyers shall have sold all of the Registrable Securities (such period, to end in any event, whether or not such securities have been sold, not later than five years after such date, the "**Reporting Period**"), the Company shall use commercially reasonable efforts to timely file all reports required to be filed with the SEC pursuant to the 1934 Act, and the Company shall not terminate its status as an issuer required to file reports under the 1934 Act even if the 1934 Act or the rules and regulations thereunder would no longer require or otherwise permit such termination unless such termination is approved by the holders of a majority stockholders of the voting power of the Company, or unless no Buyer has demand registration rights under the Registration Rights Agreement or unless no Buyer is a holder of record of Conversion Shares (collectively, the "**Termination Conditions**").

(d) Use of Proceeds. The Company shall use the proceeds from the sale of the Securities for general corporate purposes as set forth in the Private Placement Memorandum. Without limiting the foregoing, except as expressly set forth on Schedule 4(d) attached to the Disclosure Letter, none of such proceeds shall be used, directly or indirectly, (i) for the satisfaction of any debt of the Company, (ii) for the redemption of any securities of the Company (other than the Securities) or (iii) with respect to any litigation involving the Company (including, without limitation, any settlement thereof).

(e) Financial Information. The Company agrees to send the following to each Buyer during the Reporting Period (i) unless the following are filed with the SEC through EDGAR and are available to the public through the EDGAR system, within one (1) Business Day after the filing thereof with the SEC, a copy of its Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, any Current Reports on Form 8-K and any registration statements (other than on Form S-8) or amendments filed pursuant to the 1933 Act; and (ii) copies of any notices and other information made available or given to the stockholders of the Company generally, contemporaneously with the making available or giving thereof to the stockholders.

(f) Listing. In connection with the Company becoming a Reporting Company, the Company shall in connection with any proper demand for registration of Registrable Securities under the Registration Rights Agreement (if the same has not previously occurred) promptly secure the listing or designation for quotation (as the case may be) of all of the Registrable Securities upon each national securities exchange and automated quotation system, if any, upon which the Common Stock is then listed or designated for quotation (as the case may be) (subject to official notice of issuance) and shall thereafter maintain such listing or designation for quotation (as the case may be) of all Registrable Securities from time to time issuable under the terms of the Transaction Documents on such national securities exchange or automated quotation system unless one of the Termination Conditions has occurred. During any period that the Common Stock is listed or designated, the Company shall use commercially reasonable efforts to maintain the Common Stock's listing or designation for quotation (as the case may be) on The New York Stock Exchange, the NYSE MKT, the Nasdaq Global Select Market, the Nasdaq Global Market or the Nasdaq Capital Market (each, an "**Eligible Market**"). During the Reporting Period, the Company shall use commercially reasonable efforts not to take any action which could be reasonably expected to prevent a listing or result in the delisting or suspension of the Common Stock from an Eligible Market. The Company shall pay all fees and expenses in connection with satisfying its obligations under this Section 4(f).

(g) Fees. The Company shall be responsible for the payment of any placement agent's fees, financial advisory fees, or broker's commissions (other than for Persons engaged by any Buyer) relating to or arising out of the transactions contemplated hereby and resulting from the retention by the Company of any placement agent, financial advisor or broker (including, without limitation, any fees payable to the Placement Agent, who is the Company's sole placement agent in connection with the transactions contemplated by this Agreement). Except where Buyer has breached Section 2(k) hereof, the Company shall pay, and hold each Buyer harmless against, any liability, loss or expense (including, without limitation, reasonable attorneys' fees and out-of-pocket expenses) arising in connection with any claim relating to any such payment. Except as otherwise set forth in the Transaction Documents, each party to this Agreement shall bear its own expenses in connection with the sale of the Securities to the Buyers.

(h) Pledge of Securities. Notwithstanding anything to the contrary contained in this Agreement, the Company acknowledges and agrees that the Securities may be pledged by a Buyer in connection with a bona fide margin agreement or other bona fide loan or financing arrangement that is secured by the Securities. The pledge of Securities shall not be deemed to be a transfer, sale or assignment of the Securities hereunder, and no Buyer making a pledge of Securities shall be required to provide the Company with any notice thereof or otherwise make any delivery to the Company pursuant to this Agreement or any other Transaction Document. The Company hereby agrees to execute and deliver such documentation as a holder of the Securities may reasonably request in connection with a pledge of the Securities to such pledgee by a Buyer.

(i) Reservation of Shares. The Company shall take all action necessary to at all times have authorized, and reserved for the purpose of issuance, no less than one hundred ten percent (110%) of the maximum number of Conversion Shares issuable upon conversion of the Notes.

(j) Conduct of Business. So long as any of the Securities are held by the Buyers and their successors in interest and assigns, the business of the Company shall not be conducted in violation of any law, ordinance or regulation of any governmental entity, except where such violations would not result, either individually or in the aggregate, in a Material Adverse Effect.

(k) Subsequent Placements. Except as set forth on Schedule 4(k) attached to the Disclosure Letter, so long as the Notes are outstanding, the Company shall, without the prior written consent of the Required Buyers (as defined below), be prohibited from effecting or entering into an agreement to effect any offering or placement of equity or equity linked securities or debt of the Company ("**Subsequent Placement**"), other than (i) a firm commitment underwritten initial public offering through a registered broker-dealer (an "**IPO**"), or (ii) with LVP's prior written consent, a Subsequent Placement (or series of Subsequent Placements) in which in the aggregate gross proceeds to the Company do not exceed $2 million.

(l) Change of Control. Prior to an IPO, the Company may not effect a Change of Control without the prior written consent of the Required Buyers. "**Change in Control**" means (x) the acquisition of the Company by another entity by means of any transaction (including, without limitation, any stock acquisition, reorganization, merger or consolidation) that contemplates an enterprise value of the Company of less than $60 million, or (y) a sale of all or substantially all of the assets of the Company for an aggregate purchase price of less than $60 million (including, for purposes of this section, the sale or exclusive license of intellectual property rights which, in the aggregate, constitutes substantially all of the corporation's material intellectual property assets).

(m) Variable Rate Transaction. Notwithstanding anything in this Agreement to the contrary, until the later of none of the Notes being outstanding or three years after the Company becomes a Reporting Company, the Company shall be prohibited from effecting or entering into any Subsequent Placement involving a Variable Rate Transaction. "**Variable Rate Transaction**" means a transaction in which the Company (i) issues or sells any Convertible Securities either (A) at a conversion, exercise or exchange rate or other price that is based upon and/or varies with the trading prices of, or quotations for, the shares of Common Stock at any time after the initial issuance of such Convertible Securities, or (B) with a conversion, exercise or exchange price that is subject to being reset at some future date after the initial issuance of such Convertible Securities or upon the occurrence of specified or contingent events directly or indirectly related to the business of the Company or the market for the Common Stock, other than pursuant to a customary "weighted average" anti-dilution provision or (ii) enters into any agreement (including, without limitation, an "equity line of credit" or an "at the market offering") whereby the Company may sell securities at a future determined price (other than standard and customary "preemptive" or "participation" rights). Each Buyer shall be entitled to obtain injunctive relief against the Company to preclude any such issuance, which remedy shall be in addition to any right to collect damages.

(n) Passive Foreign Investment Company. For the period ending on the third year anniversary after the Company becomes a Reporting Company, the Company shall conduct its business in such a manner as will ensure that the Company will not be deemed to constitute a passive foreign investment company within the meaning of Section 1297 of the U.S. Internal Revenue Code of 1986, as amended.

(o) Restriction on Redemption and Cash Dividends. So long as any Notes are outstanding, the Company shall not, directly or indirectly, redeem, or declare or pay any cash dividend or distribution on, any securities of the Company without the prior express written consent of the Required Buyers.

(p) Corporate Existence. So long as any Notes are outstanding, the Company shall maintain its corporate existence and shall not sell, assign or transfer all or substantially all of the Company's assets.

(q) Board of Directors; Size. So long as any Notes are outstanding, the Company will, within ninety (90) days of the Effective Date, have a board of directors consisting of five members, of which three will be independent directors who will be mutually acceptable to the Company and Liquid Venture Partners, LLC, an affiliate of the Placement Agent ("**LVP**"). Subject to any legal rights under Delaware law of the shareholders, the number of members who shall constitute the board of directors of the Company, may be changed only with the approval of LVP, which approval may be withheld in its discretion and subject to reasonable conditions, including the requirement of additional independent directors.

(r) Intellectual Property Strategy. Within three months of the Effective Date, the Company will adopt an intellectual property strategy reasonably acceptable to LVP, and provide a detailed written statement of the strategy to the Buyers.

(s) Incentive Equity. The Company may adopt an incentive stock or equity award plan, the terms of which are reasonably acceptable to LVP, which plan provides for awards of shares equal to no more than fifteen percent (15%) of the number of fully diluted shares of Common Stock up to and including the date of the IPO and giving effect to the IPO and debt conversions triggered by the IPO. Any such plan will not be amended to increase the number of shares subject thereto until two (2) years after the Company becomes a Reporting Company or upon the approval of LVP.

(t) Independent Accountants. Within three months after the date of initial issuance of the Notes, the Company will engage independent certified public accountants, which firm is actively registered with the PCAOB, to perform an audit of the financial statements that would be necessary and sufficient to meet the filing requirements of a registration statement for the registration of securities of the Company either for issuance by the Company or resale of the Conversion Shares, which audit will be completed no later than nine (9) months after the date of the initial issuance of the Notes.

(u) Lock Up. In connection with any initial public offering, the Company will use its best efforts to obtain lock-up agreements from all its officer, directors, and employees, from any direct or beneficial holders of five percent (5%) or more of the shares of Common Stock of the Company, and Liquid Patent Consultants, LLC ("**LPC**") or the Placement Agent and any beneficial holders of shares of Common Stock who are affiliates of LPC or the Placement Agent in respect of shares of Common Stock issued under any agreement for the provision of patent and intellectual property services and issuable or issued upon exercise of any warrants issued in connection with the offering by the Company of the Notes (the "**Financing Shares**") (for clarity, the lock up for LPC and the Placement Agent and their affiliates will not apply to any other shares of Common Stock, including any shares of Common Stock acquired in the public markets); the foregoing lock up to extend for a period of 12 months after the effective date of the registration statement for such initial public offering; except that the lock up with respect to the Financing Shares shall only extend for a period of 6 months after the effective date of such registration statement.

(v) Investor Market Stand-Off. In connection with the initial public offering of the Company's Common Stock, if any, each Buyer hereby agrees that, for one hundred eighty (180) days from the effective date of such registration (the "**Restricted Period**"), it will not (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock, whether now owned or hereafter acquired or with respect to which such Buyer has or hereafter acquires the power of disposition; or (ii) enter into any swap or other agreement, arrangement or transaction that transfers to another, in whole or in part, directly or indirectly, any of the economic consequence of ownership of any Common Stock or any securities convertible into or exercisable or exchangeable for any Common Stock, whether any transaction described in clause (i) or (ii) is to be settled by delivery of Common Stock, other securities, in cash or otherwise, without the prior written consent of the managing or lead underwriter of such offering; *provided*, *however* that, if during the last seventeen (17) days of the Restricted Period the Company issues an earnings release or material news or a material event relating to the Company occurs, or prior to the expiration of the Restricted Period the Company announces that it will release earnings results during the sixteen (16) day period beginning on the last day of the restricted period, then, upon the request of the managing or lead underwriter, to the extent required by any FINRA rules, the restrictions imposed by this Section 4(v) shall continue to apply until the end of the third (3^{rd}) trading day following the expiration of the fifteen (15) day period beginning on the issuance of the earnings release or the occurrence of the material news or material event. In no event will the Restricted Period extend beyond two hundred sixteen (216) days after the effective date of the registration statement. In order to enforce the restrictions agreed to by Buyer in this Section 4(v), the Company may impose stop-transfer instructions with respect to any security acquired under or subject to this Agreement until the end of the Restricted Period. The Company's underwriters shall be third-party beneficiaries of the restrictions set forth in this Section 4(v).

(w) IPO Commitment. The Company shall use its best efforts to, no later than nine (9) months after the Effective Date, file with the SEC a registration statement on Form S-1 (or any successor from thereto) to register and sell Common Stock in an IPO.

5. REGISTER; TRANSFER AGENT INSTRUCTIONS; LEGEND.

(a) Register. The Company shall maintain at its principal executive offices (or such other office or agency of the Company as it may designate by notice to each holder of Securities), a register for the Notes and, if issued, the Conversion Shares in which the Company shall record the name and address of the Person in whose name the Notes and/or Conversion Shares have been issued (including the name and address of each transferee), the principal amount of the Notes or aggregate number of Conversion Shares held by such Person, and any tax related information required to be maintained. The Company shall keep the register open and available at all times during business hours for inspection of any Buyer or its legal representatives.

(b) Transfer Agent Instructions. If a Buyer effects a sale, assignment or transfer of the Conversion Shares, the Company shall permit the transfer and shall promptly instruct its transfer agent to issue one or more certificates or, if the Conversion Shares are eligible for legend removal under Section 5(d), credit shares to the applicable balance accounts at the Depository Trust Company ("**DTC**") in such name and in such denominations as specified by such Buyer to effect such sale, transfer or assignment. In the event that such sale, assignment or transfer involves Conversion Shares sold, assigned or transferred pursuant to an effective registration statement or in compliance with Rule 144, the transfer agent shall issue such shares to such Buyer, assignee or transferee (as the case may be) without any restrictive legend in accordance with Section 5(d) below. The Company acknowledges that a breach by it of its obligations under this Section 5(b) will cause irreparable harm to each Buyer. Accordingly, the Company acknowledges that the remedy at law for a breach of its obligations under this Section 5(b) will be inadequate and agrees, in the event of a breach or threatened breach by the Company of the provisions of this Section 5(b), that each Buyer shall be entitled, in addition to all other available remedies, to an order and/or injunction restraining any breach and requiring immediate issuance and transfer, without the necessity of showing economic loss and without any bond or other security being required. The Company shall cause its counsel to issue the legal opinion referred to in the Irrevocable Transfer Agent Instructions to the Company's transfer agent on each Effective Date (as defined and provided in the Registration Rights Agreement), provided that the applicable Buyer(s) or its or their representatives and/or brokers have provided the documentation to counsel reasonably necessary or required for the basis of such legal opinion. Any fees (with respect to the transfer agent, counsel to the Company or otherwise) associated with the issuance of such opinion or the removal of any legends on any of the Securities shall be borne by the Company.

(c) Legends. Each Buyer understands that the Securities have been issued (or will be issued in the case of the Conversion Shares) pursuant to an exemption from registration or qualification under the 1933 Act and applicable state securities laws, and except as set forth below, the Securities shall bear any legend as required by the "Blue Sky" laws of any state and a restrictive legend in substantially the following form (and a stop-transfer order may be placed against transfer of such stock certificates):

> [NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE CONVERTIBLE HAVE BEEN]/[THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN] REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL TO THE HOLDER (IF REQUESTED BY THE COMPANY), IN A FORM REASONABLY ACCEPTABLE TO THE COMPANY, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD OR ELIGIBLE TO BE SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES.

(d) Removal of Legends. Certificates evidencing Securities shall not be required to contain the legend set forth in Section 5(c) above or any other legend (i) while a registration statement (including a Registration Statement) covering the resale of such Securities is effective under the 1933 Act, (ii) following any sale of such Securities pursuant to Rule 144 (assuming the transferor is not an affiliate of the Company), (iii) if such Securities are eligible to be sold, assigned or transferred under Rule 144 (provided that a Buyer provides the Company with reasonable assurances that such Securities are eligible and will remain for sale, assignment or transfer under Rule 144 which shall not include an opinion of counsel), (iv) in connection with a sale, assignment or other transfer (other than under Rule 144), provided that such Buyer provides the Company with an opinion of counsel to such Buyer, in a generally acceptable form, to the effect that such sale, assignment or transfer of the Securities may be made without restrictive legends and thereafter made without registration under the applicable requirements of the 1933 Act, or (v) if such legend is not required under applicable requirements of the 1933 Act (including, without limitation, controlling judicial interpretations and pronouncements issued by the SEC, provided that Buyer provides the Company with a reasonable description of the authority Buyer is relying upon). If the Company is a Reporting Company and a legend is not required pursuant to the foregoing, the Company, at its expense, shall no later than two (2) Business Days following the delivery by a Buyer to the Company or the transfer agent (with notice to the Company) of a legended certificate representing such Securities (endorsed or with stock powers attached, signatures guaranteed, and otherwise in form necessary to affect the reissuance and/or transfer, if applicable), together with any other deliveries from such Buyer as may be required above in this Section 5(d), as directed by such Buyer, either: (A) provided that the Company's transfer agent is participating in the DTC Fast Automated Securities Transfer Program and such Securities are Conversion Shares, credit the aggregate number of shares of Common Stock to which such Buyer shall be entitled to such Buyer's or its designee's balance account with the DTC through its Deposit/Withdrawal at Custodian system or (B) if the Company's transfer agent is not participating in the DTC Fast Automated Securities Transfer Program, issue and dispatch for delivery (via reputable overnight courier) to such Buyer, a certificate representing such Securities that is free from all restrictive and other legends, registered in the name of such Buyer or its designee (the date by which such credit is so required to be made to the balance account of such Buyer's or such Buyer's nominee with DTC or such certificate is required to be delivered to such Buyer pursuant to the foregoing is referred to herein as the "**Required Delivery Date**").

(e) Failure to Timely Deliver; Buy-In. If the Company is a Reporting Company and the Company improperly fails to (i) issue and dispatch for delivery (or cause to be so dispatched) to a Buyer by the Required Delivery Date a certificate representing the Securities so delivered to the Company by such Buyer that is free from all restrictive and other legends or (ii) credit the balance account of such Buyer's or such Buyer's nominee with DTC for such number of Conversion Shares so delivered to the Company, and if on or after the business day immediately following the Required Delivery Date such Buyer (or any other Person in respect, or on behalf, of such Buyer) purchases (in an open market transaction or otherwise) shares of Common Stock to deliver in satisfaction of a sale by such Buyer of all or any portion of the number of shares of Common Stock, or a sale of a number of shares of Common Stock equal to all or any portion of the number of shares of Common Stock, that such Buyer so anticipated receiving from the Company without any restrictive legend, then, in addition to all other remedies available to such Buyer, the Company shall, within five (5) Business Days after such Buyer's request and in such Buyer's sole discretion, either (x) pay cash to such Buyer in an amount equal to such Buyer's total purchase price (including brokerage commissions and other out-of-pocket expenses, if any) for the shares of Common Stock so purchased (including brokerage commissions and other out-of-pocket expenses, if any) (the "**Buy-In Price**"), at which point the Company's obligation to so deliver such certificate or credit such Buyer's balance account shall terminate and such shares shall be cancelled, or (y) promptly honor its obligation to so deliver to such Buyer a certificate or certificates or credit such Buyer's DTC account representing such number of shares of Common Stock that would have been so delivered if the Company timely complied with its obligations hereunder and pay cash to such Buyer in an amount equal to the excess (if any) of the Buy-In Price over the product of (A) such number of shares of Conversion Shares that the Company was required to deliver to such Buyer by the Required Delivery Date multiplied by (B) the lowest closing sale price of the Common Stock on any Business Day during the period commencing on the date of the delivery by such Buyer to the Company of the applicable Conversion Shares and ending on the date of such delivery and payment under this clause (y).

6. CONDITIONS TO THE COMPANY'S OBLIGATION TO SELL.

(a) The obligation of the Company hereunder to issue and sell the Notes to each Buyer at the Closing is subject to the satisfaction, at or before the Closing Date, of each of the following conditions, provided that these conditions are for the Company's sole benefit and may be waived by the Company at any time in its sole discretion by providing each Buyer with prior written notice thereof:

(i) Such Buyer shall have executed each of the other Transaction Documents to which it is a party and an Investor Questionnaire, and delivered the same to the Company.

(ii) Such Buyer and each other Buyer shall have delivered to the Escrow Agent on behalf of the Company the Purchase Price for the Note being purchased by such Buyer at the Closing by check in collected funds through the Escrow Agent or wire transfer of immediately available funds pursuant to the wire instructions provided by the Company.

(iii) The representations and warranties of such Buyer shall be true and correct in all material respects as of the date when made and as of the Closing Date as though originally made at that time (except for representations and warranties that speak as of a specific date, which shall be true and correct as of such date), and such Buyer shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by such Buyer at or prior to the Closing Date.

(iv) The Company shall have obtained all governmental, regulatory or third party consents and approvals, if any, necessary for the sale of the Securities.

(v) No statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by any court or governmental authority of competent jurisdiction that prohibits the consummation of any of the transactions contemplated by the Transaction Documents.

(vi) Since the date of execution of this Agreement, no event or series of events shall have occurred that reasonably would have or result in a Material Adverse Effect.

(vii) That Notes having an aggregate principal amount of at least $4,500,000 are purchased by the Buyers.

7. CONDITIONS TO EACH BUYER'S OBLIGATION TO PURCHASE.

(a) The obligation of each Buyer hereunder to purchase its Note at the Closing is subject to the satisfaction, at or before the Closing Date, of each of the following conditions, provided that these conditions are for each Buyer's sole benefit and may be waived by such Buyer at any time in its sole discretion by providing the Company with prior written notice thereof:

(i) The Company shall have duly executed and delivered to such Buyer each of the Transaction Documents to which it is a party and the Company shall have duly executed and delivered to such Buyer a Note (in such original principal amount as is set forth across from such Buyer's name in column (2) of the Schedule of Buyers) being purchased by such Buyer at the Closing pursuant to this Agreement.

(ii) Buyer shall have received an opinion of Greenberg Traurig, LLP, the Company's counsel, dated the date of the issuance of the Note to such Buyer, stating that the Company is duly incorporated, the Transaction Documents have been duly authorized, and that the Conversion Shares, if and when issued will be duly authorized, fully paid and non-assessable, which opinion may be subject to such assumptions and conditions are normally set forth in opinions of legal counsel in respect of such matters.

(iii) The Company shall have delivered to such Buyer a certificate evidencing the formation and good standing of the Company in its jurisdiction of formation issued by the Secretary of State (or comparable office) of such jurisdiction of formation as of a date within ten (10) days of the Closing Date.

(iv) The Company shall have delivered to such Buyer a certificate or other reasonably acceptable evidence evidencing the Company's qualification as a foreign corporation and good standing issued by the Secretary of State (or comparable office) of each jurisdiction in which the Company conducts business and is required to so qualify, as of a date within ten (10) days of the Closing Date.

(v) The Company shall have delivered to such Buyer a certified copy of the Certificate of Incorporation as certified by the Secretary of State of the Company's jurisdiction of incorporation within ten (10) days of the Closing Date.

(vi) The Company shall have delivered to such Buyer a certificate, in the form acceptable to such Buyer, executed by the Secretary of the Company dated as of the Closing Date, as to (i) the resolutions consistent with Section 3(b) as adopted by the Company's board of directors in a form reasonably acceptable to such Buyer, (ii) the Certificate of Incorporation of the Company and (iii) the Bylaws of the Company as in effect at the Closing.

(vii) Each and every representation and warranty of the Company shall be true and correct as of the applicable Closing Date in all material respects (except for representations and warranties that speak as of a specific date, which shall be true and correct as of such date) and the Company shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required to be performed, satisfied or complied with by the Company at or prior to the Closing Date. Such Buyer shall have received a certificate, executed by the President of the Company, dated as of the Closing Date, to the foregoing effect and as to such other matters as may be reasonably requested by such Buyer in the form reasonably acceptable to such Buyer.

(viii) The Company shall have obtained all governmental, regulatory or third party consents and approvals, if any, necessary for the sale of the Securities.

(ix) No statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by any court or governmental authority of competent jurisdiction that prohibits the consummation of any of the transactions contemplated by the Transaction Documents.

(x) Since the date of execution of this Agreement, no event or series of events shall have occurred that reasonably would have or result in a Material Adverse Effect.

(xi) In accordance with the terms of the Security Documents, the Company shall have delivered to such Buyer copies of appropriate financing statements on Form UCC-1 to be duly filed in such office or offices and in the offices of the United States Patent and Trademark Office as may be necessary or, in the opinion of the Buyers, desirable to perfect the first priority security interests purported to be created by each Security Document.

(xii) Within two (2) Business Days prior to the Closing, the Company shall have delivered or caused to be delivered to each Buyer (i) true copies of UCC search results in the Company's jurisdiction of incorporation, listing all effective financing statements which name as debtor the Company filed in the prior five years to perfect an interest in any assets thereof, together with copies of such financing statements, none of which, except as otherwise agreed in writing by the Required Buyers, shall cover any of the Collateral (as defined in the Security Documents) and the results of searches for any tax lien and judgment lien in the jurisdiction of the Company's principal place of business filed against such Person or its property, which results, except as otherwise agreed to in writing by the Required Buyers shall not show any such Liens (as defined in the Security Documents); and (ii) a perfection certificate, duly completed and executed by the Company, in form and substance reasonably satisfactory to the Required Buyers.

(xiii) Since the Effective Date, the Company shall not have amended, modified, waived compliance with or terminated, revoked or rescinded in any manner or respect (and the Company shall not have taken any action, or permitted any action to be taken (whether through the Company's inaction or otherwise), that has a similar effect to any of the foregoing) any provision of any of material agreements and all of such agreements shall be in full force and effect.

(xiv) The Company shall have delivered to such Buyer a letter dated as of the Closing Date, in a form reasonably acceptable to such Buyer, executed by the Company (the "**Disclosure Letter**").

(xv) The Company shall have delivered to such Buyer such other documents, instruments or certificates relating to the transactions contemplated by this Agreement as such Buyer or its counsel may reasonably request.

(xvi) That Notes having an aggregate principal amount of at least $4,500,000 are purchased by the Buyers.

8. TERMINATION.

(a) This Agreement may be terminated prior to Closing:

(i) by written agreement of the Buyers and the Company; or

(ii) by either the Company or a Buyer (as to itself but no other Buyer) upon written notice to the other, if the Closing shall not have taken place by 6:30 p.m. Eastern time on November 30, 2014; provided, that the right to terminate this Agreement under this Section 8(a)(ii) shall not be available to any party whose failure to comply with its obligations under this Agreement has been the cause of or resulted in the failure of the Closing to occur on or before such time.

(b) No termination of this Agreement shall affect any obligation of the Company under this Agreement to reimburse such Buyer for the expenses described in Section 4(g) above. Nothing contained in this Section 8 shall be deemed to release any party from any liability for any breach by such party of the terms and provisions of this Agreement or the other Transaction Documents or to impair the right of any party to compel specific performance by any other party of its obligations under this Agreement or the other Transaction Documents.

9. MISCELLANEOUS.

(a) Governing Law; Jurisdiction; Jury Trial. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in The City of New York, Borough of Manhattan, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address for such notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. Nothing contained herein shall be deemed or operate to preclude any Buyer from bringing suit or taking other legal action against the Company in any other jurisdiction to collect on the Company's obligations to such Buyer or to enforce a judgment or other court ruling in favor of such Buyer. **EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY.**

(b) Counterparts. This Agreement may be executed in two or more identical counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party. In the event that any signature is delivered by facsimile transmission or by an e-mail which contains a portable document format (.pdf) file of an executed signature page, such signature page shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such signature page were an original thereof.

(c) Headings; Gender. The headings of this Agreement are for convenience of reference and shall not form part of, or affect the interpretation of, this Agreement. Unless the context clearly indicates otherwise, each pronoun herein shall be deemed to include the masculine, feminine, neuter, singular and plural forms thereof. The terms "including," "includes," "include" and words of like import shall be construed broadly as if followed by the words "without limitation." The terms "herein," "hereunder," "hereof" and words of like import refer to this entire Agreement instead of just the provision in which they are found.

(d) Severability. If any provision of this Agreement is prohibited by law or otherwise determined to be invalid or unenforceable by a court of competent jurisdiction, the provision that would otherwise be prohibited, invalid or unenforceable shall be deemed amended to apply to the broadest extent that it would be valid and enforceable, and the invalidity or unenforceability of such provision shall not affect the validity of the remaining provisions of this Agreement so long as this Agreement as so modified continues to express, without material change, the original intentions of the parties as to the subject matter hereof and the prohibited nature, invalidity or unenforceability of the provision(s) in question does not substantially impair the respective expectations or reciprocal obligations of the parties or the practical realization of the benefits that would otherwise be conferred upon the parties. The parties will endeavor in good faith negotiations to replace the prohibited, invalid or unenforceable provision(s) with a valid provision(s), the effect of which comes as close as possible to that of the prohibited, invalid or unenforceable provision(s). Notwithstanding anything to the contrary contained in this Agreement or any other Transaction Document (and without implication that the following is required or applicable), it is the intention of the parties that in no event shall amounts and value paid by the Company, or payable to or received by any of the Buyers, under the Transaction Documents (including without limitation, any amounts that would be characterized as "interest" under applicable law) exceed amounts permitted under any applicable law. Accordingly, if any obligation to pay, payment made to any Buyer, or collection by any Buyer pursuant the Transaction Documents is finally judicially determined to be contrary to any such applicable law, such obligation to pay, payment or collection shall be deemed to have been made by mutual mistake of such Buyer, and the Company and such amount shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by the applicable law. Such adjustment shall be effected, to the extent necessary, by reducing or refunding, at the option of such Buyer, the amount of interest or any other amounts which would constitute unlawful amounts required to be paid or actually paid to such Buyer under the Transaction Documents. For greater certainty, to the extent that any interest, charges, fees, expenses or other amounts required to be paid to or received by such Buyer under any of the Transaction Documents or related thereto are held to be within the meaning of "interest" or another applicable term to otherwise be violative of applicable law, such amounts shall be pro-rated over the period of time to which they relate.

(e) Entire Agreement; Amendments . This Agreement, the other Transaction Documents and the schedules and exhibits attached hereto and thereto and the instruments referenced herein and therein supersede all other prior oral or written agreements between the Buyers, the Company, their affiliates and Persons acting on their behalf solely with respect to the matters contained herein and therein, and this Agreement, the other Transaction Documents, the schedules and exhibits attached hereto and thereto and the instruments referenced herein and therein contain the entire understanding of the parties solely with respect to the matters covered herein and therein; provided, however, nothing contained in this Agreement or any other Transaction Document shall (or shall be deemed to) (i) have any effect on any agreements any Buyer has entered into with, or any instruments any Buyer has received from, the Company prior to the date hereof with respect to any prior investment made by such Buyer in the Company or (ii) waive, alter, modify or amend in any respect any obligations of the Company, or any rights of or benefits to any Buyer or any other Person, in any agreement entered into prior to the date hereof between or among the Company and any Buyer, or any instruments any Buyer received from the Company prior to the date hereof, and all such agreements and instruments shall continue in full force and effect. Except as specifically set forth herein or therein, neither the Company nor any Buyer makes any representation, warranty, covenant or undertaking with respect to such matters. For clarification purposes, the Recitals are part of this Agreement. No provision of this Agreement may be amended other than by an instrument in writing signed by the Company and the Required Buyers, and any amendment to any provision of this Agreement made in conformity with the provisions of this Section 9(e) shall be binding on all Buyers and holders of Securities, as applicable, provided that no such amendment shall be effective to the extent that it (1) applies to less than all of the holders of the Securities then outstanding or (2) imposes any obligation or liability on any Buyer without such Buyer's prior written consent (which may be granted or withheld in such Buyer's sole discretion). No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving party, provided that the Required Buyers may waive any provision of this Agreement, and any waiver of any provision of this Agreement made in conformity with the provisions of this Section 9(e) shall be binding on all Buyers and holders of Securities, as applicable, provided that no such waiver shall be effective to the extent that it (1) applies to less than all of the holders of the Securities then outstanding (unless a party gives a waiver as to itself only) or (2) imposes any obligation or liability on any Buyer without such Buyer's prior written consent (which may be granted or withheld in such Buyer's sole discretion). No consideration shall be offered or paid to any Person to amend or consent to a waiver or modification of any provision of any of the Transaction Documents unless the same consideration also is offered to all of the parties to the Transaction Documents who are holders of Notes. The Company has not, directly or indirectly, made any agreements with any Buyers relating to the terms or conditions of the transactions contemplated by the Transaction Documents except as set forth in the Transaction Documents. Without limiting the foregoing, the Company confirms that, except as set forth in this Agreement, no Buyer has made any commitment or promise or has any other obligation to provide any financing to the Company or otherwise. As a material inducement for each Buyer to enter into this Agreement, the Company expressly acknowledges and agrees that no due diligence or other investigation or inquiry conducted by a Buyer, any of its advisors or any of its representatives shall affect such Buyer's right to rely on, or shall modify or qualify in any manner or be an exception to any of, the Company's representations and warranties contained in this Agreement or any other Transaction Document. "**Required Buyers**" means Buyers having Purchase Prices in the aggregate that are at least equal to fifty percent (50%) of the aggregate Purchase Prices for all Buyers.

(f) Notices. Any notices, consents, waivers or other communications required or permitted to be given under the terms of this Agreement must be in writing and will be deemed to have been delivered: (i) upon receipt, if delivered personally; (ii) when sent, if sent by facsimile (provided confirmation of transmission is mechanically or electronically generated and kept on file by the sending party); (iii) when sent, if sent by e-mail (provided that such sent e-mail is kept on file (whether electronically or otherwise) by the sending party and the sending party does not receive an automatically generated message from the recipient's e-mail server that such e-mail could not be delivered to such recipient) and (iv) if sent by overnight courier service, one (1) Business Day after deposit with an overnight courier service with next day delivery specified, in each case, properly addressed to the party to receive the same. The addresses, facsimile numbers and e-mail addresses for such communications shall be:

If to the Company:

Aqua Metals, Inc.
501 23rd Avenue
Oakland, CA 94606
E-mail: Steve.Clarke@aqmetals.com
Attention: Dr. Stephen Clarke

with a copy (for informational purposes only) to:

Greenberg Traurig, LLP
3161 Michelson Drive, Suite 1000
Irvine, CA 92612
Facsimile: (949) 732-6501
E-mail: DonahueD@gtlaw.com
Attention: Daniel K. Donahue, Esq.

If to a Buyer, to its address, facsimile number or e-mail address set forth on such Buyer's signature page hereto,

with a copy (for informational purposes only) to:

Golenbock Eiseman Assor Bell & Peskoe LLP
437 Madison Avenue, 40th Floor
New York, NY 10022
Facsimile: (212) 754-0330
E-mail : ahudders@golenbock.com
cvandemark@golenbock.com
Attention: Andrew D. Hudders, Esq.
Carl Van Demark, Esq.

or to such other address, facsimile number or e-mail address and/or to the attention of such other Person as the recipient party has specified by written notice given to each other party five (5) days prior to the effectiveness of such change. Written confirmation of receipt (A) given by the recipient of such notice, consent, waiver or other communication, (B) mechanically or electronically generated by the sender's facsimile machine containing the time, date and recipient facsimile number or (C) provided by an overnight courier service shall be rebuttable evidence of personal service, receipt by facsimile or receipt from an overnight courier service in accordance with clause (i), (ii) or (iv) above, respectively. A copy of the e-mail transmission containing the time, date and recipient e-mail address shall be rebuttable evidence of receipt by e-mail in accordance with clause (iii) above.

(g) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns, including, as contemplated below, any assignee of any of the Securities. The Company shall not assign this Agreement or any rights or obligations hereunder without the prior written consent of the Required Buyers; except in the event of a Change in Control (as defined in the Notes) where the Company repays in full the outstanding Notes of each Buyer or offers each Buyer an election to be repaid in full under such outstanding notes contingent only upon consummation of such Change in Control. A Buyer may assign some or all of its rights hereunder in connection with any transfer of any of its Securities without the consent of the Company, in which event such assignee shall be deemed to be a Buyer hereunder with respect to such assigned rights.

(h) No Third Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective permitted successors and assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other Person, other than the Indemnitees referred to in Section 9(k).

(i) Survival. The representations, warranties, agreements and covenants shall survive the Closing and shall expire on the conversion of the Notes into Conversion Shares. Each Buyer shall be responsible only for its own representations, warranties, agreements and covenants hereunder.

(j) Further Assurances. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as any other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

(k) Indemnification. In consideration of each Buyer's execution and delivery of the Transaction Documents and acquiring the Securities thereunder and in addition to all of the Company's other obligations under the Transaction Documents, the Company shall defend, protect, indemnify and hold harmless each Buyer and each holder of any Securities and all of their stockholders, partners, members, officers, directors, employees and direct or indirect investors and any of the foregoing Persons' agents or other representatives (including, without limitation, those retained in connection with the transactions contemplated by this Agreement) (collectively, the "**Indemnitees**") from and against any and all actions, causes of action, suits, claims, losses, costs, penalties, fees, liabilities and damages, and expenses in connection therewith (irrespective of whether any such Indemnitee is a party to the action for which indemnification hereunder is sought), and including reasonable attorneys' fees and disbursements for one (1) counsel to all the Buyers (the "**Indemnified Liabilities**"), incurred by any Indemnitee as a result of, or arising out of, or relating to (a) any misrepresentation or breach of any representation or warranty made by the Company in any of the Transaction Documents, (b) any breach of any covenant, agreement or obligation of the Company contained in any of the Transaction Documents or (c) any cause of action, suit, proceeding or claim brought or made against such Indemnitee by a third party (including for these purposes a derivative action brought on behalf of the Company) or which otherwise involves such Indemnitee that arises out of or results from (i) the execution, delivery, performance or successful enforcement of any of the Transaction Documents, (ii) any transaction financed or to be financed in whole or in part, directly or indirectly, with the proceeds of the issuance of the Securities, or (iii) the status of such Buyer or holder of the Securities either as an investor in the Company pursuant to the transactions contemplated by the Transaction Documents or as a party to this Agreement (including, without limitation, as a party in interest or otherwise in any action or proceeding for injunctive or other equitable relief). To the extent that the foregoing undertaking by the Company may be unenforceable for any reason, the Company shall make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities which is permissible under applicable law. Except as otherwise set forth herein, the mechanics and procedures with respect to the rights and obligations under this Section 9(k) shall be the same as those set forth in Section 6 of the Registration Rights Agreement. No Indemnitee shall be entitled to indemnification under this Section 9(k) to the extent an Indemnified Liability arises out of the gross negligence or willful misconduct of such Indemnitee. The Company shall not be obligated hereunder for any settlement entered into by an Indemnitee without the Company's prior written consent; provided, however, that the Company shall not unreasonably withhold, delay or condition its consent.

(l) Construction. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party. No specific representation or warranty shall limit the generality or applicability of a more general representation or warranty. Each and every reference to share prices, shares of Common Stock and any other numbers in this Agreement that relate to the Common Stock shall be automatically adjusted for stock dividends, stock splits, stock combinations and other similar transactions that occur with respect to the Common Stock after the date of this Agreement.

(m) Remedies. Each Person having any rights under any provision of this Agreement shall have all rights and remedies set forth in the Transaction Documents and all rights and remedies which such holders have been granted at any time under any other agreement or contract and all of the rights which such holders have under any law. Any Person having any rights under any provision of this Agreement shall be entitled to enforce such rights specifically (without posting a bond or other security), to recover damages by reason of any breach of any provision of this Agreement and to exercise all other rights granted by law. Furthermore, the Company recognizes that in the event that it fails to perform, observe, or discharge any or all of its obligations under the Transaction Documents, any remedy at law may prove to be inadequate relief to the Buyers. The Company therefore agrees that the Buyers shall be entitled to seek specific performance and/or temporary, preliminary and permanent injunctive or other equitable relief from any court of competent jurisdiction in any such case without the necessity of proving actual damages and without posting a bond or other security.

(n) Withdrawal Right. Notwithstanding anything to the contrary contained in (and without limiting any similar provisions of) the Transaction Documents, whenever any Buyer exercises a right, election, demand or option under a Transaction Document and the Company does not timely perform its related obligations within the periods therein provided, then such Buyer may rescind or withdraw, in its sole discretion from time to time upon written notice to the Company, any relevant notice, demand or election in whole or in part without prejudice to its future actions and rights.

(o) Payment Set Aside; Currency. To the extent that the Company makes a payment or payments to any Buyer hereunder or pursuant to any of the other Transaction Documents or any of the Buyers enforce or exercise their rights hereunder or thereunder, and such payment or payments or the proceeds of such enforcement or exercise or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside, recovered from, disgorged by or are required to be refunded, repaid or otherwise restored to the Company, a trustee, receiver or any other Person under any law (including, without limitation, any bankruptcy law, foreign, state or federal law, common law or equitable cause of action), then to the extent of any such restoration the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred. Unless otherwise expressly indicated, all dollar amounts referred to in this Agreement and the other Transaction Documents are in United States Dollars ("**U.S. Dollars**"), and all amounts owing under this Agreement and all other Transaction Documents shall be paid in U.S. Dollars. All amounts denominated in other currencies (if any) shall be converted into the U.S. Dollar equivalent amount in accordance with the Exchange Rate on the date of calculation. "**Exchange Rate**" means, in relation to any amount of currency to be converted into U.S. Dollars pursuant to this Agreement, the U.S. Dollar exchange rate as published in *The Wall Street Journal* on the relevant date of calculation.

(p) Independent Nature of Buyers' Obligations and Rights. The obligations of each Buyer under the Transaction Documents are several and not joint with the obligations of any other Buyer, and no Buyer shall be responsible in any way for the performance of the obligations of any other Buyer under any Transaction Document. Nothing contained herein or in any other Transaction Document, and no action taken by any Buyer pursuant hereto or thereto, shall be deemed to constitute the Buyers as, and the Company acknowledges that the Buyers do not so constitute, a partnership, an association, a joint venture or any other kind of group or entity, or create a presumption that the Buyers are in any way acting in concert or as a group or entity with respect to such obligations or the transactions contemplated by the Transaction Documents or any matters, and the Company acknowledges that the Buyers are not acting in concert or as a group, and the Company shall not assert any such claim, with respect to such obligations or the transactions contemplated by the Transaction Documents. The decision of each Buyer to purchase Securities pursuant to the Transaction Documents has been made by such Buyer independently of any other Buyer. Each Buyer acknowledges that no other Buyer has acted as agent for such Buyer in connection with such Buyer making its investment hereunder and that no other Buyer will be acting as agent of such Buyer in connection with monitoring such Buyer's investment in the Securities or enforcing its rights under the Transaction Documents. The Company and each Buyer confirms that each Buyer has independently participated with the Company in the negotiation of the transaction contemplated hereby with the advice of its own counsel and advisors. Each Buyer shall be entitled to independently protect and enforce its rights, including, without limitation, the rights arising out of this Agreement or out of any other Transaction Documents, and it shall not be necessary for any other Buyer to be joined as an additional party in any proceeding for such purpose. The use of a single agreement to effectuate the purchase and sale of the Securities contemplated hereby was solely in the control of the Company, not the action or decision of any Buyer, and was done solely for the convenience of the Company and not because it was required or requested to do so by any Buyer. It is expressly understood and agreed that each provision contained in this Agreement and in each other Transaction Document is between the Company and a Buyer, solely, and not between the Company and the Buyers collectively and not between and among the Buyers.

[*Signature pages follow*]

IN WITNESS WHEREOF, Buyer and the Company have caused their respective signature page to this Agreement to be duly executed as of the date first written above.

COMPANY:

AQUA METALS, INC.,
a Delaware corporation

By: /s/ Stephen R. Clarke
Dr. Stephen R. Clarke
President and Chief Executive Officer

IN WITNESS WHEREOF, Buyer and the Company have caused their respective signature page to this Agreement to be duly executed as of the date first written above.

BUYERS:

For Entity Investors

Print Name: _____

Signature:_____

Name of Signatory: _____

Title: _____

Telephone No. _____

Facsimile Number: _____

E-mail Address: _____

Social Security # or Fed ID #_____

_____
Street Address

_____
Street Address – 2nd line

_____
City, State, Zip

For Individual Investors:

Print Name: _____

Signature:_____

Social Security # or Fed ID #:_____

If Joint Investment, 2nd investor should complete:

Print Name:_____+_____

Signature:_____

Social Security # or Fed ID #:_____

Telephone No. _____

Facsimile No. _____

E-mail Address: _____

_____
Street Address

_____
Street Address – 2nd line

_____
City, State, Zip

[***See Next Page for Buyer Addendum Re Escrow***]

BUYER ADDENDUM RE ESCROW
(*this information is required*)

By signing above the above signed Buyer hereby certifies and confirms that: In the event that the Escrow Agent makes a disbursement to the above signed Buyer, which may or may not occur, such Buyer hereby confirms that such disbursement is to be made by wire transfer using the following wire transfer instructions. The Escrow Agent, the Company and the Placement Agent can rely on this confirmation and I will not revoke this confirmation unless I confirm to the Company on this form replacement wire transfer instructions at least two Business Days before revoking this confirmation. The Company may instruct the Escrow Agent to, or the Escrow Agent may on its own, withhold any such disbursement until the Company is reasonably satisfied and the Escrow Agent is satisfied in its sole discretion with the instructions and procedures for making such disbursement.

Bank Name: _____

Bank Address: _____

ABA Number: _____

Account Number: _____

Account Name: _____

Reference: _____

EXHIBIT A

SCHEDULE OF BUYERS

(1)	(2)	(3)
Buyer	**Original Principal Amount of Note**	**Purchase Price**

Exhibit 10.5

REGISTRATION RIGHTS AGREEMENT FOR INVESTORS

THIS REGISTRATION RIGHTS AGREEMENT (this "Agreement") is made as of October 31, 2014 by and among Aqua Metals, Inc., a Delaware corporation ("Company"), and the persons listed on Schedule A hereto, referred to individually as the " Holder" and collectively as the "Holders".

A. In connection with the Securities Purchase Agreement by and among the parties hereto, dated as of October 31, 2014 (the "Securities Purchase Agreement"), the Company has agreed, upon the terms and subject to the conditions of the Securities Purchase Agreement, to issue and sell to each Holder of the Notes (as defined in the Securities Purchase Agreement), which will be convertible into Conversion Shares (as defined in the Notes) in accordance with the terms of the Notes.

B. To induce the Holders of the Notes to consummate the transactions contemplated by the Securities Purchase Agreement, the Company has agreed to provide certain registration rights under the Securities Act, and applicable state securities laws to the Holders, and their assignees or successors in interest, certain rights to provide for the registration for resale of their Conversion Shares by means of a Registration Statement under the Securities Act, pursuant to the terms of this Agreement.

C. In connection with the transactions contemplated by the Securities Purchase Agreement, the Company is also exchanging that senior convertible note in the principal amount of $500,000 issued by the Company to Wirtz Manufacturing Co. Inc. on August 20, 2014 for a new senior secured convertible note of like tenor with the Notes (the "Wirtz Note").

D. The Conversion Shares (including any Conversion Shares issued upon conversion of the Wirtz Note) acquired by the Holders and their assignees or successors in interest, are referred to collectively as the "Registrable Securities".

E. Unless otherwise provided in this Agreement, capitalized terms used herein shall have the respective meanings set forth in Section 13 hereof.

NOW, THEREFORE, in consideration of the above premises and the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and Holder hereby agree as follows:

1. Registration.

(a) Piggyback Registrations Rights. If, at any time after the Company shall become subject to the periodic reporting obligations (a "Reporting Company") under the Securities and Exchange Act of 1934, as amended (the "1934 Act") through the date that is five years after the date the Company becomes a Reporting Company, there is not an effective Registration Statement covering the Registrable Securities, and the Company shall determine to prepare and file with the Commission a Registration Statement relating to an offering for its own account or the account of others under the Securities Act of any of its equity securities (other than on Form S-4 or Form S-8, each as promulgated under the Securities Act, or their then equivalent relating to equity securities to be issued solely in connection with any acquisition of any entity or business or equity securities issuable in connection with stock option or other employee benefit plans), then the Company shall send to the Holders a written notice of such determination at least twenty (20) days prior to the filing of any such Registration Statement and shall, include in such Registration Statement all Registrable Securities requested by any Holder hereunder to be included in the registration within ten (10) days after the Company sends such notice to the Holders (the "Piggyback Shares") for resale and offer on a continuous basis pursuant to Rule 415; provided, that (i) if, at any time after giving written notice of its intention to register any securities and prior to the effective date of the Registration Statement filed in connection with such registration, the Company determines for any reason not to proceed with or terminate such registration, the Company will be relieved of its obligation to register any Registrable Securities in connection with such registration, (ii) in case of a determination by the Company to delay registration of its securities, the Company will be permitted to delay the registration of Registrable Securities for the same period as the delay in registering such other securities, (iii) each Holder is subject to confidentiality obligations and shall not use or disclose any information gained in this process or any other material non-public information he, she or it obtains, (iv) each Holder or assignee or successor in interest shall comply with all applicable laws relating to insider trading or similar restrictions; and (v) if all of the Registrable Securities of the Holders cannot be so included due to Commission Comments or Underwriter Cutbacks, then the Company may reduce, in accordance with the provisions of Section 1(c) hereof, the number of securities covered by such Registration Statement to the maximum number which would enable the Company to conduct such offering in accordance with the provisions of Rule 415.

(b) Initial Registration Statement. At the election of each Holder, the Company shall be required to include up to all Piggyback Shares held by such Holder for resale and offer on a continuous basis pursuant to Rule 415 in the first Registration Statement filed after the date that it becomes a Reporting Company (the "Initial Registration Statement"); *provided, however,* that if all of the Registrable Securities of the Holders cannot be so included due to Commission Comments or Underwriter Cutbacks, then the Company may reduce, in accordance with the provisions of Section 1(c) hereof, the number of securities covered by the Initial Registration Statement to the maximum number which would enable the Company to conduct such offering in accordance with the provisions of Rule 415.

(c) Cutback Provisions. In the event all of the Registrable Securities cannot be or are not included in a Registration Statement due to Commission Comments or Underwriter Cutbacks, the Company and the Holders agree that securities shall be removed from such Registration Statement in the following order until no further removal is required by Commission Comments or Underwriter Cutbacks:

(i) First, any securities held by any former employee, consultant or affiliate of the Company shall be removed, pro rata based on the number of securities being registered for such former employees, consultants or affiliates held by all of the former employees of the Company and any of their affiliates and successors in interest, whether pursuant to agreement or otherwise and any other person with any registration rights outstanding on the date hereof;

(ii) Second, the securities held by National Securities Corporation ("National Securities") and its members and affiliates, if any, obtained solely by reason of providing services to the Company, which are being registered pursuant to any registration rights agreement or otherwise; and

(iii) Third, the Registrable Securities held by the Holders that are requested to be included in the Registration Statement shall be removed, pro rata based on the number of Registrable Shares held by each Holder in comparison to the number of Registrable Securities held by all Holders who have requested to include any Registrable Securities in the Registration Statement.

(d) Mandatory Registrations. In the event all of the Piggyback Shares of the Holders are not included in a Registration Statement due to Commission Comments or Underwriter Cutbacks, the Company shall prepare and file an additional Registration Statement (the "Follow-up Registration Statement") with the Commission within sixty (60) days following the effectiveness of the previously filed Registration Statement; *provided, however*, that the time period for filing the Follow-up Registration shall be extended to the extent that the Commission publishes written Commission Guidance or the Company receives written Commission Guidance which provides for a longer period before a Follow-up Registration Statement may be filed. The Follow-up Registration Statement shall cover the resale of all of the Registrable Securities that were excluded from any previously filed Registration Statement. In the event that all of the Piggyback Shares have not been registered in a Registration Statement after the Follow-up Registration Statement has been declared effective, the Company shall use commercially reasonable efforts thereafter to register any remaining unregistered Registrable Securities, subject to the provisions of Section 1(e) hereof.

(e) Filing; Content. The Company will use its commercially reasonable efforts to cause each Registration Statement pursuant to which any Registrable Securities are included, including the Initial or Follow-up Registration Statement, to contain the Plan of Distribution substantially similar to that attached hereto as Schedule B. The Company shall use its commercially reasonable efforts to cause any Registration Statement filed under this Section 1, including the Initial and Follow-up Registration Statement, to be declared effective under the Securities Act as promptly as practicable after the filing thereof and shall keep such Registration Statement continuously effective under the Securities Act until the earlier of (i) one year after its Effective Date (provided, however, the one year period shall be extended for any Grace Period), (ii) such time as all of the Registrable Securities covered by such Registration Statement have been publicly sold by the Holders, or (iii) such time as all of the Registrable Securities covered by such Registration Statement may be sold by the Holders pursuant to Rule 144 without regard to both the volume limitations for sales as provided in Rule 144 and the limitations for such sales provided in Rule 144(i), if applicable, as determined by the counsel to the Company pursuant to a written opinion letter to such effect, addressed and acceptable to the Company's transfer agent and the affected Holder ("Effectiveness Period"). By 5:00 p.m. (New York City time) on the business day immediately following the Effective Date of a Registration Statement, the Company shall file with the Commission in accordance with Rule 424 under the Securities Act the final Prospectus to be used in connection with sales pursuant to such Registration Statement (whether or not such filing is technically required under such Rule). Notwithstanding the foregoing portion of this Section 1(e), the Company shall have the right in its sole discretion to withdraw any Registration Statement filed under this Section 1 prior to its effectiveness.

(f) Termination of Piggyback Registration Rights. The registration rights afforded to each Holder under this Section 1 shall terminate on the earliest date when all Registrable Securities of the Holder either: (i) have been publicly sold by the Holder pursuant to a Registration Statement, (ii) have been covered by an effective Registration Statement which has been effective for an aggregate period of sixteen (16) months (whether or not consecutive), provided, however, the time period shall be calculated so as to exclude any Grace Period, or (iii) may be sold by the Holder pursuant to Rule 144 without regard to both the volume limitations for sales as provided in Rule 144 and the limitations for such sales provided in Rule 144(i), if applicable, as determined by the counsel to the Company pursuant to a written opinion letter to such effect, addressed and acceptable to the Company's transfer agent and the affected Holder in its reasonable discretion.

2. Demand Registration Rights.

(a) Demand Right. Commencing on the date that is one hundred eighty (180) days after the Company becomes a Reporting Company, the Holders as a group representing at least 50% of the Registrable Securities (a "Requesting Group") shall have a separate one-time right, by written notice to the Company, signed by such Holders (the "Demand Notice"), to request the Company to register for resale all Registrable Securities included by the Requesting Group in the Demand Notice (the "Demand Shares") under and in accordance with the provisions of the Securities Act by filing with the Commission a Registration Statement covering the resale of such Demand Shares (the "Demand Registration Statement"). A copy of the Demand Notice also shall be provided by the Company to each of the other Holders who will have fifteen (15) days to notify the Company in writing to include their Registrable Securities as part of the Demand Shares, the failure of which, however, shall not in any way affect the rights of the Requesting Group pursuant to this Section 2(a). The Demand Registration Statement required hereunder shall be on any form of registration statement then available for the registration of the Registrable Securities, as selected by the Company in accordance with applicable law and regulation. The Company will use its commercially reasonable efforts to file the Demand Registration Statement within forty-five (45) days of the receipt of the Demand Notice, provided if the Demand Notice is given within the forty-five (45) days after the prior fiscal year end, then the Company will use its reasonably commercial efforts to file the Demand Registration Statement within ninety (90) days of the fiscal year end of the Company. The Company shall use its commercially reasonable efforts to cause the Demand Registration Statement to be declared effective under the Securities Act as promptly as practicable after the filing thereof and to keep the Demand Registration Statement continuously effective under the Securities Act during the Effectiveness Period.

(b) Inclusion of Other Registrable Shares and Cutback Provisions. If as a result of Commission Comments, not all shares are included that are desired to be included in a Registration Statement for the Demand Shares, the provisions of Section 1(c) shall apply, subject to the Demand Priority (as defined below) of the Requesting Group. Pursuant to the piggyback registration rights granted under this Agreement, the Company may include the Registrable Shares of the other Holders which will be subject to the provision of Section 1(c) hereof, except that under Section 1(c)(iii), there will be no cutback of the Registrable Securities of the Requesting Group until the Holders of Piggyback Shares and the shares of any other person exercising piggyback rights under any other registration rights agreement (except for National Securities and their current and former affiliates, which shall have the priority established in Section 1(c)) have been removed, and thereafter if any further Registrable Securities have to be removed then those of the Requesting Group will be removed pro rata (the "Demand Priority"). Notwithstanding the foregoing, if any other securities of any person other than the Holders or the Requesting Group or National Securities and their current and former affiliates are included on the Demand Registration Statement, such securities will be removed, if required pursuant to Commission Comments, after removal of the securities indicated in Section 1(c)(i) and before the securities indicated in Section 1(c)(ii), as such persons decide among themselves, and if there is no agreement at to such removal provided to the Company within a reasonable time, time being of the essence, then all the such securities will be removed.

(c) Termination of Demand Registration Rights. The registration rights afforded to each Holder under this Section 2 shall terminate on the earliest date when all Registrable Securities of the Holder either: (i) have been publicly sold by the Holder pursuant to a Registration Statement, (ii) have been covered by an effective Registration Statement which has been effective for an aggregate period of sixteen (16) months (whether or not consecutive), *provided*, *however*, the time period shall be calculated so as to exclude any Grace Period, or (iii) may be sold by the Holder pursuant to Rule 144 without regard to both the volume limitations for sales as provided in Rule 144 and the limitations for such sales provided in Rule 144(i), if applicable, as determined by the counsel to the Company pursuant to a written opinion letter to such effect, addressed and acceptable to the Company's transfer agent and the affected Holder in its reasonable discretion.

3 . Registration Procedures. Whenever any Registrable Securities are to be registered pursuant to this Agreement, the Company shall use its commercially reasonable efforts to effect the registration and sale of such Registrable Securities in accordance with the intended method of disposition thereof, and pursuant thereto the Company shall have the following obligations:

(a) The Company shall prepare and file with the Commission a Registration Statement with respect to such Registrable Securities and use its commercially reasonable efforts to cause such Registration Statement to become effective.

(b) The Company shall prepare and file with the Commission such amendments (including post-effective amendments) and supplements to a Registration Statement and the Prospectus used in connection with such Registration Statement, which Prospectus is to be filed pursuant to Rule 424 promulgated under the Securities Act, as may be necessary to keep such Registration Statement effective at all times during the Effectiveness Period, and, during such period, comply with the provisions of the Securities Act with respect to the disposition of all Registrable Securities of the Company covered by such Registration Statement. In the case of amendments and supplements to a Registration Statement which are required to be filed pursuant to this Agreement by reason of the Company filing a report on Forms 10-K, 10-Q or Current Report on Form 8-K, or any analogous report under the Securities Exchange Act, the Company shall have incorporated such report by reference into such Registration Statement, if applicable, or shall file such amendments or supplements with the Commission on the same day on which the Securities Exchange Act report is filed which created the requirement for the Company to amend or supplement such Registration Statement.

(c) The Company shall furnish to each Holder of Registrable Securities in any Registration Statement, without charge, (i) promptly after the same is prepared and filed with the Commission at least one copy of such Registration Statement and any amendment(s) thereto, including financial statements and schedules, all documents incorporated therein by reference, if requested by such seller, all exhibits and each preliminary Prospectus, (ii) unless such Holder is exempt from the prospectus delivery requirements pursuant to Rule 172 of the Securities Act, upon the effectiveness of any Registration Statement, ten (10) copies of the Prospectus included in such Registration Statement and all amendments and supplements thereto (or such other number of copies as such seller may reasonably request), and (iii) such other documents, including copies of any preliminary or final Prospectus, as such seller may reasonably request from time to time in order to facilitate the disposition of the Registrable Securities owned by such seller.

(d) The Company shall use its commercially reasonable efforts to (i) register and qualify, unless an exemption from registration and qualification applies, the resale by any seller of the Registrable Securities covered by a Registration Statement under such other securities or "blue sky" laws of all applicable jurisdictions in the United States, (ii) prepare and file in those jurisdictions, such amendments (including post-effective amendments) and supplements to such registrations and qualifications as may be necessary to maintain the effectiveness thereof during the Effectiveness Period, (iii) take such other actions as may be necessary to maintain such registrations and qualifications in effect at all times during the Effectiveness Period, and (iv) take all other actions reasonably necessary or advisable to qualify the Registrable Securities for sale in such jurisdictions; *provided*, *however*, that the Company shall not be required in connection therewith or as a condition thereto to (x) qualify to do business in any jurisdiction where it would not otherwise be required to qualify but for this Section 3(d), (y) subject itself to general taxation in any such jurisdiction, or (z) file a general consent to service of process in any such jurisdiction.

(e) The Company shall use its best efforts to prevent the issuance of any stop order or other suspension of effectiveness of a Registration Statement, or the suspension of the qualification of any of Registrable Securities for sale in any jurisdiction and, if such an order or suspension is issued, to obtain the withdrawal of such order or suspension at the earliest practicable time and to notify the Holder of any Registrable Securities included in the offering under such Registration Statement of such order and the resolution thereof or its receipt of actual notice of the initiation or threat of any proceeding for such purpose.

(f) The Company shall notify the Holder in writing of the happening of any event, as promptly as practicable after becoming aware of such event, as a result of which the Prospectus included in a Registration Statement, as then in effect, includes an untrue statement of a material fact or omission to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (provided that in no event shall such notice contain any material, nonpublic information), and, subject to Section 3(r), promptly prepare a supplement or amendment to such Registration Statement to correct such untrue statement or omission, and, unless such Holder is exempt from the prospectus delivery requirements pursuant to Rule 172 of the Securities Act, deliver ten (10) copies of such supplement or amendment to the Holder (or such other number of copies as the Holder may reasonably request).

(g) The Company shall promptly notify the Holder in writing (i) when a Prospectus or any Prospectus supplement or post-effective amendment has been filed, and when a Registration Statement or any post-effective amendment has become effective (notification of such effectiveness shall be delivered to the Holder by email or facsimile on the same day of such effectiveness or by overnight delivery), (ii) of any request by the Commission for amendments or supplements to a Registration Statement or related Prospectus or related information, and (iii) of the Company's reasonable determination that a post-effective amendment to a Registration Statement would be appropriate.

(h) If the Holder is required under applicable Commission Guidance to be described in a Registration Statement as an underwriter, at the reasonable request of such Holder, the Company shall use its best efforts to furnish to such Holder, on the date of the effectiveness of such Registration Statement and thereafter from time to time on such dates as the Holder may reasonably request (i) a letter, dated such date, from the Company's independent certified public accountants in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering, addressed to the Holder, and (ii) an opinion, dated as of such date, of counsel representing the Company for purposes of such Registration Statement, in form, scope and substance as is customarily given in an underwritten public offering, addressed to the Holder.

(i) If the Holder is required under applicable Commission Guidance to be described in a Registration Statement as an underwriter, then at the request of such Holder in connection with such Holder's due diligence requirements, the Company shall make available for inspection by (i) the Holder, (ii) the Holder's legal counsel, and (iii) one firm of accountants or other agents retained by the Holder (collectively, the "Inspectors"), all pertinent financial and other records, and pertinent corporate documents and properties of the Company (collectively, the "Records"), as shall be reasonably deemed necessary by each Inspector, and cause the Company's officers, directors and employees to supply all information which any Inspector may reasonably request; *provided*, *however*, that each Inspector shall agree to hold in strict confidence and shall not make any disclosure (except to the Holder) or use of any Record or other information which the Company determines in good faith to be confidential, and of which determination the Inspectors are so notified, unless (a) the release of such Records is ordered pursuant to a final, non-appealable subpoena or order from a court or government body of competent jurisdiction, or (b) the information in such Records has been made generally available to the public other than by disclosure in violation of this or any other agreement of which the Inspector has knowledge. Each Holder agrees that it shall, upon learning that disclosure of such Records is sought in or by a court or governmental body of competent jurisdiction or through other means, give prompt notice to the Company and allow the Company, at its expense, to undertake appropriate action to prevent disclosure of, or to obtain a protective order for, the Records deemed confidential. Nothing herein (or in any other confidentiality agreement between the Company and the Holder) shall be deemed to limit the Holder's ability to sell Registrable Securities in a manner which is otherwise consistent with applicable laws and regulations. Notwithstanding the foregoing, each Holder acknowledges that the Records may contain material non-public information and agrees that it shall strictly comply with the insider trading rules prohibiting the purchasing, selling or the Company's securities while in the possession of any such material non-public information.

(j) The Company shall hold in confidence and not make any disclosure of information concerning the Holder provided to the Company unless (i) disclosure of such information is necessary to comply with federal or state securities laws, (ii) the disclosure of such information is necessary to avoid or correct a misstatement or omission in any Registration Statement, (iii) the release of such information is ordered pursuant to a subpoena or other final, non-appealable order from a court or governmental body of competent jurisdiction, (iv) such information has been made generally available to the public other than by disclosure in violation of this Agreement or any other agreement, or (v) the Holder provides information to the Company intended for inclusion in a Registration Statement. The Company agrees that it shall, upon learning that disclosure of such information concerning the Holder is sought in or by a court or governmental body of competent jurisdiction or through other means, give prompt written notice to the Holder if permitted by applicable law or regulation and allow the Holder, at the Holder's expense, to undertake appropriate action to prevent disclosure of, or to obtain a protective order for, such information.

(k) The Company shall (i) if applicable, use its best efforts to cause all of the Registrable Securities covered by a Registration Statement to be listed on each securities exchange on which securities of the same class or series issued by the Company are then listed, if any, if the listing of such Registrable Securities is then permitted under the rules of such exchange, or (ii) otherwise, use its commercially reasonable efforts to secure designation and quotation of all of the Registrable Securities covered by a Registration Statement on any one of the different levels of The NASDAQ Stock Market, or (iii) if, despite the Company's best efforts or commercially reasonable efforts, as applicable, to satisfy, the preceding clauses (i) and (ii) the Company is unsuccessful in satisfying the preceding clauses (i) and (ii), to instead secure the inclusion for quotation on the Over-the-Counter Bulletin Board for such Registrable Securities and, without limiting the generality of the foregoing, to use its commercially reasonable efforts to encourage at least two market makers to register with the Financial Industry Regulatory Authority, Inc. ("FINRA") as such with respect to such Registrable Securities. For the avoidance of doubt, subject to and in accordance with Section 5, the Company shall pay all fees and expenses of the Company in connection with satisfying its obligation under this Section 3(k).

(l) If requested by the Holder, and permissible under Commission Guidance, the Company shall (i) as soon as practicable incorporate in a Prospectus supplement such information as the Holder reasonably requests to be included therein relating to the sale and distribution of Registrable Securities, including, without limitation, information with respect to the Registrable Securities being offered or sold, the purchase price being paid therefor and any other terms of the offering of the Registrable Securities to be sold in such offering; (ii) as soon as practicable make all required filings of such Prospectus supplement after being notified of the matters to be incorporated in such Prospectus supplement; and (iii) as soon as practicable, supplement any Registration Statement if reasonably requested by the Holder holding any Registrable Securities.

(m) The Company shall cooperate with each Holder who holds Registrable Securities being offered and, to the extent applicable, facilitate the timely preparation and delivery of certificates (not bearing any restrictive legend) representing the Registrable Securities to be offered pursuant to a Registration Statement and enable such certificates to be in such denominations or amounts, as the case may be, as the Holder may reasonably request and registered in such names as the Holder may request.

(n) The Company shall use its commercially reasonable efforts to cause the Registrable Securities covered by a Registration Statement to be registered with or approved by such other U.S. governmental agencies or authorities, but only in matters not contemplated Section 3(d) by or reasonably related to such matters (which matters are to be governed exclusively by Section 3(d)), as may be strictly necessary to consummate the disposition of such Registrable Securities by the Holder strictly in accordance with the Plan of Distribution included in the Registration Statement (as such Plan of Distribution may be modified from time to time in any filing with the Commission).

(o) The Company shall make generally available to its security holders as soon as practicable, but not later than ninety (90) days after the close of the period covered thereby (or, if different, within the period permitted for the filing of reports on Forms 10-K or 10-Q), an earnings statement (in form complying with, and in the manner provided by, the provisions of Rule 158 under the Securities Act) covering a twelve-month period beginning not later than the first day of the Company's fiscal quarter next following the Effective Date of a Registration Statement.

(p) The Company shall otherwise use its commercially reasonable efforts to comply with all applicable rules and regulations of the Commission in connection with any registration hereunder.

(q) Within two (2) business days after a Registration Statement which covers Registrable Securities is ordered effective by the Commission, the Company shall deliver, and shall cause legal counsel for the Company to deliver, to the transfer agent for such Registrable Securities (with copies to the Holder whose Registrable Securities are included in such Registration Statement) confirmation that such Registration Statement has been declared effective by the Commission in the form attached hereto as Exhibit A and the Irrevocable Transfer Agent Instructions in the form attached hereto as Exhibit B.

(r) Notwithstanding anything to the contrary herein, at any time after the Effective Date of a Registration Statement, the Company may delay the disclosure of material, non-public information concerning the Company the disclosure of which at the time is not, in the good faith opinion of the Board of Directors of the Company, in the best interest of the Company and not, after consultation with legal counsel, otherwise required (a "Grace Period"); provided, that the Company shall promptly (i) notify the Holder in writing of the existence of material, non-public information giving rise to a Grace Period (provided that in each notice the Company will not disclose the content of such material, non-public information to the Holder) and the date on which the Grace Period will begin, and (ii) notify the Holder in writing of the date on which the Grace Period ends; and, provided further, that no Grace Period shall exceed sixty (60) consecutive days and during any three hundred sixty-five (365) day period such Grace Periods shall not exceed an aggregate of one hundred twenty (120) days (each, an "Allowable Grace Period"). For purposes of determining the length of a Grace Period above, the Grace Period shall begin on and include the date the Holder receives the notice referred to in clause (i) and shall end on and include the later of the date the Holder receives the notice referred to in clause (ii) and the date referred to in such notice. The provisions of Section 3(f) hereof shall not be applicable during the period of any Allowable Grace Period. Upon expiration of the Grace Period, the Company shall again be bound by Section 3(f) with respect to the information giving rise thereto unless such material, non-public information is no longer applicable. Notwithstanding anything to the contrary, the Company shall cause its transfer agent to deliver unlegended shares of Common Stock to a transferee of the Holder in connection with any sale of Registrable Securities with respect to which the Holder has entered into a contract for sale, and delivered a copy of the Prospectus included as part of the applicable Registration Statement (unless an exemption from such Prospectus delivery requirements exists), prior to the Holder's receipt of the notice of a Grace Period or, if earlier, Holders knowledge of the material, non-public information concerning the Company that gave rise to the Grace Period, and for which the Holder has not yet settled.

(s) In the event the number of shares available under any Registration Statement filed pursuant to this Agreement is insufficient to cover all of the Registrable Securities required to be covered by such Registration Statement in accordance with the requirements of this Agreement or a Holder's allocated portion of the Registrable Securities pursuant to Sections 1(c) or 2(b), the Company may, as an alternative, to filing a Follow-up Registration Statement, amend the Registration Statement (if permissible) on or before the date the filing of a Follow-up Registration Statement would be required, so as to cover at least the required number of Registrable Securities (but taking account of any SEC Staff position with respect to the date on which the Staff will permit such amendment to the Registration Statement and/or such new Registration Statement (as the case may be) to be filed with the SEC). The Company shall use its commercially reasonable efforts to cause such any such amendment to such Registration Statement (as the case may be) to become effective as soon as practicable following the filing thereof with the SEC.

4. Obligations of the Holders.

(a) At least five (5) business days prior to the first anticipated filing date of a Registration Statement, the Company shall notify the Holders in writing of the information the Company requires from each Holder if the Holder's Registrable Securities are to be included in such Registration Statement. It shall be a condition precedent to the obligations of the Company to complete the registration pursuant to this Agreement with respect to any Registrable Securities of the Holder that the Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it and the intended method of disposition of the Registrable Securities held by it as shall be reasonably required to effect the effectiveness of the registration of such Registrable Securities and shall execute such documents in connection with such registration as the Company may reasonably request.

(b) The Holder, by the Holder's acceptance of the Registrable Securities, agrees to cooperate with the Company as reasonably requested by the Company in connection with the preparation and filing of any Registration Statement hereunder, unless the Holder has notified the Company in writing of the Holder's election to exclude all of the Holder's Registrable Securities from such Registration Statement.

(c) The Holder agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Sections 3(e) or 3(f) or of a Grace Period under Section 3(r), the Holder will immediately discontinue disposition of Registrable Securities pursuant to any Registration Statement(s) covering such Registrable Securities until the Holder's receipt of the copies of the supplemented or amended Prospectus contemplated by Sections 3(e) or 3(f) or receipt of notice that no supplement or amendment is required. Notwithstanding anything to the contrary, the Company shall cause its transfer agent to deliver unlegended shares of Common Stock to a transferee of the Holder in connection with any sale of Registrable Securities with respect to which the Holder has entered into a contract for sale prior to the Holder's receipt of a notice from the Company of the happening of any event of the kind described in Sections 3(e) or 3(f) or of any Grace Period, or, if earlier, Holders knowledge of the material, non-public information concerning the Company or the facts or circumstances that gave rise to the Grace Period or of the Section 3(e) or 3(f) event, and for which the Holder has not yet settled.

(d) The Holder covenants and agrees that it will comply with the Prospectus delivery requirements of the Securities Act as applicable to it or an exemption therefrom in connection with sales of Registrable Securities pursuant to a Registration Statement.

5 . Registration Expenses. All expenses incident to the Company's performance of or compliance with this Agreement, including without limitation all registration and filing fees, fees and expenses of compliance with securities or blue sky laws, printing expenses, messenger and delivery expenses, fees and disbursements of custodians, and fees and disbursements of counsel for the Company and all independent certified public accountants, underwriters retained by the Company (excluding discounts, commissions and placement agent fees) and other Persons retained by the Company (all such expenses being herein called "Registration Expenses"), shall be borne by the Company. Further, the Company shall pay its internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any annual audit or quarterly review, the expense of any liability insurance and the expenses and fees for listing the securities to be registered on each securities exchange on which similar securities issued by the Company are then listed.

6. Indemnification.

In the event any Registrable Securities are included in a Registration Statement under this Agreement:

(a) To the fullest extent permitted by law, the Company will, and hereby does, indemnify, hold harmless and defend the Holder, the directors, officers, members, partners, employees, agents, representatives of, and each Person, if any, who controls the Holder within the meaning of the Securities Act or the Securities Exchange Act (each, an "Indemnified Person"), against any losses, claims, damages, liabilities, judgments, fines, penalties, charges, costs, reasonable attorneys' fees, amounts paid in settlement or expenses, joint or several, (collectively, "Claims") incurred in investigating, preparing or defending any action, claim, suit, inquiry, proceeding, investigation or appeal taken from the foregoing by or before any court or governmental, administrative or other regulatory agency, body or the Commission, whether pending or threatened, whether or not an indemnified party is or may be a party thereto ("Indemnified Damages"), to which any of them may become subject insofar as such Claims (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon: (i) any untrue statement or alleged untrue statement of a material fact in a Registration Statement or any post-effective amendment thereto or in any filing made in connection with the qualification of the offering under the securities or other "blue sky" laws of any jurisdiction in which Registrable Securities are offered ("Blue Sky Filing"), or the omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) any untrue statement or alleged untrue statement of a material fact contained in any preliminary Prospectus if used prior to the effective date of such Registration Statement, or contained in the final Prospectus (as amended or supplemented, if the Company files any amendment thereof or supplement thereto with the Commission) or the omission or alleged omission to state therein any material fact necessary to make the statements made therein, in the light of the circumstances under which the statements therein were made, not misleading, (iii) any violation or alleged violation by the Company of the Securities Act or the Securities Exchange Act, any other law, including, without limitation, any state securities law, or any rule or regulation thereunder relating to the offer or sale of the Registrable Securities pursuant to a Registration Statement or (iv) any violation of this Agreement (the matters in the foregoing clauses (i) through (iv) being, collectively, "Violations"). Subject to Section 6(c), the Company shall reimburse the Indemnified Persons, promptly as such expenses are incurred and are due and payable, for any legal fees or other reasonable expenses incurred by them in connection with investigating or defending any such Claim. Notwithstanding anything to the contrary contained herein, the indemnification agreement contained in this Section 6(a): (i) shall not apply to a Claim by an Indemnified Person arising out of or based upon a Violation which occurs based on a Holder's material breach of its covenants or agreements in Section 4(c) or (d) or in reliance upon and in conformity with information furnished in writing to the Company by such Indemnified Person or by a Related Information Provider expressly for use in connection with the preparation of the Registration Statement or any such amendment thereof or supplement thereto and (ii) shall not be available to the extent such Claim is based on a failure of the Holder to deliver or to cause to be delivered the Prospectus made available by the Company, including a corrected Prospectus, if such Prospectus or corrected Prospectus was timely made available by the Company pursuant to Section 3(c); and (iii) shall not apply to amounts paid in settlement of any Claim if such settlement is effected without the prior written consent of the Company, which consent shall not be unreasonably withheld or delayed. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Indemnified Person and shall survive the transfer of the Registrable Securities by the Holder pursuant to Section 10. "Related Information Provider" means, in respect of any Indemnified Person, the Holder to which such Indemnified Person is related or another Indemnified Person that is related to the Holder to which such Indemnified Person is related.

(b) To the fullest extent permitted by law, in connection with any Registration Statement in which a Holder's Registrable Securities are included or in which a Holder is otherwise participating, such Holder will severally and not jointly indemnify and hold harmless the Company, each of its directors, each of its officers who has signed the Registration Statement, each Person, if any, who controls the Company within the meaning of the Securities Act, any underwriter, any other Holder or other Person selling securities in such Registration Statement and any controlling person of any such underwriter or other Holder or other Person (each an "Other Indemnified Person"), against any Claims or Indemnified Damages to which any of them may become subject, under the Securities Act, the Exchange Act or otherwise, insofar as such Claim or Indemnified Damages arise out of or are based upon any Violation, in each case to the extent, and only to the extent, that such Violation occurs based on a Holder's material breach of its covenants or agreements in Section 4(c) or (d) or in reliance upon and in conformity with written information furnished by such Holder or by a Related Information Provider expressly for use in connection with such Registration Statement; and each such Holder will pay, as incurred, any legal or other expenses reasonably incurred by any Other Indemnified Person intended to be indemnified pursuant to this Section 6(b), in connection with investigating or defending any such Claim; *provided*, *however*, that the indemnity agreement contained in this Section 6(b) shall not apply to amounts paid in settlement of any such Claim if such settlement is effected without the prior written consent of the Holder, which consent shall not be unreasonably withheld; *provided*, *further*, *however*, that the Holder shall be liable under this Section 6(b) for only that amount of a Claim or Indemnified Damages as does not exceed the net proceeds to the Holder as a result of the sale of Registrable Securities pursuant to such Registration Statement, except in the case of fraud by such Holder. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such Other Indemnified Person and shall survive the transfer of the Registrable Securities by the Holder pursuant to Section 10.

(c) Promptly after receipt by an Indemnified Person or Other Indemnified Person under this Section 6 of notice of the commencement of any action or proceeding (including any governmental action or proceeding) involving a Claim, such Indemnified Person or Other Indemnified Person shall, if a claim for indemnification in respect thereof is to be made against any indemnifying party under this Section 6, deliver to the indemnifying party a written notice of the commencement thereof, and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume control of the defense thereof with counsel mutually satisfactory to the indemnifying party and reasonably satisfactory to the Indemnified Person or the Other Indemnified Person, as the case may be; *provided*, *however*, that an Indemnified Person or Other Indemnified Person shall have the right to retain its own counsel with the fees and expenses of not more than one counsel for all such Indemnified Persons or all such Other Indemnified Persons to be paid by the indemnifying party, if, in the reasonable opinion of counsel retained by the indemnifying party, the representation by such counsel of the Indemnified Person or Other Indemnified Person and the indemnifying party would be inappropriate due to actual or potential differing interests between such Indemnified Person or Other Indemnified Person and any other party represented by such counsel in such proceeding. The Other Indemnified Person or Indemnified Person, as applicable, shall cooperate fully with the indemnifying party in connection with any negotiation or defense of any such action or Claim by the indemnifying party and shall furnish to the indemnifying party all information reasonably available to such Other Indemnified Person or such Indemnified Person which relates to such action or Claim. The indemnifying party shall keep the Other Indemnified Person or Indemnified Person, as applicable, reasonably apprised at all times as to the status of the defense or any settlement negotiations with respect thereto. No indemnifying party shall be liable for any settlement of any action, claim or proceeding effected without its prior written consent; *provided*, *however*, that the indemnifying party shall not unreasonably withhold, delay or condition its consent. No indemnifying party shall, without the prior written consent of the Other Indemnified Person or Indemnified Person, as applicable, consent to entry of any judgment or enter into any settlement or other compromise which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Other Indemnified Person or such Indemnified Person of a release from all liability in respect to the Claim at issue, and such settlement shall not include any admission as to fault on the part of such Other Indemnified Person or such Indemnified Person. Following indemnification as provided for hereunder, the indemnifying party shall be subrogated to all rights of the Other Indemnified Person or Indemnified Person, as applicable, with respect to all third parties, firms or corporations relating to the matter for which indemnification has been made. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action shall not relieve such indemnifying party of any liability to the Indemnified Person or Other Indemnified Person, as applicable, under this Section 6, except to the extent that the indemnifying party is materially prejudiced in its ability to defend such action.

(d) The indemnification required by this Section 6 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or Indemnified Damages are incurred, subject to an undertaking by the Indemnified Person or the Other Indemnified Person, as applicable, to return such payments to the extent a court of competent jurisdiction or other competent authority determines that such payments were unlawful or were not required under this Agreement.

(e) Without any duplication or multiplication of damages, the indemnity agreements contained herein shall be in addition to (i) any cause of action or similar right of the Other Indemnified Person or Indemnified Person against the indemnifying party or others, and (ii) any liabilities the indemnifying party may be subject to pursuant to the law.

(f) Unless suspended by the underwriting agreement applicable to any registration, the obligations of the Company and Holders under this Section 6 shall survive the completion of any offering of Registrable Securities in a Registration Statement under this Agreement, or otherwise.

7 . Contribution. To the extent any indemnification by an indemnifying party is prohibited or limited by law, such indemnifying party agrees to make the maximum contribution with respect to any amounts for which it would otherwise be liable under Section 6 to the fullest extent permitted by law; *provided*, *however*, that: (i) no Person involved in the sale of Registrable Securities which Person is guilty of fraudulent misrepresentation (within the meaning of Section 10(f) of the Securities Act) in connection with such sale shall be entitled to contribution from any Person involved in such sale of Registrable Securities who was not guilty of fraudulent misrepresentation; and (ii) contribution by any seller of Registrable Securities shall be limited in amount to the net amount of proceeds received by such seller from the sale of such Registrable Securities pursuant to such Registration Statement

8. No Delay of Registration. No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any registration as the result of any controversy that might arise with respect to the interpretation or implementation of this Agreement.

9 . Reports under Securities Exchange Act. With a view to making available to the Holder the benefits of Rule 144 promulgated under the Securities Act or any other similar rule or regulation of the Commission that may at any time permit the Holder to sell securities of the Company to the public without registration, once the Company becomes a Reporting Company, the Company agrees to use its commercially reasonable efforts to continue to be a Reporting Company for five years and further during such time it is a Reporting Company the Company agrees to use its best efforts to:

(a) make and keep public information available, as those terms are understood and defined in Rule 144;

(b) file with the Commission in a timely manner all reports and other documents required of the Company under the Securities Act and the Securities Exchange Act so long as the Company remains subject to such requirements and the filing of such reports and other documents is required for the applicable provisions of Rule 144; and

(c) furnish to the Holder so long as the Holder owns Registrable Securities, promptly upon request, (i) a written statement by the Company, if true, that it has complied with the reporting requirements of Rule 144, the Securities Act and the Securities Exchange Act, (ii) unless available on the Commission's EDGAR website, copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company, and (iii) such other information as may be reasonably requested to permit the Holder to sell such securities pursuant to Rule 144 without registration.

10. Assignment of Registration Rights. The rights under this Agreement shall be automatically assignable by the Holder to any transferee of all or any portion of the Holder's Registrable Securities if: (i) the Holder agrees in writing with the transferee or assignee to assign such rights, and a copy of such agreement is furnished to the Company within a reasonable time after such assignment; (ii) the Company is, within a reasonable time after such transfer or assignment, furnished with written notice of (a) the name and address of such transferee or assignee, and (b) the securities with respect to which such registration rights are being transferred or assigned; (iii) immediately following such transfer or assignment the further disposition of such securities by the transferee or assignee is or might be restricted under the Securities Act and applicable state securities laws; and (iv) at or before the time the Company receives the written notice contemplated by clause (ii) of this sentence the transferee or assignee agrees in writing with the Company to be bound by all of the provisions contained herein.

11. Subsequent Registration Rights. The Company agrees that after the date hereof and excluding any registration rights agreement with National Securities or its members and affiliates, it will not grant to any person any registration right or proceed to register any securities of any person unless it provides in such agreement or registration that any securities being registered under such agreement or registration will be subject to the cutback provisions of this Agreement as provided in Section 1(c) and Section 2(b).

12. Amendment of Registration Rights. Provisions of this Agreement may be amended and the observance thereof may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Company and the holders of at least a majority of the then outstanding Registrable Securities. Any amendment so effected will be binding upon all Holders, whether or not such Holder consents thereto.

13. Definitions.

(a) "Commission" means the Securities and Exchange Commission.

(b) "Commission Comments" means written comments pertaining solely to Rule 415 or other comments to the extent they relate to Rule 415 which are received by the Company from the Commission, and a copy of which shall have been provided by the Company to the Holder, to a filed Registration Statement which limit the amount of shares which may be included therein to a number of shares which is less than such amount sought to be included thereon as filed with the Commission.

(c) "Commission Guidance" means (i) any guidance, comments, requirements or requests of the Commission staff that is publicly available in oral or written form and any comments or guidance provided by the Commission staff directly to the Company in written form, (ii) the Securities Act and the rules and regulations promulgated thereunder or (iii) the Securities Exchange Act and the rules and regulations promulgated thereunder.

(d) "Common Stock" means the common stock, $0.001 par value per share, of the Company.

(e) "Effective Date" means, as to a Registration Statement, the date on which such Registration Statement is first declared effective by the Commission.

(f) "Person" means an individual, a partnership, a limited liability company, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

(g) "Prospectus" means the prospectus included in the Registration Statement (including, without limitation, a prospectus that includes any information previously omitted from a prospectus filed as part of an effective Registration Statement in reliance upon Rule 430A promulgated under the Securities Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Securities covered by the Registration Statement, and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such Prospectus

(h) "Registrable Securities" means (i) the Conversion Shares issued or issuable to the Holder or its assignees or successor in interest pursuant to conversion of the Notes and (ii) any other shares of Common Stock or any other securities issued or issuable with respect to the securities referred to in clause (i) by way of a stock dividend or stock split or in connection with an exchange or combination of shares, recapitalization, merger, consolidation or other reorganization.

(i) "Registration Statement" means any registration statement (including, without limitation, the Initial Registration Statement or the Follow-up Registration Statement) required to be filed hereunder (which, at the Company's option, may be an existing registration statement of the Company previously filed with the Commission, but not declared effective), including (in each case) the Prospectus, amendments and supplements to the Registration Statement or Prospectus, including pre- and post-effective amendments, all exhibits thereto, and all material incorporated by reference or deemed to be incorporated by reference in the Registration Statement.

(j) "Reporting Company" means a company that is obligated to file periodic reports under Sections 13 or 15(d) of the Securities Exchange Act.

(k) "Rule 144" means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission that may at any time permit the Holder to sell securities of the Company to the public without registration.

(l) "Rule 415" means Rule 415 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

(m) "Rule 424" means Rule 424 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

(n) "Securities Act" means the Securities Act of 1933, as amended from time to time together with the regulations promulgated thereunder.

(o) "Securities Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, together with the regulations promulgated thereunder.

(p) "Underwriter Cutbacks" means any reduction in the number of shares suggested by any managing underwriter to be included in a registration under a Registration Statement based upon the guidance in this Section 13(p). In connection with any offering involving an underwriting of shares of the Company's capital stock, the Company shall not be required under Section 1 to include any of the Holders' securities in such underwriting unless they accept the terms of the underwriting as agreed upon between the Company and the underwriters, and then only in such quantity as the underwriters determine in their sole discretion will not jeopardize the success of the offering by the Company. If the total amount of securities, including Registrable Securities, requested by stockholders to be included in such offering exceeds the amount of securities to be sold other than by the Company that the underwriters determine in their sole discretion is compatible with the success of the offering, then the Company shall be required to include in the offering only that number of such securities, including Registrable Securities, which the underwriters determine in their sole discretion will not jeopardize the success of the offering (the securities so included to be apportioned pro rata among the selling shareholders according to the total amount of securities entitled to be included therein owned by each selling shareholder or in such other proportions as shall mutually be agreed to by such selling shareholders); provided, that any such cutback will be effected in accordance with the priorities established by Section 1(c); provided further that in no event shall the amount of securities of the selling Holders included in an offering pursuant to Section 1 be reduced below 30% of the total amount of securities included in such offering.

14. Market Stand-Off. In connection with the Initial Public Offering of the Company's securities, if any, each Holder hereby agrees not to sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any securities of the Company however or whenever acquired (other than those included in the registration, if any) without the prior written consent of the managing or lead underwriter of such offering, for a period of one hundred eighty (180) days from the effective date of such registration (the "Restricted Period"), and to the extent requested by the underwriter, each Holder shall, at the time of such offering, execute an agreement reflecting these requirements binding on such Holder that are substantially consistent with this Section 14; *provided*, *however*, that if during the last seventeen (17) days of the Restricted Period the Company issues an earnings release or material news or a material event relating to the Company occurs, or prior to the expiration of the Restricted Period the Company announces that it will release earnings results during the sixteen (16) day period beginning on the last day of the restricted period, then, upon the request of the managing underwriter, to the extent required by any FINRA rules, the restrictions imposed by this Section 14 shall continue to apply until the end of the third (3rd) trading day following the expiration of the fifteen (15) day period beginning on the issuance of the earnings release or the occurrence of the material news or material event. In no event will the Restricted Period extend beyond two hundred sixteen (216) days after the effective date of the registration statement. In order to enforce the restriction set forth above or any other restriction agreed by Holder, including without limitation any restriction requested by the underwriters of any Initial Public Offering of the securities of the Company agreed by such Holder, the Company may impose stop-transfer instructions with respect to any security acquired under or subject to this Agreement until the end of the applicable stand-off period. The Company's underwriters shall be third-party beneficiaries of the agreement set forth in this Section 14. Each Holder agrees that prior to the Company's Initial Public Offering it will not transfer securities of the Company unless each transferee agrees in writing to be bound by all of the provisions of this Section 14, provided that this Section 14 shall not apply to transfers pursuant to a Registration Statement.

Each Holder agrees that a legend reading substantially as follows shall be placed on all certificates representing all Registrable Securities of each Holder issued before the Company's Initial Public Offering (and the shares or securities of every other person subject to the restriction contained in this Section 14):

> THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A LOCK-UP PERIOD OF UP TO 180 DAYS AFTER THE EFFECTIVE DATE OF THE ISSUER'S REGISTRATION STATEMENT FILED UNDER THE ACT, AS AMENDED, AS SET FORTH IN AN AGREEMENT BETWEEN THE COMPANY AND THE ORIGINAL HOLDER OF THESE SECURITIES, A COPY OF WHICH MAY BE OBTAINED AT THE ISSUER'S PRINCIPAL OFFICE. SUCH LOCK-UP PERIOD IS BINDING ON TRANSFEREES OF THESE SHARES.

After the Company's Initial Public Offering and expiration of any lock-up period, upon request of any Holder who is a holder of record of the shares represented by any stock certificate(s) bearing such legend and the surrender of such certificate(s) in connection with such request, the Company shall cause its transfer agent to promptly issue replacement certificate(s) not bearing such legend representing the shares represented by such surrendered stock certificate(s).

15. Miscellaneous.

(a) A Person is deemed to be a holder of Registrable Securities whenever such Person owns or is deemed to own of record such Registrable Securities. If the Company receives conflicting instructions, notices or elections from two or more Persons with respect to the same Registrable Securities, the Company shall act upon the basis of instructions, notice or election received from such record owner of such Registrable Securities.

(b) Any notices, consents, waivers or other communications required or permitted to be given under the terms of this Agreement must be in writing and will be deemed to have been delivered: (i) upon receipt, when delivered personally; (ii) upon receipt, when sent by facsimile or email (provided confirmation of transmission is mechanically or electronically generated and kept on file by the sending party); or (iii) one business day after deposit with a nationally recognized overnight delivery service, in each case properly addressed to the party to receive the same. The addresses and facsimile numbers for such communications shall be:

If to the Company:

Aqua Metals, Inc.
501 23rd Avenue
Oakland, CA 94606
E-mail: Steve.Clarke@aqmetals.com
Attention: Dr. Stephen Clarke

With a copy (for informational purposes only) to:

Greenberg Traurig, LLP
3161 Michelson Drive, Suite 1000
Irvine, CA 92612
Facsimile: (949) 732-6501
E-mail: DonahueD@gtlaw.com
Attention: Daniel K. Donahue, Esq.

and

If to any Holder, at the address for such Holder on the records of the Company, which may include the information on Schedule A hereto.

or to such other address and/or facsimile number and/or to the attention of such other Person as the recipient party has specified by written notice given to each other party five (5) days prior to the effectiveness of such change. Written confirmation of receipt (A) given by the recipient of such notice, consent, waiver or other communication, (B) mechanically or electronically generated by the sender's facsimile machine or email service containing the time, date, recipient facsimile number and an image of the first page of such transmission or (C) provided by a courier or overnight courier service shall be rebuttable evidence of personal service, receipt by facsimile or receipt from a nationally recognized overnight delivery service in accordance with clause (i), (ii) or (iii) above, respectively.

(c) Failure of any party to exercise any right or remedy under this Agreement or otherwise, or delay by a party in exercising such right or remedy, shall not operate as a waiver thereof.

(d) All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the State of New York, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address for such notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. If any provision of this Agreement shall be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of any provision of this Agreement in any other jurisdiction. **EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION HEREWITH OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY.**

(e) This Agreement and the instruments referenced herein and therein constitute the entire agreement among the parties hereto with respect to the subject matter hereof and thereof. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein and therein. This Agreement and the instruments referenced herein and therein supersede all prior agreements and understandings among the parties hereto with respect to the subject matter hereof and thereof.

(f) Subject to the requirements of Section 9, this Agreement shall inure to the benefit of and be binding upon the permitted successors and assigns of each of the parties hereto.

(g) The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(h) This Agreement may be executed in identical counterparts, each of which shall be deemed an original but all of which shall constitute one and the same agreement. This Agreement, once executed by a party, may be delivered to the other party hereto by facsimile transmission or other electronic transmission (such as but not limited to an email attachment in PDF format) of a copy of this Agreement bearing the signature of the party so delivering this Agreement. This Agreement may also be executed by electronic signature of such Person.

(i) Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as any other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

(j) All consents and other determinations required to be made by the Holder pursuant to this Agreement shall be made, unless otherwise specified in this Agreement, by the Holder.

(k) The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent and no rules of strict construction will be applied against any party.

(l) This Agreement is intended for the benefit of, and shall be binding upon, the parties hereto and their respective successors and permitted assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other Person.

(m) The obligations of each Holder hereunder are several and not joint with the obligations of any other Holder, and no provision of this Agreement is intended to confer any obligations on a Holder vis-à-vis any other Holder. Nothing contained herein, and no action taken by any Holder pursuant hereto, shall be deemed to constitute the Holder as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Holder are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated herein.

(n) Currency. As used herein, “Dollar”, “US Dollar” and “$” each mean the lawful money of the United States.

[Signature pages follow immediately]

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

COMPANY:

AQUA METALS, INC.

By: /s/ Stephen R. Clarke
Stephen R. Clarke
Chief Executive Officer

HOLDERS:

PRINT NAME: _____

SIGNATURE: _____

EXHIBIT A

FORM OF NOTICE OF EFFECTIVENESS OF REGISTRATION STATEMENT

[Transfer Agent]
[Address]
Attention:

Re: Aqua Metals, Inc.

Ladies and Gentlemen:

[We are][I am] counsel to Aqua Metals, Inc., a [_____] corporation (the "Company"), and have represented the Company in connection with that certain Registration Rights Agreement with _____ (the "Holder") (the "Registration Rights Agreement") pursuant to which the Company agreed, among other things, to register the Registrable Securities (as defined in the Registration Rights Agreement), under the Securities Act of 1933, as amended (the "1933 Act"). In connection with the Company's obligations under the Registration Rights Agreement, on _____ ___, 20__, the Company filed a registration statement on Form S-[1] (File No. 333-_____) (the "Registration Statement") with the Securities and Exchange Commission (the "SEC") relating to the Registrable Securities which names the Holder as a selling stockholder thereunder.

In connection with the foregoing, [we][I] advise you that a member of the SEC's staff has advised [us][me] by telephone that the SEC has entered an order declaring the Registration Statement effective under the 1933 Act at [ENTER TIME OF EFFECTIVENESS] on [ENTER DATE OF EFFECTIVENESS] and [we][I] have no knowledge, after telephonic inquiry of a member of the SEC's staff, that any stop order suspending its effectiveness has been issued or that any proceedings for that purpose are pending before, or threatened by, the SEC and the Registrable Securities are available for resale under the 1933 Act pursuant to the Registration Statement.

If applicable, you may receive notices from the Company pursuant to the Company's rights or obligations under the Registration Rights Agreement in connection with stop orders or other restrictions on transfer of the shares included in such Registration Statement, but [we][I] [are][am] not obligated to update this letter or otherwise inform you of any such stop order or restriction.

[Other applicable disclosure to be inserted here, if appropriate.]

Very truly yours,

EXHIBIT B

IRREVOCABLE TRANSFER AGENT INSTRUCTIONS

_____, 2014

[Addressed to Transfer Agent]
_____
_____

Attention: [_____]

Ladies and Gentlemen:

Reference is made to that certain Registration Rights Agreement, dated as of _____, 2014 (the "**Agreement**"), by and among Aqua Metals, Inc., a [_____] corporation (the "**Company**"), and _____ (the "**Holder**"), pursuant to which the Company is obligated to register certain shares held by the Holder (the "**Holder Shares**") of Common Stock of the Company, par value [$_____] per share (the "**Common Stock**").

This letter shall serve as our irrevocable authorization and direction to you (provided that you are the transfer agent of the Company at such time) to issue shares of Common Stock upon transfer or resale of the Holder Shares, unless we have otherwise informed you of the termination of effectiveness of the registration statement in which the Holder Shares are included, a stop order or another transfer restriction. We may also later inform you that after the termination of effectiveness of such registration statement that a registration statement in which the Holder's Shares are included, or that such stop order has been lifted or that such transfer restriction is not applicable, in which case this authorization and direction shall be reinstated and be effective.

You acknowledge and agree that so long as you have previously received (a) written confirmation from the Company's legal counsel that either (i) a registration statement covering resales of the Holder Shares has been declared and remains effective by the Securities and Exchange Commission (the "**SEC**") under the Securities Act of 1933, as amended (the "**1933 Act**"), or (ii) sales of the Holder Shares may be made in conformity with Rule 144 under the 1933 Act ("**Rule 144**"), (b) if applicable, a copy of such registration statement, and (c) notice from legal counsel to the Company or any Holder that a transfer of Holder Shares has been effected either pursuant to the registration statement (and a prospectus delivered to the transferee) or pursuant to Rule 144**,** then as promptly as practicable**,** you shall issue the certificates representing the Holder Shares registered in the names of such transferees, and such certificates shall not bear any legend restricting transfer of the Common Stock evidenced thereby and should not be subject to any stop-transfer restriction; provided, however, that if such shares of Common Stock and are not registered for resale under the 1933 Act or able to be sold under Rule 144, then the certificates for such Common Shares shall bear the following legend:

> THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL, IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES.

A form of written confirmation from the Company's outside legal counsel that a registration statement covering resales of the Holder Shares has been declared effective by the SEC under the 1933 Act is attached hereto. We will inform you of any stop orders or other transfer restrictions.

Please execute this letter in the space indicated to acknowledge your agreement to act in accordance with these instructions. Should you have any questions concerning this matter, please contact me at _____.

Very truly yours,

Aqua Metals, Inc.

By: _____
Name:
Title:

THE FOREGOING INSTRUCTIONS ARE
ACKNOWLEDGED AND AGREED TO

this ___ day of _____, 2014

[TRANSFER AGENT]

By: _____
Name: _____
Title: _____

Enclosures

Copy: Holder

SCHEDULE A

LIST OF HOLDERS

Name	Address

SCHEDULE B

SELLING STOCKHOLDERS

The shares of common stock being offered by the selling stockholders are those issuable to the selling stockholders upon [conversion of the notes and exercise of the warrants]. For additional information regarding the issuance of the [notes and the warrants], see "Private Placement of Notes" above. We are registering the shares of common stock in order to permit the selling stockholders to offer the shares for resale [from time to time]. Except for the ownership of [the notes issued pursuant to and in connection with the Securities Purchase Agreement, and the warrants issued pursuant to and the agreements governing our engagement of National Securities Corporation as a placement agent for the private placement of the notes and the engagement of National Securities Corporation as an underwriter for a public offering of common stock by the Company, and our engagement of an affiliate of National Securities Corporation as a consultant in respect of our patents and intellectual property] the selling stockholders have not had any material relationship with us within the past three years.

The table below lists the selling stockholders and other information regarding the beneficial ownership (as determined under Section 13(d) of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder) of the shares of common stock held by each of the selling stockholders. The second column lists the number of shares of common stock beneficially owned by the selling stockholders, based on their respective ownership of shares of common stock [, notes and warrants,] as of _____, 20__, [assuming conversion of the notes and exercise of the warrants held by each such selling stockholder on that date but taking account of any limitations on conversion and exercise set forth therein].

The third column lists the shares of common stock being offered by this prospectus by the selling stockholders [and does not take into account any limitations on (i) conversion of the notes set forth therein or (ii) exercise of the warrants set forth therein].

In accordance with the terms of a registration rights agreement with the holders of the notes and the warrants, this prospectus generally covers the resale of [(i) the shares of common stock issued upon conversion of the notes and (ii) the maximum number of shares of common stock issuable upon exercise of the warrants, in each case, determined as if the outstanding notes and warrants were converted or exercised (as the case may be) in full (without regard to any limitations on conversion or exercise contained therein) as of the trading day immediately preceding the date this registration statement was initially filed with the SEC]. Because the conversion price of the notes and the exercise price of the warrants may be adjusted, the number of shares that will actually be issued may be more or less than the number of shares being offered by this prospectus. The fourth column assumes the sale of all of the shares offered by the selling stockholders pursuant to this prospectus.

See "Plan of Distribution."

Name of Selling Stockholder	Number of Shares of Common Stock Owned Prior to the Offering	Maximum Number of Shares of Common Stock to be Sold Pursuant to this Prospectus	Number of Shares of Common Stock Owned After the Offering

[Notes (1) . . .]

PLAN OF DISTRIBUTION

We are registering the shares of common stock issued upon [conversion of the notes and issuable on exercise of the warrants] to permit the resale of these shares of common stock by the holders of [the notes and warrants] [from time to time] after the date of this prospectus. We will not receive any of the proceeds from the sale by the selling stockholders of the shares of common stock. We will bear all fees and expenses incident to our obligation to register the shares of common stock.

The selling stockholders may sell all or a portion of the shares of common stock held by them and offered hereby [from time to time] [directly or] through one or more underwriters, broker-dealers or agents. If the shares of common stock are sold through underwriters or broker-dealers, the selling stockholders will be responsible for underwriting discounts or commissions or agent's commissions. The shares of common stock may be sold in one or more transactions at fixed prices, at prevailing market prices at the time of the sale, at varying prices determined at the time of sale or at negotiated prices. These sales may be effected in transactions, which may involve crosses or block transactions, pursuant to one or more of the following methods:

- on any national securities exchange or quotation service on which the securities may be listed or quoted at the time of sale;
- in the over-the-counter market;
- in transactions otherwise than on these exchanges or systems or in the over-the-counter market;
- through the writing or settlement of options, whether such options are listed on an options exchange or otherwise;
- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- privately negotiated transactions;
- short sales made after the date the Registration Statement is declared effective by the SEC;
- broker-dealers may agree with a selling security holder to sell a specified number of such shares at a stipulated price per share;
- a combination of any such methods of sale; and
- any other method permitted pursuant to applicable law.

The selling stockholders may also sell shares of common stock under Rule 144 promulgated under the Securities Act of 1933, as amended, if available, rather than under this prospectus. In addition, the selling stockholders may transfer the shares of common stock by other means not described in this prospectus. If the selling stockholders effect such transactions by selling shares of common stock to or through underwriters, broker-dealers or agents, such underwriters, broker-dealers or agents may receive commissions in the form of discounts, concessions or commissions from the selling stockholders or commissions from purchasers of the shares of common stock for whom they may act as agent or to whom they may sell as principal (which discounts, concessions or commissions as to particular underwriters, broker-dealers or agents may be in excess of those customary in the types of transactions involved). In connection with sales of the shares of common stock or otherwise, the selling stockholders may enter into hedging transactions with broker-dealers, which may in turn engage in short sales of the shares of common stock in the course of hedging in positions they assume. The selling stockholders may also sell shares of common stock short and deliver shares of common stock covered by this prospectus to close out short positions and to return borrowed shares in connection with such short sales. The selling stockholders may also loan or pledge shares of common stock to broker-dealers that in turn may sell such shares.

The selling stockholders may pledge or grant a security interest in some or all of the [notes, warrants or] shares of common stock owned by them and, if they default in the performance of their secured obligations, the pledgees or secured parties may offer and sell the shares of common stock from time to time pursuant to this prospectus or any amendment to this prospectus under Rule 424(b)(3) or other applicable provision of the Securities Act amending, if necessary, the list of selling stockholders to include the pledgee, transferee or other successors in interest as selling stockholders under this prospectus. The selling stockholders also may transfer and donate the shares of common stock in other circumstances in which case the transferees, donees, pledgees or other successors in interest will be the selling beneficial owners for purposes of this prospectus.

To the extent required by the Securities Act and the rules and regulations thereunder, the selling stockholders and any broker-dealer participating in the distribution of the shares of common stock may be deemed to be "underwriters" within the meaning of the Securities Act, and any commission paid, or any discounts or concessions allowed to, any such broker-dealer may be deemed to be underwriting commissions or discounts under the Securities Act. At the time a particular offering of the shares of common stock is made, a prospectus supplement, if required, will be distributed, which will set forth the aggregate amount of shares of common stock being offered and the terms of the offering, including the name or names of any broker-dealers or agents, any discounts, commissions and other terms constituting compensation from the selling stockholders and any discounts, commissions or concessions allowed or re-allowed or paid to broker-dealers.

Under the securities laws of some states, the shares of common stock may be sold in such states only through registered or licensed brokers or dealers. In addition, in some states the shares of common stock may not be sold unless such shares have been registered or qualified for sale in such state or an exemption from registration or qualification is available and is complied with.

There can be no assurance that any selling stockholder will sell any or all of the shares of common stock registered pursuant to the registration statement, of which this prospectus forms a part.

The selling stockholders and any other person participating in such distribution will be subject to applicable provisions of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, and in each case together with the rules and regulations thereunder, including, without limitation, to the extent applicable, Regulation M of the Exchange Act, which may limit the timing of purchases and sales of any of the shares of common stock by the selling stockholders and any other participating person. To the extent applicable, Regulation M may also restrict the ability of any person engaged in the distribution of the shares of common stock to engage in market-making activities with respect to the shares of common stock. All of the foregoing may affect the marketability of the shares of common stock and the ability of any Person to engage in market-making activities with respect to the shares of common stock.

We will pay all expenses of the registration of the shares of common stock pursuant to the registration rights agreement, estimated to be $[ ] in total, including, without limitation, Securities and Exchange Commission filing fees and expenses of compliance with state securities or "blue sky" laws; provided, however, a selling stockholder will pay all underwriting discounts and selling commissions, if any. We will indemnify the selling stockholders against liabilities, including some liabilities under the Securities Act in accordance with the registration rights agreements or the selling stockholders will be entitled to contribution. We may be indemnified by the selling stockholders against civil liabilities, including liabilities under the Securities Act that may arise from any written information furnished to us by the selling stockholder specifically for use in this prospectus, in accordance with the related registration rights agreements or we may be entitled to contribution.

Once sold under the registration statement, of which this prospectus forms a part, the shares of common stock will be freely tradable in the hands of persons other than our affiliates.

Exhibit 10.6

SECURITY AGREEMENT

This **SECURITY AGREEMENT** (this "**Agreement**"), dated as of October 31, 2014 is made by and among Aqua Metals, Inc., a Delaware corporation (the "**Grantor**"), Ankur Desai, as the Collateral Agent, and the secured parties listed on the signature pages hereof (collectively, the "**Secured Parties**" and each, individually, a "**Secured Party**").

RECITALS

WHEREAS, pursuant to that certain Securities Purchase Agreement, dated even date herewith (as may be amended, restated, supplemented, or otherwise modified from time to time, including all schedules and exhibits thereto, collectively, the "**Securities Purchase Agreement**"), by and among the Grantor and certain of the Secured Parties, Grantor has agreed to sell, and each of those Secured Parties have each agreed to purchase, severally and not jointly, certain senior secured convertible notes in the aggregate original principal amount of $4,500,000 (the "**Offering Notes**"); and

WHEREAS, in connection with the transactions contemplated by the Securities Purchase Agreement, the Company is also exchanging that senior convertible note in the principal amount of $500,000 (the "**Old Wirtz Note**") issued by the Company to Wirtz Manufacturing Co. Inc. ("**Wirtz**") on August 20, 2014 for a new senior secured convertible note of like tenor with the Offering Notes (the "New Wirtz Note"); and

WHEREAS, in order to induce those Secured Parties to purchase, severally and not jointly, the Offering Notes as provided for in the Securities Purchase Agreement and to induce Wirtz to exchange the Old Wirtz Note for the New Wirtz Note and agree to be parri passu with the other Secured Parties, Grantor has agreed to grant a continuing security interest in and to the Collateral (as defined below) in order to secure the prompt and complete payment, observance and performance of the Secured Obligations (as defined below).

AGREEMENTS

NOW, THEREFORE, for and in consideration of the recitals made above and other good and valuable consideration, the receipt, sufficiency and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1 . Defined Terms. All capitalized terms used herein (including in the preamble and recitals hereof) without definition shall have the meanings ascribed thereto in the Notes. Any terms used in this Agreement that are defined in the Code shall be construed and defined as set forth in the Code unless otherwise defined herein or in the Notes; *provided*, *however*, if the Code is used to define any term used herein and if such term is defined differently in different Articles of the Code, the definition of such term contained in Article 9 of the Code shall govern. In addition to those terms defined elsewhere in this Agreement, as used in this Agreement, the following terms shall have the following meanings:

(a) "**Account**" means an account (as that term is defined in the Code).

(b) "**Account Debtor**" means an account debtor (as that term is defined in the Code).

(c) "**Bankruptcy Code**" means title 11 of the United States Code, as in effect from time to time.

(d) "**Books**" means books and records (including, without limitation, the Grantor's Records) indicating, summarizing, or evidencing the Grantor's assets (including the Collateral) or liabilities, the Grantor's Records relating to its business operations (including, without limitation, stock ledgers) or financial condition, and the Grantor's goods or General Intangibles related to such information.

(e) "**Chattel Paper**" means chattel paper (as that term is defined in the Code) and includes tangible chattel paper and electronic chattel paper.

(f) "**Code**" means the New York Uniform Commercial Code, as in effect from time to time; *provided*, *however*, in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection, priority, or remedies with respect to any Secured Party's Lien on any Collateral is governed by the Uniform Commercial Code as enacted and in effect in a jurisdiction other than the State of New York, the term "Code" shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority, or remedies.

(g) "**Collateral**" has the meaning specified therefor in Section 2.

(h) "**Commercial Tort Claims**" means commercial tort claims (as that term is defined in the Code), and includes those commercial tort claims listed on **Schedule 1** attached hereto.

(i) "**Control Agreement**" means a control agreement, in form and substance reasonably satisfactory to the Collateral Agent, executed and delivered by Grantor, the Collateral Agent (on behalf of all Secured Parties), and the applicable securities intermediary (with respect to a Securities Account) or bank (with respect to a Deposit Account), as may be amended, restated, supplemented, or otherwise modified from time to time.

(j) "**Copyrights**" means all copyrights and copyright registrations, and also includes (i) all reissues, continuations, extensions or renewals thereof, (ii) all income, royalties, damages and payments now and hereafter due or payable under and with respect thereto, including payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof, (iii) the right to sue for past, present and future infringements and dilutions thereof, (iv) the goodwill of Grantor's business symbolized by the foregoing or connected therewith, and (v) all of Grantor's rights corresponding thereto throughout the world.

(k) "**Deposit Account**" means a deposit account (as that term is defined in the Code).

(l) "**Equipment**" means all equipment (as that term is defined in the Code) in all of its forms of the Grantor, wherever located, and including, without limitation, all machinery, apparatus, installation facilities and other tangible personal property, and all parts thereof and all accessions, additions, attachments, improvements, substitutions, replacements and proceeds thereto and therefor.

(m) "**Event of Default**" has the meaning specified therefor in the Notes.

(n) "**GAAP**" means United States generally accepted accounting principles, consistently applied.

(o) "**General Intangibles**" means general intangibles (as that term is defined in the Code) and, in any event, includes payment intangibles, contract rights, rights to payment, rights arising under common law, statutes, or regulations, choses or things in action, goodwill, programming materials, purchase orders, customer lists, monies due or recoverable from pension funds, route lists, rights to payment under any royalty or licensing agreements (including Intellectual Property Licenses), infringement claims, commercial computer programs, information contained on computer disks or tapes, software, literature, reports, catalogs, pension plan refunds, pension plan refund claims, insurance premium rebates, tax refunds, and tax refund claims, interests in a partnership or limited liability company which do not constitute a security under Article 8 of the Code, and any other personal property other than Commercial Tort Claims, money, Accounts, Chattel Paper, Deposit Accounts, goods, Investment Related Property, Negotiable Collateral, and oil, gas, or other minerals before extraction.

(p) "**Governmental Authority**" means any domestic or foreign federal, state, local, or other governmental or administrative body, instrumentality, board, department, or agency or any court, tribunal, administrative hearing body, arbitration panel, commission, or other similar dispute-resolving panel or body.

(q) "**Insolvency Proceeding**" means any proceeding commenced by or against any Person under any provision of the Bankruptcy Code or under any other state or federal bankruptcy or insolvency law or any equivalent laws in any other jurisdiction, assignments for the benefit of creditors, formal or informal moratoria, compositions, extensions generally with creditors, or proceedings seeking reorganization, arrangement, or other similar relief.

(r) "**Intellectual Property**" means Patents, Copyrights, Trademarks, the goodwill associated with such Trademarks, trade secrets and customer lists, and Intellectual Property Licenses.

(s) "**Intellectual Property Licenses**" means rights under or interests in any patent, trademark, copyright or other intellectual property, including software license agreements with any other party, whether the Grantor is a licensee or licensor under any such license agreement, as may be amended, restated, supplemented, or otherwise modified from time to time.

(t) "**Inventory**" means all inventory (as that term is defined in the Code) in all of its forms of the Grantor, wherever located, including, without limitation, (i) all goods in which the Grantor has an interest in mass or a joint or other interest or right of any kind (including goods in which the Grantor has an interest or right as consignee), and (ii) all goods which are returned to or repossessed by the Grantor, and all accessions thereto, products thereof and documents therefor.

(u) "**Investment Related Property**" means (i) investment property (as that term is defined in the Code), and (ii) all of the following (regardless of whether classified as investment property under the Code): all Pledged Interests, Pledged Operating Agreements, and Pledged Partnership Agreements.

(v) "**Lien**" means any mortgage, deed of trust, pledge, hypothecation, assignment for security, security interest, encumbrance, levy, lien or charge of any kind.

(w) "**Negotiable Collateral**" means letters of credit, letter-of-credit rights, instruments, promissory notes, drafts, and documents.

(x) "**New Subsidiary**" has the meaning specified therefor in the Notes.

(y) "**Notes**" mean collectively the Offering Notes and the New Writz Note.

(z) "**Patents**" means all patents and patent applications, and also includes (i) all renewals thereof, (ii) all income, royalties, damages and payments now and hereafter due or payable under and with respect thereto, including payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof, (iii) the right to sue for past, present and future infringements and dilutions thereof, and (iv) all of Grantor's rights corresponding thereto throughout the world.

(aa) "**Permitted Liens**" means (i) any Lien for taxes not yet due or delinquent or being contested in good faith by appropriate proceedings for which adequate reserves have been established in accordance with GAAP, (ii) any statutory Lien arising in the ordinary course of business by operation of law with respect to a liability that is not yet due or delinquent or that is being contested in good faith for which adequate reserves have been established in accordance with GAAP, (iii) any Lien created by operation of law, such as materialmen's liens, mechanics' liens and other similar liens, arising in the ordinary course of business with respect to a liability that is not yet due or delinquent or that is being contested in good faith by appropriate proceedings, (iv) Liens on Equipment having a fair market value of not more than $250,000 in the aggregate, but only if the lien constitutes a purchase money security interest incurred in connection with the purchase of such Equipment, (v) Liens securing the Company's obligations under the Transaction Documents, (vi) Liens granted to the Secured Parties pursuant to the terms of this Agreement, and (vii) any Liens relating to a financing contemplated by Schedule 4(k) attached to the Disclosure Letter made part of the Securities Purchase Agreement (the "**Disclosure Letter**").

(bb) "**Permitted Transfers**" means (i) sales of Inventory in the ordinary course of business, (ii) licenses in the ordinary course of business that terminate on or prior to the Maturity Date for the use of Intellectual Property (A) to manufacturers, distributors, OEMs, strategic partners and value added re-sellers in connection with the manufacture and distribution of Grantor's products, (B) in connection with the embedding of Intellectual Property in the products of others, and (C) to end users; provided no such license could result in a legal transfer of title of the licensed Intellectual Property, (iii) dispositions of worn-out, obsolete or surplus Equipment at fair market value in the ordinary course of business, or (iv) any sales, licenses or transfers conducted in connection with the development, operation or transfer of a recycling facility contemplated by Schedule 4(k) attached to the Disclosure Letter.

(cc) "**Person**" has the meaning specified therefor in the Securities Purchase Agreement.

(dd) "**Pledged Companies**" means each Person all or a portion of whose Stock is acquired or otherwise owned by the Grantor after the date hereof.

(ee) "**Pledged Interests**" means all of Grantor's right, title and interest in and to all of the Stock now or hereafter owned by Grantor, regardless of class or designation, including all substitutions therefor and replacements thereof, all proceeds thereof and all rights relating thereto, also including any certificates representing the Stock, the right to receive any certificates representing any of the Stock, all warrants, options, share appreciation rights and other rights, contractual or otherwise, in respect thereof, and the right to receive dividends, distributions of income, profits, surplus, or other compensation by way of income or liquidating distributions, in cash or in kind, and cash, instruments, and other property from time to time received, receivable, or otherwise distributed in respect of or in addition to, in substitution of, on account of, or in exchange for any or all of the foregoing.

(ff) "**Pledged Operating Agreements**" means all of Grantor's rights, powers, and remedies under the limited liability company operating agreements of each of the Pledged Companies that are limited liability companies, as may be amended, restated, supplemented, or otherwise modified from time to time.

(gg) "**Pledged Partnership Agreements**" means all of Grantor's rights, powers, and remedies under the partnership agreements of each of the Pledged Companies that are partnerships, as may be amended, restated, supplemented, or otherwise modified from time to time.

(hh) "**Proceeds**" has the meaning specified therefor in Section 2.

(ii) "**Real Property**" means any estates or interests in real property now owned or hereafter acquired by Grantor and the improvements thereto.

(jj) "**Records**" means information that is inscribed on a tangible medium or which is stored in an electronic or other medium and is retrievable in perceivable form.

(kk) "**Registration Rights Agreement**" means that certain registration rights agreement, dated as of the date hereof, by and among the Company and the initial holders of the Notes, as may be amended from time to time.

(ll) "**Secured Obligations**" mean all of the present and future payment and performance obligations of Grantor arising under this Agreement, the Notes and the other Transaction Documents, including, without duplication, reasonable attorneys' fees and expenses and any interest, fees, or expenses that accrue after the filing of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any Insolvency Proceeding.

(mm) "**Securities Account**" means a securities account (as that term is defined in the Code).

(nn) "**Security Documents**" means, collectively, this Agreement, each Control Agreement and each other security agreement, pledge agreement, assignment, mortgage, security deed, deed of trust, and other agreement or document executed and delivered by the Grantor as security for any of the Secured Obligations, as may be amended, restated, supplemented, or otherwise modified from time to time.

(oo) "**Security Interest**" and "**Security Interests**" have the meanings specified therefor in Section 2.

(pp) "**Stock**" means all shares, options, warrants, interests (including, without limitation, membership and partnership interests), participations, or other equivalents (regardless of how designated) of or in a Person, whether voting or nonvoting, including common stock, preferred stock, or any other "equity security" (as such term is defined in Rule 3a11-1 of the General Rules and Regulations promulgated by the United States Securities and Exchange Commission and any successor thereto under the Securities Exchange Act of 1934, as in effect from time to time).

(qq) "**Supporting Obligations**" means supporting obligations (as such term is defined in the Code).

(rr) "**Trademarks**" means all trademarks, trade names, trademark applications, service marks, service mark applications, and also includes (i) all renewals thereof, (ii) all income, royalties, damages and payments now and hereafter due or payable under and with respect thereto, including payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof, (iii) the right to sue for past, present and future infringements and dilutions thereof, (iv) the goodwill of Grantor's business symbolized by the foregoing or connected therewith, and (v) all of Grantor's rights corresponding thereto throughout the world.

(ss) "**Transaction Documents**" mean, collectively, the Securities Purchase Agreement, the Notes, the Security Documents, the Registration Rights Agreement, the Irrevocable Transfer Agent Instructions (as defined in the Registration Rights Agreement and each of the other agreements and instruments entered into or delivered by any of the parties hereto in connection with the consummation of the transactions contemplated hereby and thereby, as may be amended from time to time.

(tt) "**URL**" means "uniform resource locator," an internet web address.

2 . Grant of Security. The Grantor hereby unconditionally grants, assigns, and pledges to each Secured Party a separate, continuing security interest (each, a "**Security Interest**" and, collectively, the "**Security Interests**") in all assets of the Grantor whether now owned or hereafter acquired or arising and wherever located (collectively, the "**Collateral**"), including, without limitation, the Grantor's right, title, and interest in and to the following, whether now owned or hereafter acquired or arising and wherever located:

(a) all of the Grantor's Accounts;

(b) all of the Grantor's Books;

(c) all of the Grantor's Chattel Paper;

(d) all of the Grantor's Deposit Accounts;

(e) all of the Grantor's Equipment and fixtures;

(f) all of the Grantor's General Intangibles;

(g) all of the Grantor's Intellectual Property;

(h) all of the Grantor's Inventory;

(i) all of the Grantor's Investment Related Property;

(j) all of the Grantor's Negotiable Collateral;

(k) all of the Grantor's Real Property;

(l) all of the Grantor's rights in respect of Supporting Obligations;

(m) all of the Grantor's Commercial Tort Claims;

(n) all of the Grantor's money, cash, cash equivalents, or other assets of the Grantor that now or hereafter come into the possession, custody, or control of any Secured Party; and

(o) all of the proceeds and products, whether tangible or intangible, of any of the foregoing, including proceeds of insurance or Commercial Tort Claims covering or relating to any or all of the foregoing, and any and all Accounts, Books, Chattel Paper, Deposit Accounts, Equipment, General Intangibles, Intellectual Property, Inventory, Investment Related Property, Negotiable Collateral, Real Estate, Supporting Obligations, money, or other tangible or intangible property resulting from the sale, lease, license, exchange, collection, or other disposition of any of the foregoing, the proceeds of any award in condemnation with respect to any of the foregoing, any rebates or refunds, whether for taxes or otherwise, and all proceeds of any such proceeds, or any portion thereof or interest therein, and the proceeds thereof, and all proceeds of any loss of, damage to, or destruction of the above, whether insured or not insured, and, to the extent not otherwise included, any indemnity, warranty, or guaranty payable by reason of loss or damage to, or otherwise with respect to any of the foregoing (the "**Proceeds**"). Without limiting the generality of the foregoing, the term "Proceeds" includes whatever is receivable or received when Investment Related Property or proceeds are sold, exchanged, collected, or otherwise disposed of, whether such disposition is voluntary or involuntary, and includes proceeds of any indemnity or guaranty payable to the Grantor or any Secured Party from time to time with respect to any of the Investment Related Property.

3. Security for Obligations. This Agreement and the Security Interests created hereby secure the payment and performance of the Secured Obligations, whether now existing or arising hereafter.

4. Grantor Remains Liable. Anything herein to the contrary notwithstanding, (a) the Grantor shall remain liable under the contracts and agreements included in the Collateral, including the Pledged Operating Agreements and the Pledged Partnership Agreements, to perform all of the duties and obligations thereunder to the same extent as if this Agreement had not been executed, (b) the exercise by Secured Parties, or any of them, of any of the rights hereunder shall not release the Grantor from any of its duties or obligations under such contracts and agreements included in the Collateral, and (c) no Secured Party shall have any obligation or liability under such contracts and agreements included in the Collateral by reason of this Agreement, nor shall any Secured Party be obligated to perform any of the obligations or duties of the Grantor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder. Until an Event of Default shall occur and be continuing, except as otherwise provided in this Agreement or any other Transaction Document, the Grantor shall have the right to possession and enjoyment of the Collateral for the purpose of conducting the ordinary course of its businesses, subject to and upon the terms hereof and the other Transaction Documents. Without limiting the generality of the foregoing, it is the intention of the parties hereto that record and beneficial ownership of the Pledged Interests, including all voting, consensual, and dividend rights, shall remain in the Grantor until the occurrence of an Event of Default and until the Collateral Agent (on behalf of all Secured Parties) shall notify the Grantor of its exercise of voting, consensual, or dividend rights with respect to the Pledged Interests pursuant to Section 15 hereof.

5. Representations and Warranties. The Grantor hereby represents and warrants as follows:

(a) The exact legal name of the Grantor is set forth in the preamble this Agreement.

(b) **Schedule 2** attached hereto sets forth (i) all Real Property owned or leased by the Grantor, together with all other locations of Collateral, as of the date hereof, and (ii) the chief executive office of the Grantor as of the date hereof.

(c) This Agreement creates a valid security interest in all of the Collateral of the Grantor, to the extent a security interest therein can be created under the Code, securing the payment of the Secured Obligations. Except to the extent a security interest in the Collateral cannot be perfected by the filing of a financing statement under the Code, all filings and other actions necessary or reasonably desirable to perfect and protect such security interest have been duly taken or will have been taken upon the filing of financing statements listing the Grantor, as a debtor, and Secured Parties, as secured parties, in the jurisdictions listed on **Schedule 3** attached hereto. Upon the making of such filings, the Secured Parties shall each have a first priority perfected security interest in all of the Collateral of the Grantor to the extent such security interest can be perfected by the filing of a financing statement (subject to Permitted Liens). Subject to Section 6(c), all action by the Grantor necessary to perfect and reasonably necessary to protect such security interest on each item of Collateral has been duly taken.

(d) Except for the Security Interests created hereby, no Collateral is subject to any Lien as of the date hereof, except for Permitted Liens.

(e) No consent, approval, authorization, or other order or other action by, and no notice to or filing with, any Governmental Authority or any other Person is required (i) for the grant of a Security Interest by the Grantor in and to the Collateral pursuant to this Agreement or for the execution, delivery, or performance of this Agreement by the Grantor, or (ii) for the exercise by any Secured Party of the voting or other rights provided in this Agreement with respect to Investment Related Property pledged hereunder or the remedies in respect of the Collateral pursuant to this Agreement, except as may be required in connection with such disposition of Investment Related Property by laws affecting the offering and sale of securities generally.

(f) **Schedule 4** contains a complete and accurate list of all of the Grantor's Deposit Accounts and Securities Accounts, including, without limitation, with respect to each bank or securities intermediary (a) the name and address of such Person and (b) the account numbers of such accounts maintained with such Person.

6. Covenants. The Grantor covenants and agrees with each Secured Party that from and after the date of this Agreement and until the date of termination of this Agreement in accordance with Section 24 hereof:

(a) Possession of Collateral. In the event that any Collateral, including proceeds, is evidenced by or consists of Negotiable Collateral, Investment Related Property, or Chattel Paper with a value in excess of $100,000 in the aggregate, and if and to the extent that perfection or priority of Secured Parties' respective Security Interests is dependent on or enhanced by possession, the Grantor, immediately upon the request of the Collateral Agent (on behalf of all Secured Parties), shall execute such other documents and instruments as shall be reasonably requested by the Collateral Agent or, if applicable, endorse and deliver physical possession of such Negotiable Collateral, Investment Related Property, or Chattel Paper to the Collateral Agent (on behalf of all Secured Parties), together with such undated powers endorsed in blank as shall be requested by the Collateral Agent.

(b) Chattel Paper.

(i) The Grantor shall take all steps reasonably necessary to grant the Collateral Agent (on behalf of all Secured Parties) control of all Chattel Paper in accordance with the Code and all "transferable records" as that term is defined in Section 16 of the Uniform Electronic Purchase Act and Section 201 of the federal Electronic Signatures in Global and National Commerce Act as in effect in any relevant jurisdiction; and

(ii) If the Grantor retains possession of any Chattel Paper or instruments (which retention of possession shall be subject to the extent permitted hereby), promptly upon the request of the Collateral Agent (on behalf of all Secured Parties), such Chattel Paper and instruments shall be marked with the following legend: "This writing and the obligations evidenced or secured hereby are subject to the Security Interests of [names of Secured Parties]."

(c) Control Agreements. The Grantor shall not establish or maintain any Deposit Account or Securities Account (or any other similar account) other than a payroll account unless (i) the Grantor shall have provided each Secured Party with ten (10) days' advance written notice of each such account and (ii) if an Event of Default has occurred and is then continuing, the Secured Parties shall have received a Control Agreement in respect of such account concurrently with the opening thereof. From and after the occurrence and during the continuance of any Event of Default, the Grantor shall ensure that all of its Account Debtors forward payment of the amounts owed by them directly to a Deposit Account that is subject to a Control Agreement and deposit or cause to be deposited promptly, and in any event no later than the first (1^{st}) Business Day after the date of receipt thereof, all of their collections (including those sent directly by their Account Debtors to the Grantor) into a Deposit Account subject to a Control Agreement. Upon the request of the Collateral Agent (on behalf of all Secured Parties) from and after the occurrence and during the continuance of any Event of Default, the Grantor shall promptly (but in no event later than ten (10) Business Days after such request therefor) cause each of its Deposit Accounts and Securities Accounts to be subject to a Control Agreement in favor of the Secured Parties.

(d) Letter-of-Credit Rights. In the event that the Grantor is or becomes the beneficiary of one or more letters of credit with a face amount of greater than $25,000 individually or $100,000 in the aggregate, the Grantor shall promptly (and in any event within five (5) Business Days after becoming a beneficiary) notify the Secured Parties thereof and, upon the request by the Collateral Agent (on behalf of all Secured Parties), use commercially reasonable efforts to enter into an agreement with the Collateral Agent (on behalf of all Secured Parties) and the issuing or confirming bank with respect to letter-of-credit rights assigning such letter-of-credit rights to the Collateral Agent (on behalf of all Secured Parties) and directing all payments thereunder to the Collateral Agent (on behalf of all Secured Parties) during the continuance of an Event of Default following notice from the Collateral Agent, all in form and substance satisfactory to the Collateral Agent (on behalf of all Secured Parties).

(e) Commercial Tort Claims. The Grantor shall promptly (and in any event within five (5) Business Days of receipt thereof) notify the Secured Parties in writing upon incurring or otherwise obtaining a Commercial Tort Claim after the date hereof and, upon request of the Collateral Agent (on behalf of all Secured Parties), promptly amend **Schedule 1** to this Agreement to describe such after-acquired Commercial Tort Claim in a manner that reasonably identifies such Commercial Tort Claim, and hereby authorizes the filing of additional financing statements or amendments to existing financing statements describing such Commercial Tort Claims, and agrees to do such other acts or things deemed reasonably necessary or desirable by the Collateral Agent (on behalf of all Secured Parties) to give the Secured Parties a first priority, perfected security interest (subject to Permitted Liens) in any such Commercial Tort Claim.

(f) Government Contracts. If any Account or Chattel Paper arises out of a contract or contracts with the United States of America or any department, agency, or instrumentality thereof, the Grantor shall promptly (and in any event within five (5) Business Days of the creation thereof) notify the Secured Parties thereof in writing and use commercially reasonable efforts to execute any instruments or take any steps reasonably required by the Collateral Agent (on behalf of all Secured Parties) in order that all moneys due or to become due under such contract or contracts shall be assigned to the Collateral Agent (on behalf of all Secured Parties) during the continuance of an Event of Default following notice from the Collateral Agent, and shall provide written notice thereof and use commercially reasonable efforts to take all other appropriate actions under the Assignment of Claims Act or other applicable law to provide each Secured Party a first-priority perfected security interest (subject to Permitted Liens) in such contract.

(g) Investment Related Property.

(i) If the Grantor shall receive or become entitled to receive any Pledged Interests after the date hereof, it shall promptly (and in any event within five (5) Business Days of receipt thereof) identify such Pledged Interests in a written notice to the Secured Parties;

(ii) Upon the request of the Collateral Agent during the continuance of an Event of Default, all sums of money and property paid or distributed in respect of the Investment Related Property pledged hereunder which are received by the Grantor shall be held by the Grantor in trust for the benefit of the Secured Parties segregated from the Grantor's other property, and the Grantor shall deliver it promptly to the Collateral Agent (on behalf of all Secured Parties) in the exact form received;

(iii) The Grantor shall promptly deliver to the Secured Parties a copy of each material notice or other written communication received by it in respect of any Pledged Interests;

(iv) The Grantor shall not make or consent to any material amendment or other modification or waiver with respect to any Pledged Interests, Pledged Operating Agreement, or Pledged Partnership Agreement or enter into any agreement or permit to exist any restriction with respect to any Pledged Interests;

(v) The Grantor agrees that it will cooperate with the Secured Parties in obtaining all necessary approvals and making all necessary filings under federal, state, local, or foreign law in connection with the Security Interests on the Investment Related Property pledged hereunder or any sale or transfer thereof; and

(vi) As to all limited liability company or partnership interests issued under any Pledged Operating Agreement or Pledged Partnership Agreement, the Grantor hereby represents, warrants and covenants that the Pledged Interests issued pursuant to such agreement (A) shall not be dealt in or traded on securities exchanges or in securities markets, (B) will not constitute investment company securities, and (C) will not be held by the Grantor in a securities account. In addition, none of the Pledged Operating Agreements, the Pledged Partnership Agreements, or any other agreements governing any of the Pledged Interests issued under any Pledged Operating Agreement or Pledged Partnership Agreement, shall provide that such Pledged Interests are securities governed by Article 8 of the Uniform Commercial Code as in effect in any relevant jurisdiction.

(h) Transfers and Other Liens. The Grantor shall not (i) sell, lease, license, assign (by operation of law or otherwise), transfer or otherwise dispose of, or grant any option with respect to, any of the Collateral, except for Permitted Transfers or as expressly permitted by this Agreement and the other Transaction Documents, or (ii) except for Permitted Liens, create or permit to exist any Lien upon or with respect to any of the Collateral without the consent of the Collateral Agent. The inclusion of Proceeds in the Collateral shall not be deemed to constitute consent by any Secured Party to any sale or other disposition of any of the Collateral except as expressly permitted in this Agreement or the other Transaction Documents. Notwithstanding anything contained in this Agreement to the contrary, Permitted Liens shall not be permitted with respect to any Pledged Interests.

(i) Preservation of Existence. The Grantor shall maintain and preserve its existence, rights and privileges, and become or remain duly qualified and in good standing in each jurisdiction in which the character of the properties owned or leased by it or in which the transaction of its business makes such qualification necessary, except where failure to be so qualified could not reasonably be expected to have a Material Adverse Effect (as defined in the Securities Purchase Agreement).

(j) Maintenance of Properties. The Grantor shall maintain and preserve all of its properties which are reasonably necessary in the proper conduct of its business in good working order and condition, ordinary wear and tear excepted, and comply at all times with the provisions of all material leases to which it is a party as lessee or under which it occupies property, so as to prevent any loss or forfeiture thereof or thereunder.

(k) Maintenance of Insurance. The Grantor shall maintain insurance with responsible and reputable insurance companies or associations (including, without limitation, comprehensive general liability, property, hazard, rent and business interruption insurance) with respect to all of its assets and properties (including, without limitation, all real properties leased or owned by it and any and all Inventory and Equipment) and business, in such amounts and covering such risks as is required by any governmental authority having jurisdiction with respect thereto or as is carried generally in accordance with sound business practice by companies in similar businesses similarly situated, in each case, reasonably acceptable to the Collateral Agent (on behalf of all Secured Parties).

(l) Other Actions as to Any and All Collateral. The Grantor shall promptly (and in any event within five (5) Business Days of acquiring or obtaining such Collateral) notify the Secured Parties in writing upon (i) acquiring or otherwise obtaining any Collateral after the date hereof consisting of Investment Related Property, Chattel Paper (electronic, tangible or otherwise), documents (as defined in Article 9 of the Code), promissory notes (as defined in the Code) or instruments (as defined in the Code) collectively having an aggregate value in excess of $100,000 or (ii) any amount payable under or in connection with any of the Collateral being or becoming evidenced after the date hereof by any Chattel Paper, documents, promissory notes, or instruments and, in each such case upon the request of the Collateral Agent (on behalf of all Secured Parties), promptly execute such other documents, or if applicable, deliver such Chattel Paper, other documents or certificates evidencing any Investment Related Property and do such other acts or things deemed reasonably necessary or desirable by the Collateral Agent (on behalf of all Secured Parties) to protect the Secured Parties' respective Security Interests therein.

7 . Relation to Other Transaction Documents. In the event of any conflict between any provision in this Agreement and any provision in the Securities Purchase Agreement or Notes, such provision of the Securities Purchase Agreement or Notes shall control, except to the extent the applicable provision in this Agreement is more restrictive with respect to the rights of the Grantor or imposes more burdensome or additional obligations on the Grantor, in which event the applicable provision in this Agreement shall control.

8. Further Assurances.

(a) The Grantor agrees that from time to time, at its own expense, it will promptly execute and deliver all further instruments and documents, and take all further action, that may be reasonably necessary or that the Collateral Agent (on behalf of all Secured Parties) may reasonably request, in order to perfect and protect the Security Interests granted or purported to be granted hereby or to enable the Secured Parties to exercise and enforce their rights and remedies hereunder with respect to any of the Collateral.

(b) The Grantor authorizes the filing by the Collateral Agent (on behalf of all Secured Parties) of financing or continuation statements, or amendments thereto, including, but limited to, the recordation of the security interests granted hereunder in Patents, Trademarks and Copyrights in the United States Patent and Trademark Office and the United States Copyright Office, and Grantor will execute and deliver to the Collateral Agent such other instruments or notices, as may be reasonably necessary or as the Collateral Agent may reasonably request, in order to perfect and preserve the Security Interests granted or purported to be granted hereby. Upon the Satisfaction in Full of the Secured Obligations, the Collateral Agent shall (at Grantor' expense) file a termination statement and/or other necessary documents terminating and releasing any and all financing statements or Liens on the Collateral pursuant to Section 24 within five (5) Business Days following a written request therefor from Grantor.

(c) The Grantor authorizes the Collateral Agent (on behalf of all Secured Parties) at any time and from time to time to file, transmit, or communicate, as applicable, financing statements and amendments (i) describing the Collateral as "all real and personal property of debtor" or "all assets of debtor" or words of similar effect, (ii) describing the Collateral as being of equal or lesser scope or with greater detail, or (iii) that contain any information required by part 5 of Article 9 of the Code for the sufficiency or filing office acceptance. The Grantor also hereby ratifies any and all financing statements or amendments previously filed by the Collateral Agent in any jurisdiction.

(d) Subject to Section 8(b), the Grantor acknowledges that it is not authorized to file any financing statement or amendment or termination statement with respect to any financing statement filed in connection with this Agreement without the prior written consent of the Collateral Agent (on behalf of all Secured Parties), subject to the Grantor's rights under Section 9-509(d)(2) of the Code.

(e) Upon five (5) Business Day's advance notice, the Grantor shall permit each Secured Party (at such Secured Party's expense) or its employees, accountants, attorneys or agents, access to examine and inspect any Collateral or any other property of the Grantor at any time during ordinary business hours.

9. Collateral Agent's Right to Perform Contracts, Exercise Rights, etc. Upon the occurrence and during the continuance of an Event of Default, the Collateral Agent (on behalf of all Secured Parties) (a) may proceed to perform any and all of the obligations of the Grantor contained in any contract, lease, or other agreement and exercise any and all rights of the Grantor therein contained as fully as the Grantor itself could, (b) shall have the right to use the Grantor's rights under Intellectual Property Licenses in connection with the enforcement of the Secured Parties' rights hereunder, including the right to prepare for sale and sell any and all Inventory and Equipment now or hereafter owned by the Grantor and now or hereafter covered by such licenses, and (c) shall have the right to request that any Stock that is pledged hereunder be registered in the name of the Secured Parties or any of their nominees.

10. Collateral Agent Appointed Attorney-in-Fact. The Grantor, on behalf of itself and each New Subsidiary of the Grantor, hereby irrevocably appoints the Collateral Agent (on behalf of all Secured Parties) as the attorney-in-fact of the Grantor and each such New Subsidiary upon the occurrence and during the continuance of an Event of Default. In the event the Grantor or any New Subsidiary fails to execute or deliver in a timely manner any Transaction Document or other agreement, document, certificate or instrument which the Grantor or New Subsidiary now or at any time hereafter is required to execute or deliver pursuant to the terms of the Securities Purchase Agreement or any other Transaction Document, upon the occurrence and during the continuance of an Event of Default, the Collateral Agent (on behalf of all Secured Parties) shall have full authority in the place and stead of the Grantor or New Subsidiary, and in the name of the Grantor, such New Subsidiary or otherwise, to execute and deliver each of the foregoing. Without limitation of the foregoing, upon the occurrence and during the continuance of an Event of Default, the Collateral Agent (on behalf of all Secured Parties) shall have full authority in the place and stead of the Grantor and each New Subsidiary, and in the name of any the Grantor, any such New Subsidiary or otherwise, to take any action and to execute any instrument which the Collateral Agent (on behalf of all Secured Parties) may reasonably deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation:

(a) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in connection with any Collateral of the Grantor or New Subsidiary;

(b) to receive and open all mail addressed to the Grantor or New Subsidiary and to notify postal authorities to change the address for the delivery of mail to the Grantor or New Subsidiary to that of an address approved by the Collateral Agent (on behalf of all Secured Parties);

(c) to receive, indorse, and collect any drafts or other instruments, documents, Negotiable Collateral or Chattel Paper;

(d) to file any claims or take any action or institute any proceedings which the Collateral Agent (on behalf of all Secured Parties) may deem reasonably necessary or desirable for the collection of any of the Collateral of the Grantor or New Subsidiary or otherwise to enforce the rights of the Secured Parties with respect to any of the Collateral; and

(e) to use any labels, Patents, Trademarks, trade names, URLs, domain names, industrial designs, Copyrights, customer lists, advertising matter or other industrial or intellectual property rights, in advertising for the exclusive purpose of sale and selling Inventory and other Collateral and to collect any amounts due under Accounts, contracts or Negotiable Collateral of the Grantor or New Subsidiary.

To the extent permitted by law, the Grantor hereby ratifies, for itself and each New Subsidiary, all that such attorney-in-fact shall lawfully do or cause to be done by virtue hereof. Such power-of-attorney granted pursuant to this Section 10 is coupled with an interest and shall be irrevocable until this Agreement is terminated.

11. Collateral Agent May Perform. If the Grantor fails to perform any agreement contained herein, upon the occurrence and during the continuance of an Event of Default, the Collateral Agent (on behalf of all Secured Parties) may perform, or cause performance of, such agreement, and the reasonable expenses of the Collateral Agent incurred in connection therewith shall be payable by the Grantor.

12. Collateral Agent's Duties; Bailee for Perfection. The powers conferred on the Collateral Agent hereunder are solely to protect the Secured Parties' respective interests in the Collateral and shall not impose any duty upon the Collateral Agent in favor of the Grantor or any other Secured Party to exercise any such powers. Except for the safe custody of any Collateral in its actual possession and the accounting for moneys actually received by it hereunder, the Collateral Agent shall not have any duty to the Grantor or any other Secured Party as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral. The Collateral Agent shall be deemed to have exercised reasonable care in the custody and preservation of any Collateral in its actual possession if such Collateral is accorded treatment substantially equal to that which is accorded to its own property. The Collateral Agent agrees that, with respect to any Collateral at any time or times in its possession and in which any other Secured Party has a Lien, the Collateral Agent shall be the bailee of each other Secured Party solely for purposes of perfecting (to the extent not otherwise perfected) each other Secured Party's Lien in such Collateral, provided that the Collateral Agent shall not be obligated to obtain or retain possession of any such Collateral.

13. Collection of Accounts, General Intangibles and Negotiable Collateral. At any time upon the occurrence and during the continuation of an Event of Default, the Collateral Agent (on behalf of all Secured Parties) may (a) notify Account Debtors of the Grantor that the Accounts, General Intangibles, Chattel Paper or Negotiable Collateral have been assigned to the Collateral Agent (on behalf of all Secured Parties) or that the Collateral Agent (on behalf of all Secured Parties) has a security interest therein, and (b) collect the Accounts, General Intangibles and Negotiable Collateral directly, and any collection costs and expenses shall constitute part of the Secured Obligations.

14. Disposition of Pledged Interests by Secured Parties. None of the Pledged Interests hereafter acquired on the date of acquisition thereof will be registered or qualified under the various federal, state or other securities laws of the United States or any other jurisdiction, and disposition thereof after an Event of Default may be restricted to one or more private (instead of public) sales in view of the lack of such registration. The Grantor understands that in connection with such disposition, the Collateral Agent (on behalf of all Secured Parties) may approach only a restricted number of potential purchasers and further understands that a sale under such circumstances may yield a lower price for the Pledged Interests than if the Pledged Interests were registered and qualified pursuant to federal, state and other securities laws and sold on the open market. The Grantor, therefore, agrees that: (a) if the Collateral Agent (on behalf of all Secured Parties) shall, pursuant to the terms of this Agreement, sell or cause the Pledged Interests or any portion thereof to be sold at a private sale, the Collateral Agent (on behalf of all Secured Parties) shall have the right to rely upon the advice and opinion of any nationally recognized brokerage or investment firm (but shall not be obligated to seek such advice and the failure to do so shall not be considered in determining the commercial reasonableness of such action) as to the best manner in which to offer the Pledged Interest or any portion thereof for sale and as to the best price reasonably obtainable at the private sale thereof; and (b) such reliance shall be conclusive evidence that the Collateral Agent has handled the disposition in a commercially reasonable manner.

15. Voting Rights.

(a) Upon the occurrence and during the continuation of an Event of Default, (i) the Collateral Agent (on behalf of all Secured Parties) may, at its option, and with two (2) Business Days prior notice to the Grantor, and in addition to all rights and remedies available to the Secured Parties under any other agreement, at law, in equity, or otherwise, exercise all voting rights, and all other ownership or consensual rights in respect of the Pledged Interests, but under no circumstances is the Collateral Agent obligated by the terms of this Agreement to exercise such rights, and (ii) if the Collateral Agent (on behalf of all Secured Parties) duly exercises its right to vote any of such Pledged Interests, the Grantor hereby appoints the Collateral Agent (on behalf of all Secured Parties) as the Grantor's true and lawful attorney-in-fact and IRREVOCABLE PROXY to vote such Pledged Interests in any manner that the Collateral Agent (on behalf of all Secured Parties) deem advisable for or against all matters submitted or which may be submitted to a vote of shareholders, partners or members, as the case may be. Such power-of-attorney granted pursuant to this Section 15 is coupled with an interest and shall be irrevocable until this Agreement is terminated.

(b) For so long as the Grantor shall have the right to vote the Pledged Interests, it covenants and agrees that it will not, without the prior written consent of the Collateral Agent (on behalf of all Secured Parties), vote or take any consensual action with respect to such Pledged Interests which would materially or adversely affect the rights of the Secured Parties exercising the voting rights owned by the Grantor or the value of the Pledged Interests.

16. Remedies. Upon the occurrence and during the continuance of an Event of Default:

(a) The Collateral Agent (on behalf of all Secured Parties) may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein, in the other Transaction Documents, or otherwise available to it, all the rights and remedies of a secured party on default under the Code or any other applicable law. Without limiting the generality of the foregoing, the Grantor expressly agrees that, in any such event, the Collateral Agent (on behalf of all Secured Parties) without any demand, advertisement, or notice of any kind (except a notice specified below of time and place of public or private sale) to or upon the Grantor or any other Person (all and each of which demands, advertisements and notices are hereby expressly waived to the maximum extent permitted by the Code or by any other applicable law), may take immediate possession of all or any portion of the Collateral and (i) require the Grantor to, and the Grantor hereby agrees that it will at its own expense and upon request of the Collateral Agent (on behalf of all Secured Parties) promptly, assemble all or part of the Collateral as directed by the Collateral Agent (on behalf of all Secured Parties) and make it available to the Collateral Agent (on behalf of all Secured Parties) at one or more locations where the Grantor regularly maintains Inventory, and (ii) without notice except as specified below, sell the Collateral or any part thereof in one or more parcels at public or private sale, at the Collateral Agent's offices or elsewhere, for cash, on credit, and upon such other terms as the Collateral Agent (on behalf of all Secured Parties) may deem commercially reasonable. The Grantor agrees that, to the extent notice of sale shall be required by law, at least 10 days' notice of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification and specifically such notice shall constitute a reasonable "authenticated notification of disposition" within the meaning of Section 9-611 of the Code. The Collateral Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Collateral Agent (on behalf of all Secured Parties) may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(b) The Collateral Agent (on behalf of all Secured Parties) is hereby granted a non-exclusive license or other right to use, without liability for royalties or any other charge, the Grantor's labels, Patents, Copyrights, rights of use of any name, trade secrets, trade names, Trademarks, service marks and advertising matter, URLs, domain names, industrial designs, other industrial or intellectual property or any property of a similar nature, whether owned by the Grantor or with respect to which the Grantor has rights under license, sublicense, or other agreements (but only to the extent (i) such license, sublicense or agreement does not prohibit such use by the Collateral Agent (on behalf of all Secured Parties), and (ii) the Grantor will not be in default under such license, sublicense, or other agreement as a result of such use by the Collateral Agent (on behalf of all Secured Parties)), as it pertains to the Collateral, for the exclusive purpose of preparing for sale, advertising for sale and effectuating the sale of any Collateral, and the Grantor's rights under all licenses and all franchise agreements shall inure to the benefit of the Collateral Agent (on behalf of all Secured Parties).

(c) Any cash held by the Collateral Agent as Collateral and all proceeds received by the Collateral Agent in respect of any sale of, collection from, or other realization upon all or any part of the Collateral shall be applied against the Secured Obligations in the order set forth in Section 17 hereof. In the event the proceeds of Collateral are insufficient for the Satisfaction in Full of the Secured Obligations (as defined below), the Grantor shall remain liable for any such deficiency.

(d) The Grantor hereby acknowledges that the Secured Obligations arose out of a commercial transaction, and agrees that if an Event of Default shall occur and be continuing the Collateral Agent (on behalf of all Secured Parties) shall have the right to an immediate writ of possession without notice of a hearing. The Collateral Agent (on behalf of all Secured Parties) shall have the right to the appointment of a receiver for the properties and assets of the Grantor, and the Grantor hereby consents to such rights and such appointment and hereby waives any objection it may have thereto or the right to have a bond or other security posted by the Collateral Agent (on behalf of all Secured Parties).

(e) The Collateral Agent (on behalf of all Secured Parties) may, in addition to other rights and remedies provided for herein, in the other Transaction Documents, or otherwise available to it under applicable law and without the requirement of notice to or upon the Grantor or any other Person (which notice is hereby expressly waived to the maximum extent permitted by the Code or any other applicable law), (i) with respect to the Grantor's Deposit Accounts in which any Secured Party's Liens are perfected by control under Section 9-104 of the Code, instruct the bank maintaining such Deposit Account for the Grantor to pay the balance of such Deposit Account to or for the benefit of the Collateral Agent (on behalf of all Secured Parties), and (ii) with respect to the Grantor's Securities Accounts in which any Secured Party's Liens are perfected by control under Section 9-106 of the Code, instruct the securities intermediary maintaining such Securities Account for the Grantor to (A) transfer any cash in such Securities Account to or for the benefit of the Collateral Agent (on behalf of all Secured Parties), or (B) liquidate any financial assets in such Securities Account that are customarily sold on a recognized market and transfer the cash proceeds thereof to or for the benefit of the Collateral Agent (on behalf of all Secured Parties).

17. Priority of Liens; Application of Proceeds of Collateral. Each Secured Party hereby acknowledges and agrees that, notwithstanding the time or order of the filing of any financing statement or other registration or document with respect to the Collateral and the Security Interests, or any provision of this Agreement, any other Security Document, the Code or other applicable law, solely as amongst the Secured Parties, the separate Security Interests of the Secured Parties shall have the same rank and priority; provided, that, the foregoing shall not apply to any Security Interest of a Secured Party that is void or voidable as a matter of law. In furtherance thereof, all proceeds of Collateral received by the Collateral Agent shall be applied as follows:

(a) first, ratably to pay any expenses due to the Collateral Agent (including, without limitation, the reasonable costs and expenses paid or incurred to correct any default under or enforce any provision of the Transaction Documents, or after the occurrence and during the continuance of any Event of Default in gaining possession of, maintaining, handling, preserving, storing, shipping, selling, preparing for sale, or advertising to sell the Collateral, or any portion thereof, irrespective of whether a sale is consummated);

(b) second, to pay any indemnities then due to any of the Secured Parties under the Transaction Documents, until paid in full;

(c) third, ratably to pay any fees or premiums then due to any of the Secured Parties under the Transaction Documents, until paid in full;

(d) fourth, ratably to pay interest due in respect of the Secured Obligations then due to any of the Secured Parties, until paid in full;

(e) fifth, ratably to pay the principal amount of all Secured Obligations then due to any of the Secured Parties, until paid in full;

(f) sixth, ratably to pay any other Secured Obligations then due to any of the Secured Parties; and

(g) seventh, to Grantor or such other Person entitled thereto under applicable law.

18. Remedies Cumulative. Each right, power, and remedy of any Secured Party as provided for in this Agreement or in any other Transaction Document or now or hereafter existing at law or in equity or by statute or otherwise shall be cumulative and concurrent and shall be in addition to every other right, power, or remedy provided for in this Agreement or in the other Transaction Documents or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by any Secured Party, of any one or more of such rights, powers, or remedies shall not preclude the simultaneous or later exercise by such Secured Party of any or all such other rights, powers, or remedies.

19. Marshaling. No Secured Party shall be required to marshal any present or future collateral security (including but not limited to the Collateral) for, or other assurances of payment of, the Secured Obligations or any of them or to resort to such collateral security or other assurances of payment in any particular order, and all of its rights and remedies hereunder and in respect of such collateral security and other assurances of payment shall be cumulative and in addition to all other rights and remedies, however existing or arising. To the extent that it lawfully may, the Grantor hereby agrees that it will not invoke any law relating to the marshaling of collateral which might cause delay in or impede the enforcement of any Secured Party's rights and remedies under this Agreement or under any other instrument creating or evidencing any of the Secured Obligations or under which any of the Secured Obligations is outstanding or by which any of the Secured Obligations is secured or payment thereof is otherwise assured, and, to the extent that it lawfully may, the Grantor hereby irrevocably waives the benefits of all such laws.

20. Appointment of Collateral Agent; Acknowledgment.

(a) The Secured Parties hereby appoint Ankur Desai to act as the initial collateral agent on behalf of all Secured Parties (the "**Collateral Agent**"). Notwithstanding anything in this Agreement to the contrary, one or more Secured Parties (other than the then Collateral Agent) holding a majority of the then aggregate outstanding principal balance of the Notes (excluding any Notes held by the then acting Collateral Agent) may remove the then-acting Collateral Agent and appoint any other Secured Party to act as the Collateral Agent under this Agreement. Upon such appointment such Secured Party shall act as Collateral Agent pursuant to the terms of this Agreement.

(b) No Secured Party (which term, as used in this sentence, shall include reference to each Secured Party's officers, directors, employees, attorneys, agents and affiliates and to the officers, directors, employees, attorneys and agents of such Secured Party's affiliates) shall: (i) have any duties or responsibilities except those expressly set forth in this Agreement and the other Security Documents or (ii) be required to take, initiate or conduct any enforcement action (including any litigation, foreclosure or collection proceedings hereunder or under any of the other Security Documents). Without limiting the foregoing, no Secured Party shall have any right of action whatsoever against any other Secured Party as a result of such Secured Party acting or refraining from acting hereunder or under any of the Security Documents except as a result and to the extent of losses caused by such Secured Party's actual gross negligence or willful misconduct. No Secured Party assumes any responsibility for any failure or delay in performance or breach by the Grantor or any other Secured Party of its obligations under this Agreement or any other Transaction Document. No Secured Party makes to any other Secured Party any express or implied warranty, representation or guarantee with respect to any Secured Obligations, Collateral, Transaction Document or the Grantor. No Secured Party nor any of its officers, directors, employees, attorneys or agents shall be responsible to any other Secured Party or any of its officers, directors, employees, attorneys or agents for: (i) any recitals, statements, information, representations or warranties contained in any of the Transaction Documents or in any certificate or other document furnished pursuant to the terms hereof; (ii) the execution, validity, genuineness, effectiveness or enforceability of any of the Transaction Documents; (iii) the validity, genuineness, enforceability, collectability, value, sufficiency or existence of any Collateral, or the attachment, perfection or priority of any Lien therein; or (iv) the assets, liabilities, financial condition, results of operations, business, creditworthiness or legal status of the Grantor or any Account Debtor. No Secured Party nor any of its officers, directors, employees, attorneys or agents shall have any obligation to any other Secured Party to ascertain or inquire into the existence of any default or Event of Default, the observance or performance by the Grantor of any of its duties or agreements under any of the Transaction Documents or the satisfaction of any conditions precedent contained in any of the Transaction Documents.

(d) Each Secured Party hereby acknowledges and represents that it has, independently and without reliance upon any other Secured Party, and based upon such documents, information and analyses as it has deemed appropriate, made its own credit analysis of the Grantor and its own decision to enter into the Transaction Documents and to purchase the Notes, and each Secured Party has made such inquiries concerning the Transaction Documents, the Collateral and the Grantor as such Secured Party feels necessary and appropriate, and has taken such care on its own behalf as would have been the case had it entered into the Transaction Documents without any other Secured Party. Each Secured Party hereby further acknowledges and represents that the other Secured Parties have not made any representations or warranties to it concerning the Grantor, any of the Collateral or the legality, validity, sufficiency or enforceability of any of the Transaction Documents. Each Secured Party also hereby acknowledges that it will, independently and without reliance upon the other Secured Parties, and based upon such financial statements, documents and information as it deems appropriate at the time, continue to make and rely upon its own credit decisions in taking or refraining to take any other action under this Agreement or the Transaction Documents. No Secured Party shall have any duty or responsibility to provide any other Secured Party with any notices, reports or certificates furnished to such Secured Party by the Grantor or any credit or other information concerning the affairs, financial condition, business or assets of the Grantor (or any of its affiliates) which may come into possession of such Secured Party.

21. Indemnity and Expenses.

(a) Without limiting any obligations of the Grantor under the Securities Purchase Agreement, the Grantor agrees to indemnify all Secured Parties from and against all claims, lawsuits and liabilities (including reasonable attorneys' fees) arising out of or resulting from this Agreement (including enforcement of this Agreement), except claims, losses or liabilities resulting from the gross negligence or willful misconduct of the Secured Party seeking indemnification as determined by a final non-appealable order of a court of competent jurisdiction. This provision shall survive the termination of this Agreement and the Transaction Documents and the Satisfaction in Full of the Secured Obligations.

(b) The Grantor shall, upon demand, pay to the Collateral Agent all of the reasonable costs and expenses which the Collateral Agent may incur in connection with the custody, preservation, use or operation of, or, upon an Event of Default, the sale of, collection from, or other realization upon, any of the Collateral in accordance with this Agreement and the other Transaction Documents. The Grantor shall, upon demand, pay to each Secured Party all of the reasonable costs and expenses which such Secured Party may incur in connection with (i) the exercise or enforcement of any of the rights of such Secured Party hereunder or (ii) the failure by the Grantor to perform or observe any of the provisions hereof.

22. Merger, Amendments; Etc. THIS AGREEMENT, TOGETHER WITH THE OTHER TRANSACTION DOCUMENTS, REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES SOLELY WITH RESPECT TO THE SUBJECT MATTER HEREOF AND THEREOF AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN AGREEMENTS BETWEEN THE PARTIES. No provision of this Agreement may be amended other than by an instrument in writing signed by the Grantor and the Collateral Agent, and any amendment to any provision of this Agreement made in conformity with the provisions of this Section 22 shall be binding on all Secured Parties, provided that no such amendment shall be effective to the extent that it (a) applies to less than all of the Secured Parties or (b) imposes any obligation or liability on any Secured Party without such Secured Party's prior written consent (which may be granted or withheld in such Secured Party's sole discretion). No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving party, provided that the Collateral Agent may waive any provision of this Agreement, and any waiver of any provision of this Agreement made in conformity with the provisions of this Section 22 shall be binding on all Secured Parties, provided that no such waiver shall be effective to the extent that it (i) applies to less than all the Secured Parties (unless a party gives a waiver as to itself only) or (ii) imposes any obligation or liability on any Secured Party without such Secured Party's prior written consent (which may be granted or withheld in such Secured Party's sole discretion).

23. Addresses for Notices. All notices and other communications provided for hereunder (a) shall be given in the form and manner set forth in the Securities Purchase Agreement and (b) shall be delivered, (i) in the case of notice to the Grantor, by delivery of such notice to the Grantor's address specified in the Securities Purchase Agreement or at such other address as shall be designated by the Grantor in a written notice to each of the Secured Parties in accordance with the provisions thereof, and (ii) in the case of notice to any Secured Party, by delivery of such notice to such Secured Party at its address specified in the Securities Purchase Agreement or at such other address as shall be designated by such Secured Party in a written notice to the Grantor and each other Secured Party in accordance with the provisions thereof.

24. Separate, Continuing Security Interests; Assignments under Transaction Documents. This Agreement shall create a separate, continuing security interest in the Collateral in favor of each Secured Party and shall (a) remain in full force and effect until Satisfaction in Full of the Secured Obligations, (b) be binding upon the Grantor, and its permitted successors and permitted assigns, and (c) inure to the benefit of, and be enforceable by, the Secured Parties and their respective successors, transferees and assigns. Without limiting the generality of the foregoing clause (c), any Secured Party may, in accordance with the provisions of the Transaction Documents, assign or otherwise transfer all or any portion of its rights and obligations under the Transaction Documents to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to such Secured Party herein or otherwise. Upon Satisfaction in Full of the Secured Obligations, the Security Interests granted hereby shall terminate and all rights to the Collateral shall revert to the Grantor or any other Person entitled thereto. At such time, each Secured Party will authorize the filing of appropriate termination statements to terminate such Security Interests. No transfer or renewal, extension, assignment, or termination of this Agreement or any other Transaction Document, or any other instrument or document executed and delivered by the Grantor to any Secured Party nor any additional loans made by any Secured Party to the Grantor, nor the taking of further security, nor the retaking or re-delivery of the Collateral to the Grantor, or any of them, by any Secured Party, nor any other act of the Secured Parties, or any of them, shall release the Grantor from any obligation, except a release or discharge executed in writing by all Secured Parties. No Secured Party shall by any act, delay, omission or otherwise, be deemed to have waived any of its rights or remedies hereunder, unless such waiver is in writing and signed by such Secured Party and then only to the extent therein set forth. A waiver by any Secured Party of any right or remedy on any occasion shall not be construed as a bar to the exercise of any such right or remedy which such Secured Party would otherwise have had on any other occasion.

25. Governing Law; Jurisdiction; Service of Process; Jury Trial. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in The City of New York, Borough of Manhattan, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper; *provided*, *however*, any suit seeking enforcement against any Collateral or other property may be brought, at any Secured Party's option, in the courts of any jurisdiction where such Secured Party elects to bring such action or where such Collateral or other property may be found. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address for such notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. **EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY.**

26. Subordination. Each Secured Party hereby agrees to subordinate the Security Interests to any security interest or lien that the Grantor or a New Subsidiary may grant to a lender ("**Facility Lender**") in any real or personal property ("**Facility Property**") of Grantor or a New Subsidiary acquired or developed through a financing contemplated by Schedule 4(k) attached to the Disclosure Letter made part of the Securities Purchase Agreement. Notwithstanding the respective dates of attachment or perfection of the Security Interests of the Secured Parties, all hereafter arising security interests of a Facility Lender in any Facility Property of Grantor or a New Subsidiary and all proceeds thereof (the "**Facility Collateral**") shall at all times be senior to the Security Interests of the Secured Parties. Each Secured Party hereby (a) acknowledges and consents to (i) Grantor or a New Subsidiary granting to a Facility Lender a security interest in the Facility Collateral, and (ii) Grantor or a New Subsidiary filing any and all financing statements and other documents as deemed necessary by Facility Lender in order to perfect Facility Lender's security interest in the Facility Collateral. The Secured Parties agree that, at the reasonable request of the Facility Lender, the Collateral Agent (on behalf of all Secured Parties) shall be permitted to execute such other documents, and do such other acts or things deemed reasonably necessary or desirable by the Collateral Agent (on behalf of all Secured Parties), to carry out the agreement to subordinate set forth herein.

27. Miscellaneous.

(a) This Agreement may be executed in two or more counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party. In the event that any signature is delivered by facsimile transmission or by an e-mail which contains a portable document format (.pdf) file of an executed signature page, such signature page shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such signature page were an original thereof. Any party delivering an executed counterpart of this Agreement by facsimile or other electronic method of transmission also shall deliver an original executed counterpart of this Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement. The foregoing shall apply to each other Security Document *mutatis mutandis*.

(b) Any provision of this Agreement which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof in that jurisdiction or affecting the validity or enforceability of such provision in any other jurisdiction.

(c) Headings used in this Agreement are for convenience only and shall not be used in connection with the interpretation of any provision hereof.

(d) The pronouns used herein shall include, when appropriate, either gender and both singular and plural, and the grammatical construction of sentences shall conform thereto.

(e) The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party. For clarification purposes, the Recitals are part of this Agreement.

(f) Unless the context of this Agreement or any other Transaction Document clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, the terms "includes" and "including" are not limiting, and the term "or" has, except where otherwise indicated, the inclusive meaning represented by the phrase "and/or." The words "hereof," "herein," "hereby," "hereunder," and similar terms in this Agreement or any other Transaction Document refer to this Agreement or such other Transaction Document, as the case may be, as a whole and not to any particular provision of this Agreement or such other Transaction Document, as the case may be. Section, subsection, clause, schedule, and exhibit references herein are to this Agreement unless otherwise specified. Any reference in this Agreement or in any other Transaction Document to any agreement, instrument, or document shall include all alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements, thereto and thereof, as applicable (subject to any restrictions on such alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements set forth herein). "**Satisfaction in Full of the Secured Obligations**" shall mean the indefeasible payment in full in cash and discharge, or other satisfaction in accordance with the terms of the Transaction Documents (including, without limitation, conversion of the Notes into equity of the Company) and discharge, of all Secured Obligations in full. Any reference herein to any Person shall be construed to include such Person's permitted successors and permitted assigns. Any requirement of a writing contained herein or in any other Transaction Document shall be satisfied by the transmission of a Record and any Record so transmitted shall constitute a representation and warranty as to the accuracy and completeness of the information contained therein.

(g) All dollar amounts referred to in this Agreement and the other Transaction Documents are in United States Dollars ("**U.S. Dollars**"), and all amounts owing under this Agreement and all other Transaction Documents shall be paid in U.S. Dollars. All amounts denominated in other currencies shall be converted into the U.S. Dollar equivalent amount in accordance with the Exchange Rate on the date of calculation. "**Exchange Rate**" means, in relation to any amount of currency to be converted into U.S. Dollars pursuant to this Agreement, the U.S. Dollar exchange rate as published in The Wall Street Journal on the relevant date of calculation.

[*signature pages follow*]

IN WITNESS WHEREOF, the undersigned parties hereto have executed this Agreement by and through their duly authorized officers, as of the day and year first above written.

GRANTOR:

AQUA METALS, INC.,
a Delaware corporation

By: /s/ Stephen R. Clarke
Dr. Stephen R. Clarke,
President and Chief Executive Officer

COLLATERAL AGENT:

/s/ Ankur Desai
Ankur Desai

SECURED PARTIES:

_____

By: _____

Name:
Title:

PURCHASE AND SALE AGREEMENT
AND ESCROW INSTRUCTIONS
TAHOE-RENO INDUSTRIAL CENTER

THIS AGREEMENT is made and entered into by and between **TAHOE-RENO INDUSTRIAL CENTER, LLC** , a Nevada limited liability company, hereinafter referred to as "Seller"; and **AQUA METALS RENO, INC.** , a Delaware corporation, or its assignee, hereinafter referred to as "Buyer". The last day of execution hereof by a party shall be the effective date (the "Effective Date") of the Agreement.

1. GENERAL.

1 . 1 Tahoe-Reno Industrial Center. Seller is the master developer of the Tahoe-Reno Industrial Center ("TRI" or the "Project"), a business park development in Storey County, Nevada conceptually shown on the site plan attached hereto as Exhibit "A".

1 . 2 Real Property. Seller wishes to sell to Buyer a portion of TRI, consisting of approximately 12.56 acres (the "Real Property"), as more particularly shown on Exhibit "B", attached hereto, as Site 6. The Real Property is zoned for industrial uses by Storey County. Exhibit "B" is a conceptual site plan, The exact acreage size and location of the Real Property shall be determined by the mapping process described in Section l4.

A. Facility. Buyer has informed Seller that its intended use of the Real Property is a battery recycling plant (the "Facility") and said use must comply with the industrial zoning allowed by Storey County on the Real Property. Subject to the provisions of this Agreement and Buyer's compliance with applicable federal, state and local laws, Seller agrees that Buyer may develop the Real Property for use as the Facility.

Buyer acknowledges the CC&Rs (as defined below) for the Project require approval of the Architectural Review Committee of the TRI Owners Association for Buyer's site development plan. In addition, Buyer must acquire a building permit for the Facility from the Storey County. The expense for the site development plan and building permit is sole responsibility of the Buyer.

B. CC&Rs. Buyer acknowledges receipt of a copy of the Declaration of Covenants, Conditions and Restrictions for the Tahoe-Reno Industrial Center (CC&Rs) recorded on September 25, 1998 as Document No. 83412 in the office of the Recorder of Storey County, Nevada, which allow use of the Real Property as the Facility, subject to compliance with the provisions thereof. These CC&Rs are available on www.tahoereno.com. Buyer agrees to comply with the provisions of the CC&Rs. The CC&Rs shall be recorded against the Real Property on or before close of escrow and shall be a permitted exception to title.

Buyer Initials: TW Seller Initials: _____

C. Development Agreement and Handbook. Buyer acknowledges receipt of a copy of the Development Agreement ("Development Agreement") between Seller and Storey County, which specifies the government entitlements to develop the Real Property and the Project. An exhibit to the Development Agreement is the Development Handbook ("Handbook"), which provides standards and criteria for construction on the Real Property. Buyer agrees the development of the Real Property shall be subject to the Development Agreement and the Handbook, and Buyer shall comply with their terms. A Memorandum of the Development Agreement has been recorded against the Real Property on February 8, 2000 as Document No. 86804 and shall be a permitted exception to title. And the Handbook is available at www.tahoereno.com.

Buyer acknowledges and agrees to comply with the provisions of Subsection 6.7(a) of the Development Agreement, requiring all construction contracts, vendor's agreements, equipment purchases and other contracts under which sales taxes will arise to state that the location of delivery and situs of property subject to sales taxes shall be expressly stated to be Storey County, Nevada, and Buyer shall require all contracts and agreements of its contractors, subcontractors, vendors and material men to so specify.

Buyer also acknowledges and agrees to comply with the provisions of Subsection 6.7(c) of the Development Agreement requiring notice to Storey County, and in some instances the Storey County School District, of state applications for tax abatements or deferrals.

D. Utility Purveyors. The TRI General Improvement District ("TRIGID") has been formed to provide water and sewer utility services to properties in the Project. Subject to the provisions of Section 13, Buyer agrees to accept water and sewer services exclusively from TRIGID for the Real Property. Gas and electric service are provided to the Project including the Real Property by NV Energy. Buyer agrees to accept gas and electric service from NV Energy, subject to approved tariffs and rules promulgated by the Nevada Public Utility Commission.

2. PURCHASE OF REAL PROPERTY.

2.1 Agreement To Sell And Purchase. Subject to the terms and conditions of this Agreement, Seller hereby agrees to sell and Buyer hereby agrees to purchase the Real Property together with all of Seller's right, title and interest in and to all of the appurtenances thereunto belonging or appertaining, as further specified herein.

3. PURCHASE PRICE.

3.1 Amount. The purchase price shall be the sum of One Million Sixty Six Thousand Eight Hundred Seventy Two Dollars and Thirty Cents ($1,066,872.30). This price is an estimate based on the agreed purchase price of One Dollar Ninety Five Cents($1.95) per square foot for 544,500 square feet of the Property, as approximately described in Exhibit "B". The purchase price paid to the Seller at closing shall be adjusted to reflect the actual square footage established by the parcel map or record of survey created for the Real Property as provided in Section 14.

3.2 Earnest Money Deposit. Buyer shall pay the sum of Five Thousand Dollars and 00/100 ($5,000.00) as an earnest money deposit upon execution hereof into escrow to be held in trust by First American Title Insurance Company, and to be applied to the purchase price at close of escrow. If Buyer does not terminate this Agreement as specified in Subsections 6.4 or 9.2, or otherwise as provided herein, then the entire earnest money deposit shall become nonrefundable, and applied to reduce the balance of the purchase price at closing, except in the case of breach by Seller.

3.3 Balance of Purchase Price. The balance of the purchase price shall be paid in immediately available funds at close of escrow.

4. EASEMENTS.

4.1 Reservation of Easements. Seller reserves to itself after close of escrow, its affiliates, invitees, permittees and utility purveyors reasonable easements for utilities (water, sewer, gas, electric, storm drainage, telephone, cable TV, etc.) and access to be constructed by Seller or others through the Real Property as are required to serve the Real Property and the Project. However, the location of said easements must be approved in writing by the Buyer, which approval shall not be unreasonably withheld. The Seller and Buyer further agree that any easement reserved under this Subsection shall not interfere with Buyer's intended or actual development and use of the Real Property. All easements shall include access for construction and maintenance and shall be located and made subject to easement agreements in recordable form mutually agreed by the parties.

5. WATER RIGHTS / MINERAL RIGHTS.

5.1 No Water Rights. Except for the right to water service specified in Section 13 below, this Agreement includes no right, title or interest to appropriated or unappropriated groundwater lying underneath the surface of the Real Property nor any right of Seller to surface water appurtenant or otherwise found on the Real Property or the Project. Except as otherwise provided herein, all such rights are reserved to Seller.

5.2 Mineral Rights Reserved. The Real Property shall not include mineral rights or other subsurface rights, which are reserved to Seller, including without limitation: oil; gas; geothermal; aggregates and common variety soils; and precious minerals of all kinds. However, Seller shall be prohibited from entering the surface or subsurface of the Real Property to extract any said reserved rights or substances without the prior written consent of Buyer, which may be denied in Buyer's sole discretion. The Deed (as hereinafter defined) shall contain provisions consistent with this Subsection, Nothing contained in this Subsection shall prohibit or impair Buyer from excavating and grading the Real Property for development of the Facility, including cuts and fills, and importation or exportation of soils necessary for said grading.

Buyer Initials: TW Seller Initials: _____

6. ESCROW AND CLOSING.

6.1 Escrow Holder. The consummation of the purchase and sale contemplated by this Agreement shall take place through an escrow at First American Title Insurance Company, c/o Margie Roma, 5310 Kietzke Lane, Suite 100, Reno, Nevada 89511, hereinafter referred to as "Escrow Holder" or "Title Company". This Agreement shall constitute escrow instructions for Escrow Holder. Close of escrow shall sometimes be referred to as the "Closing".

6.2 Terms of Escrow. Consummation of this escrow shall be in accordance with the following terms and conditions.

A. A fully executed copy of this Agreement shall be deposited with Escrow Holder as escrow instructions, with any amendments or additional instructions which shall be in writing and signed by both parties, which may be needed from time to time by Escrow Holder for purposes of performing its functions under this Agreement. Escrow Holder is hereby appointed and designated to act as such and is authorized and instructed to deliver, pursuant to the terms and conditions of this Agreement, the documents and money to be deposited into escrow as hereinafter provided, with the terms and conditions contained herein to apply to such escrow. Seller and Buyer hereby agree that each shall, during the escrow period, execute any and all documents and perform any and all acts reasonably necessary or appropriate to consummate the purchase and sale pursuant to the terms set forth in this Agreement.

B. Seller shall deposit into escrow, on or before close of escrow:

i. An executed Grant, Bargain and Sale Deed ("Deed") in recordable form conveying the Real Property purchased and sold hereunder;

ii. The easements and associated documents; and

iii. Such other executed documents as may be necessary.

C. Buyer shall execute and deposit into escrow, on or before close of escrow, the cash and other documents required to consummate the purchase and sale pursuant to the terms set forth in this Agreement; and

D. Escrow Holder shall cause to be drafted any other documents to be recorded or signed by the parties.

Buyer Initials: TW Seller Initials: _____

6.3 Title Policy and Survey. If Buyer elects to have an ALTA Extended Owner's policy of title insurance issued at close of escrow, and a survey is required by the Title Company for said insurance, Buyer shall be solely responsible at Buyer's cost and expense for acquisition of the survey. Buyer shall insure that said survey is prepared in a timely manner in order to review title as provided in Subsection 6.4 and to close escrow as specified in Subsection 8.1. If the survey prepared on behalf of Buyer reveals any matters which cause the title to the Real Property not to be marketable or which are not Permitted Title Exceptions (defined below), then Buyer shall have those rights and remedies with respect thereto as are set forth in Section 6.4.

6.4 Preliminary Report. Upon receipt of this Agreement, Seller shall order from Escrow Holder for the approval of Buyer, at Seller's expense, a preliminary title report on the Real Property. Seller shall request Title Company to issue its preliminary title report within five (5) business days, including copies of the documents giving rise to the items of exceptions thereto. Within thirty (30) business days thereafter Buyer shall furnish Seller with a written statement of any and all title matters to which Buyer objects, including any such matter revealed by the survey referenced in Subsection 6.3, if any (any such matters to which Buyer objects pursuant to this Section 6.4 are herein referred to as "Title Objections" and any matters to which it does not object are herein referred to as "Permitted Title Exceptions"). Seller shall notify Buyer within five (5) days of its receipt of written notification hereunder which Title Objections (if any) it agrees to cure, provided Seller must cure all Title Objections that are in the nature of liens or other encumbrances to secure the payment of money, irrespective of whether such liens or encumbrances arise out of the actions or inactions of the Seller, provided there is an actual sum of money, disputed or undisputed, secured by any lien or encumbrance. Seller agrees to expend such money and take such other actions as may be necessary to correct or cure any Title Objections Seller has agreed to cure or is required to cure and to satisfy and cause to be released of record at the close of escrow any such Title Objections. Seller shall have until the close of escrow to cure all Title Objections it agrees to cure or is required to cure hereunder.

In the event Buyer delivers notice to Seller of Title Objections and Seller does not agree to cure any Title Objections, Buyer may terminate this Agreement as specified in Subsection 9.2. If Buyer fails to terminate the Agreement in a timely manner under Subsection 9.2, Buyer shall be deemed to have waived the Title Objections; provided that Seller shall nevertheless be required to cure any Title Objections that Seller has agreed to cure or that Seller is required to cure under the provisions of this Subsection.

6.5 Title Insurance. Buyer shall cause Escrow Holder to issue at close of escrow a policy of title insurance of Buyer's choice insuring title on the Real Property, subject only to the Permitted Title Exceptions and containing endorsements requested by Buyer in its sole discretion. The title policy shall have liability limits of not less than the purchase price referenced in Section 3.

7. ESCROW CHARGES.

7.1 Seller's Charges. Escrow Holder shall charge and collect from the Seller at closing the following:

A. the cost of the title insurance for a ALTA Standard Owner's policy, however, if Buyer requires an ALTA Extended Owner's policy of title insurance, any costs in excess of those set forth in this subsection shall be borne by Buyer;

Buyer Initials: TW Seller Initials: _____

B. one-half of the escrow charges, and any cost of recording documents necessary to clear Title Objections;

C. one-half ($^1/_2$) of the tax on the transfer of Real Property provided for in NRS 375.010 through 375.110, as amended, and any deferred agricultural use taxes under NRS Chapter 361A; and

D. any taxes for the current fiscal year, which taxes shall be pro-rated between the Seller and the Buyer as of the date of the close of escrow.

7.2 Buyer's Charges. Escrow Holder shall charge and collect from the Buyer at closing the following:

A. the remaining cost of the ALTA title policy for the extended coverage, if requested by Buyer;

B. one-half of the escrow charges;

C. the cost of recording the Deed and any other documents to be recorded;

D. any taxes for the current fiscal year, which taxes shall be pro-rated between the Seller and the Buyer as of the date of close of escrow; and

E. one-half ($^1/_2$) of the tax on the transfer of Real Property provided for in NRS 375.010 through 375.110, as amended.

7.3 Escrow Holder Authorization. Seller and Buyer hereby authorize Escrow Holder to insert the date of close of escrow as the execution date of the Deed at closing. The Escrow Holder is further authorized to insert the date of close of escrow and to fill in the blank spaces in any and all documents and instruments delivered to it, so long as it is done in conformity with this Agreement and any amendments or additional escrow instructions.

7.4 Closing Duties of Escrow Holder. At close of escrow as hereinafter defined, Escrow Holder shall:

A. cause the Deed, all easements and any other appropriate documents to be recorded in the office of the County Recorder of Storey County, Nevada;

B. deliver to Buyer the title policy as provided herein and other instruments conveying title to the Real Property; and

C. deliver to Seller, the payment specified in Section 3 above.

Buyer Initials: TW Seller Initials: _____

8. CLOSE OF ESCROW.

8 . 1 Closing Date. Escrow shall close for the Real Property on the later to occur of: (i) ninety (90) days after the Effective Date; or (ii) within three (3) business day after the approval of government entities which must approve the record of survey creating a legal parcel for the Real Property as specified in Section 14. If escrow does not so close in a timely manner as specified in this Subsection, this Agreement shall be terminated unless the parties otherwise agree, and neither party shall have any liability or claim against the other party hereunder.

9. DUE DILIGENCE.

9 . 1 Due Diligence Period and Document Review. Buyer shall have a due diligence investigation period expiring sixty (60) days after the Effective Date of this Agreement ("Due Diligence Period") to conduct such due diligence investigations as Buyer deems necessary to determine the feasibility, economic or otherwise, of its intended development. During such period, Buyer may enter upon the Real Property with Buyer's agents, representatives or designees to inspect, examine, survey and make test borings, soil bearing tests and other engineering, environmental or landscaping tests or surveys which it may deem necessary on the Real Property. Buyer shall pay all costs and expenses incurred to conduct the investigation and studies. Seller agrees to make available to Buyer for inspection and, if desired, copying, within three (3) days of execution hereof any relevant soil analysis, transportation studies, air quality studies, environmental studies, and other studies related to the Real Property in the possession of Seller in order to assist Buyer's evaluation, including, without limitation, the following:

A. copies of all permits, approvals, maps, agreements, covenants, rules or restrictions relating to the Real Property, its use or developability, and/or the availability of utilities, including water, electricity, gas, sewer and storm drain currently in Seller's possession or control;

B. all information available to Seller regarding the fees, dues, assessments or other charges to which the Real Property is or will be subject in connection with the Project;

C. copies in Seller's possession or control of:

i. any reports, studies or other written information regarding the environmental, geologic, seismic, biologic or archaeological condition of the Real Property;

ii. any reports, studies or other written material relating to the Real Property prepared by civil engineers; and

iii. Any reports, studies or other written material relating to the feasibility of economic or physical development of the Real Property; and

Buyer Initials: TW Seller Initials: _____

D. other relevant documents or written information as may be reasonably requested by Buyer (the request for which shall not extend the Due Diligence Period).

Upon the request of Buyer, Seller agrees to meet with governmental authorities and any other entities or individuals working on behalf of Buyer, at any reasonable time prior to close of escrow agreeable to both Buyer and Seller, in order to facilitate the due diligence investigation and Buyer's intended development of the Real Property. Seller shall cooperate with and assist Buyer in obtaining any government permits and approvals necessary to construct Buyer's improvements. Seller shall not be required to spend any money in fulfilling this obligation. Except for any special use permits or any other governmental permits and approvals required for the construction and operation of the Facility, Buyer shall not apply to Storey County for any modification of the Development Agreement, permit, tentative map, amendment or zoning approval for the Real Property without the prior consent of Seller, which consent shall not be unreasonably be withheld.

9.2 Termination. If Buyer, in its sole discretion, determines within the Due Diligence Period that Buyer's intended development is not feasible for any reason whatsoever, Buyer shall so notify Seller in writing and this Agreement shall be immediately terminated. If Buyer fails to so notify Seller within the Due Diligence Period, Buyer shall be deemed to have waived its right to so terminate and the Due Diligence Period shall have expired, If Buyer terminates this Agreement under this Subsection, then Seller shall inform Escrow Holder to immediately return any monies deposited by Buyer with the Escrow Holder which are refundable to Buyer, as specified in Subsection 3.2 above, and neither Seller nor Buyer shall have any further obligations under this Agreement.

10. REPRESENTATIONS AND WARRANTIES.

10.1 Seller. Seller makes the following representations and warranties, and agrees to the following covenants and obligations for the benefit of Buyer, to the best of Seller's actual knowledge.

A. Except as specified herein, Seller shall not cause title to the Real Property to become further encumbered or clouded after the Effective Date of this Agreement without Buyer's consent, in its sole discretion.

B. Seller warrants that there are no known, threatened or pending annexations, condemnations, or other proceedings or litigation against or affecting Seller or any part of the Real Property.

C. Seller represents that neither the execution by it of this Agreement nor the consummation of this sale: will constitute a violation or breach by Seller of any contract or other instrument to which it is a party, or to which Seller is subject, or by which any of Seller's assets or properties may be affected, or any judgment, order, writ, injunction or decree issued against or imposed upon Seller; or will result in a violation of any applicable law, order, rule or regulation of any governmental authority.

Buyer Initials: TW Seller Initials: _____

D. Seller represents and warrants that the Real Property will not at the close of escrow be encumbered by any obligation, written or oral, or recorded mechanic's liens, to pay or reimburse any party for the design, analysis, engineering, testing, legal fees, or construction of improvements for the benefit of the Real Property, which Seller has incurred prior to the date of this Agreement and agrees properly to pay all consultants retained by Seller.

E. Seller has no knowledge of the location and nature of any underground storage activities, buried trash or foreign materials, disposal areas or other sites of this sort on the Real Property, whether these sites are visible from the surface of the land or not, that have not been disclosed to Buyer prior to execution hereof.

F. Seller has not used, placed, stored, discharged or released any hazardous or toxic wastes or substances as defined or regulated under federal, state, or local laws ("Hazardous Substances") on the Real Property nor, to the best of Seller's knowledge, have any Hazardous Substances at any time been used, placed, stored, discharged, or released on the Real Property by any third party. Seller agrees Buyer or its agents or contractors may make all disclosures and file all reports which are required by law with respect to discovery of Hazardous Substances as a result of investigations conducted by Buyer, its agents or contractors.

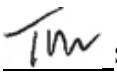
G. Seller is not, and will not be at the time of close of escrow, a foreign person as defined in Section 1445 of the Internal Revenue Code of 1986, as amended, and agrees prior to close of escrow to execute a non-foreign person affidavit.

H. At Closing all property taxes for assessments due to prior agricultural use pursuant to NRS Chapter 361A shall be paid by Seller, and the Real Property shall not be subject to any accrued unpaid taxes.

I. At Closing all fees, costs and expenses then due for permits and assessments required by a state or local government entity to satisfy requirements of the Project will be paid.

J. Seller is a Nevada limited liability company and has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transaction contemplated hereby.

K. All requisite action has been taken by Seller in connection with the entering into this Agreement, the instruments referenced herein, and the consummation of the transaction contemplated hereby. No consent of any partner, member, director, officer, shareholder, trustee, trustor, beneficiary, creditor, investor, judicial or administrative body, governmental authority or other party is required.

Buyer Initials:  Seller Initials: _____

L. The individuals executing this Agreement and the instruments referenced herein on behalf of Seller have the legal power, right, and actual authority to bind Seller to the terms and conditions hereof and thereof.

M. This Agreement and all documents required hereby to be executed by Seller are and shall be valid, legally binding obligations of and enforceable against Seller in accordance with their terms.

N. The representations and warranties of Seller set forth in this Agreement shall be true on and as of the close of escrow as if those representations and warranties were made on and as of such time.

10.2 Buyer. In consideration of the Seller entering into this Agreement, and as an inducement to Seller to sell the Real Property, Buyer makes the following representations and warranties, each of which is material and is being relied upon by Seller:

A. Buyer has the legal power, right and authority to enter into this Agreement and the instruments referenced herein and to consummate the transaction contemplated hereby;

B. all requisite action has been taken by Buyer in connection with the entering into this Agreement, the instruments referenced herein, and the consummation of the transaction contemplated hereby. No consent of any partner, member, director, officer, shareholder, trustee, trustor, beneficiary, creditor, investor, judicial or administrative body, governmental authority or other party is required;

C. the individuals executing this Agreement and the instruments referenced herein on behalf of Buyer have the legal power, right, and actual authority to bind Buyer to the terms and conditions hereof and thereof;

D. this Agreement and all documents required hereby to be executed by Buyer are and shall be valid, legally binding obligations of and enforceable against Buyer in accordance with their terms; and

E. the representations and warranties of Buyer set forth in this Agreement shall be true on and as of the close of escrow as if those representations and warranties were made on and as of such time.

Buyer Initials: TW Seller Initials: _____

11. BUYER CONSTRUCTION OBLIGATIONS.

1 1 . 1 Buyer Requirements. Buyer covenants to keep and maintain the Real Property free of debris and waste (except for normal construction debris), and to remove any building material delivered to the Real Property and unused for a period in excess of thirty (30) days. The 30-day time period may be extended during the original construction time frame, so long as the method of storage conforms to the CC&Rs. Buyer agrees that no temporary or prefabricated structure shall be used or erected on the Real Property without Seller's consent, with the exception of temporary construction offices. Buyer shall be solely responsible, and shall take any action necessary, to control and suppress dust generated from the Real Property during and following any construction.

12. RESPONSIBILITY FOR IMPROVEMENTS.

1 2 . 1 Buyer Improvements. Buyer shall be obligated to pay any fees imposed by any governmental agencies related to construction of improvements and to perform all site preparation work for construction, if applicable, within the Real Property boundaries except as specified in Subsection 12.2. Buyer agrees to pay for all costs of construction on the Real Property, including without limitation grading; excavation of the building pads; importation or exportation of fill dirt; storm drainage channels and storm drain laterals, sewer lines or pump stations, gas lines, cable TV lines (if any), telephone lines, electrical lines (including transformers), water lines (potable and non-potable), electric meters, gas meters and water meters; streets; and soils investigation and soils compaction tests on the Real Property. Buyer shall also be responsible for all water and sewer laterals to the Real Property from water and sewer lines within right-of-ways adjacent to the Real Property. Buyer shall cause gas and electric laterals to be extended to Buyer's Facility on the Real Property pursuant to Nevada Energy standard extension rules for the Project. Buyer shall also cause telephone and communication laterals to be extended to the Facility on the Real Property pursuant to the purveyor's standard rules for the Project. In addition, Buyer shall be responsible, at its sole cost and expense, for satisfaction of all conditions and restrictions imposed by Storey County or other government agencies, the Project CC&Rs, the Handbook and the Development Agreement for construction of the Facility.

1 2 . 2 Utility Specifications. Seller's obligation to construct off-site utility infrastructure for Buyer's use at the Facility is limited to the normal and customary service loads planned for typical industrial/commercial parcels within the Project. These specifications are as follows:

A. Water Supply. For domestic use (not including fire flow and fire demand), not less than one (1) gallon per minute per acre purchased in distribution supply at 40 psi, with 500 gallons per day of storage, with a peaking factor of 2. Fire flow from hydrants in the street right-of-way adjacent to the Real Property shall be able to produce not less than 3,000 gallons per minute for three (3) hours;

B. Sewer Capacity. On a per-acre basis for domestic use, 500 gallons per day average daily capacity, with a peaking factor of 2; and

C. Electric Power. 25 KV/600 amps on the pole.

The amount of service capacity reserved and provided from each utility line must be negotiated by Buyer with each utility purveyor in order to acquire a will-serve commitment, for which Seller has no responsibility, including telephone and cable or fiber optic communications service. Any off-site utility facility capacity or over sizing needed by Buyer for the Facility in excess of the specifications stated in this subsection shall not be Seller's responsibility and must be negotiated and acquired by Buyer from each respective utility purveyor.

12.3 Infrastructure Improvements. Seller has completed in a good and workmanlike manner and at Seller's sole cost and expense the following Infrastructure Improvements.

A. street improvements for Peru Drive adjacent to the Real Property;

B. underground water, sewer and gas distribution lines within the Peru Drive right-of-way specified in Subsection 12.3.A above;

C. electrical power lines (for the sole purpose of providing normal and customary distribution service from NV Energy) within the Peru Drive right-of-way specified in Subsection 12.3.A above; and

D. communications lines (voice and data) on overhead lines (AT&T) on the power poles referenced in Subsection 12.3.C above.

The Real Property shall not be rail served.

12.4 Completion of Improvements. Seller has completed in a good and workmanlike manner and at Seller's sole cost and expense the Infrastructure Improvements identified above. Seller shall have no obligation to construct off-site infrastructure improvements for Buyer's benefit.

13. WATER AND SEWER SERVICE.

13.1 TRIGID. TRIGID is duly formed and existing for the purposes of owning and maintaining water rights as well as water and sewer facilities for water and sewer service to TRI, including the Real Property. The provisions of water and sewer service are specified in the following documents ("Utility Rules"):

A. Water and Sewer Service Application and Agreement;

B. Rules, Regulations and Rates of the TRI General Improvement District for Water Service: and

C. Rules, Regulations and Rates of the TRI General Improvement District for Sewer Service.

Buyer acknowledges receipt of copies of the Utility Rules and agrees to accept after close of escrow water and sewer service from the Utility Company in compliance with the Utility Rules.

1 3 . 2 Non-potable Water. The parties acknowledge that off-site water irrigation lines for use of untreated surface water or sanitary sewer effluent may be installed by Seller, when necessary to supply non-potable water (although neither Seller nor TRIGID are under any obligation to Buyer to construct off-site water lines for non-potable water). Buyer, at the Buyer's sole expense, shall be required to construct a separately metered water irrigation system for landscaping, cooling or industrial applications (and any other use for which non-potable water can be used) which will allow the delivery and use of non-potable water, if available from the TRIGID. The parties intend that, if made available, non-potable water shall be used for all irrigation purposes (and other non-potable water uses such as cooling, industrial or manufacturing uses) possible on the Real Property. TRIGID shall have the sole discretion to decide when there is a sufficient quantity of non-potable water in order to deliver non-potable water to any portion of the Real Property for irrigation, cooling, manufacturing, and industrial or other uses.

1 3 . 3 Amount of Water Allocation . Except as otherwise agreed herein, Buyer's right to a per annum water allocation from Seller under the provisions of the Utility Rules at no additional charge shall be restricted to Buyer's needs for the Facility and shall not exceed the quantity of .5 acre foot per acre of Real Property purchased by Buyer, for combined domestic and irrigation purposes.

After TRIGID has approved a quantity of water for Buyer's use in the Facility, based on Buyer's improvement plans and approved by Seller, Buyer shall not be entitled to additional allocations of water controlled by Seller for future expansions, renovations, remodeling, retrofitting or other additional uses at the Facility; except under circumstances where Buyer is developing the Facility in phases and has not initially built out on all the Real Property purchased hereunder for the Facility, in which case Buyer shall be entitled to an additional allocation of water not to exceed the quantity of .5 acre foot per acre of Real Property on which Buyer is initially not built out, for combined domestic and irrigation purposes, for said subsequent phase(s). After TRIGID has approved a quantity of water for Buyer's use in any subsequent phase, based on Buyer's improvement plans and approved by Seller, Buyer shall not be entitled to additional allocations of water controlled by Seller for future expansions, renovations, remodeling, retrofitting or other additional uses in said subsequent phase(s).

1 3 . 4 Purchase and Use of Water Rights. Except as provided otherwise herein, Buyer shall be prohibited from purchasing water rights from any source other than Seller or TRIGID for use on the Real Property or within the Project, without Seller's prior written consent, in Seller's sole discretion.

Buyer Initials: TW Seller Initials: _____

14. CREATION OF LEGAL PARCEL.

14.1 Map Approval. If a legal parcel has not been created for the Real Property and must be created by Seller prior to close of escrow, Seller shall prepare the parcel map or record of survey for Buyer's approval and make commercially reasonable efforts to cause said map to be approved by all applicable governmental entities and utility purveyors in a timely manner so as not to delay close of escrow. Seller may cause the legal parcel for the Real Property to be created by parcel map, boundary line adjustment or record of survey, in Seller's sole discretion.

15. AGENCY REPRESENTATION AND BROKERAGE FEE/HAZARDOUS MATERIALS DISCLOSURE.

15.1 Agency. The Seller and Buyer acknowledge that L. Lance Gilman Commercial Real Estate Services represents the Seller in this transaction and the Buyer is represented by Dickson Commercial Group. The broker commissions shall be paid by Seller under a separate agreement and Buyer shall have no liability therefor. Exhibit "C" is real estate license disclosure materials, which shall be executed concurrently herewith.

15.2 Seller's Broker. Seller and Buyer acknowledge that Seller's broker (or its agents) has not made any representations, either expressed or implied, regarding the existence or nonexistence of Hazardous Substances, or other undesirable soils or substances in or on the Real Property, on which Buyer shall rely, and Buyer may not rely on any such future representations by Seller's broker. It is the responsibility of the Seller and Buyer to retain qualified experts to deal with the detection of such matters.

16. MISCELLANEOUS PROVISIONS.

16.1 Time is of the Essence. Time is of the essence of this Agreement.

16.2 Notice. Any notices, requests of instruction deemed by either Buyer or Seller to be given to the other shall be given in writing and are to be mailed by certified mail with return receipt requested, as follows:

SELLER:

Tahoe-Reno Industrial Center, LLC
c/o L. Lance Gilman
505 USA Parkway
Sparks, Nevada 89434
Telephone: (775) 852-8700
Facsimile No.: (775) 343-1044

BUYER:

Aqua Metals Reno, Inc.
c/o Thomas Murphy
501 23rd Avenue
Oakland, CA 94606
Telephone: (510) 239-0025
Email Thomas.murphy@aqmetals.com

Buyer Initials: TM Seller Initials: _____

TO ESCROW HOLDER:

First American Title Insurance Company
Attn: Margie Roma
5310 Kietzke Lane Suite 100
Reno, NV 89511
Telephone: (775)823-4129
Tele Facsimile: (775) 823-6225

Either party may change its address by prior written notice to the other party.

16.3 Service of Notice. All notices, requests, demands or other communications required under this Agreement or given pursuant to this Agreement shall be in writing and shall be deemed given:

A. upon personal delivery; or

B. if delivered by overnight express carrier, upon the next business day following delivery to said carrier; or

C. as of the second day following the day deposited in the United States mail with postage prepaid addressed to the appropriate party at its address set forth above, or at such other place as such party from time to time hereafter designates to each other party in writing.

All such notices, requests demands or other communications may also be given by email or facsimile. In such event, such notices, requests, demands or other communications shall be deemed given upon actual transmission to the recipient party. All notices shall be effective upon receipt, provided, however, that failure or refusal to accept delivery shall be deemed receipt thereof.

16.4 Waivers. No waiver of any breach of any covenant or provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof or of any other covenant or provision herein contained. No extension of time for performance of any obligation or act shall be deemed an extension of time for performance of any other obligation or act except those of the waiving party, which shall be extended by a period of time equal to the period of the delay.

16.5 Survival. All covenants, indemnities, representations, warranties and obligations of each party set forth in this Agreement shall survive close of escrow for two (2) years and shall not merge into the Deed.

16.6 Successors. This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto.

Buyer Initials: TW Seller Initials: _____

16.7 Professional Fees. If either party commences an action against the other to interpret or enforce any of the terms of this Agreement or because of the breach by the other party of any of the terms hereof, the losing party shall pay to the prevailing party reasonable attorneys' fees, costs and expenses incurred in connection with the prosecution or defense of such action. For the purpose of this Agreement, the terms "attorneys' fees" or "costs and expenses" shall mean the fees and expenses of counsel to the parties hereto, which may include printing, Photostatting, duplicating and other expenses, air freight charges, and fees billed for law clerks, paralegals, librarians and others not admitted to the bar but performing services under the supervision of an attorney. The terms "attorneys' fees" or "attorneys' fees and costs" shall also include, without limitation, all such fees and expenses incurred with respect to appeals, arbitrations and bankruptcy proceedings, and whether or not any action or proceeding is brought with respect to the matter for which said fees and expenses were incurred. The term "attorney" shall have the same meaning as the term "counsel".

16.8 Entire Agreement. This Agreement (including all exhibits attached hereto) is the final expression of, and contains the entire agreement between, the parties with respect to the subject matter hereof and supersedes all prior understandings with respect thereto. This Agreement may not be modified, changed, supplemented, superseded, canceled or terminated, nor may any obligations hereunder be waived, except by written instrument signed by both parties or as otherwise expressly permitted herein. The parties do not intend to confer any benefit hereunder on any person, firm or corporation other than the parties hereto and lawful assignees. No oral statements or representations prior or subsequent to the execution of this Agreement by either party are binding on the other party, and neither party shall have the right to rely on such oral statements or representations.

16.9 Governing Law. The parties hereto acknowledge that this Agreement has been negotiated and entered into in the State of Nevada. The parties hereto expressly agree that this Agreement shall be governed by, interpreted under, and construed and enforced in accordance with the laws of the State of Nevada. Venue for any action shall be solely in Washoe County or Storey County, Nevada.

16.10 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

16.11 Days of Week. If any date for performance herein falls on a Saturday, Sunday or holiday, pursuant to the laws of the State, the time for such performance shall be extended to 5:00 p.m. on the next business day.

16.12 Partial Invalidity. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each such term and provision of this Agreement shall be valid, and shall be enforced to the fullest extent permitted by law.

Buyer Initials: TW Seller Initials: _____

16.13 Assignment. Buyer shall not, voluntarily, involuntarily, or by operation of law, assign its interest under this Agreement to any person or entity without the prior written consent of Seller, in Seller's sole discretion, except an assignment or transfer to an entity which is controlled by Buyer or Buyer's officers, directors or shareholders, under common control with Buyer, or at least 50% of the ownership of which is held by Buyer or Buyer's shareholders, officers or directors. After close of escrow Buyer may assign any outstanding rights and obligations hereunder without the consent of Seller to an entity which owns or leases the subject real property (or a portion thereof), as to those rights and obligations affecting said subject real property. Any assignee must assume all Buyer's obligations hereunder.

16.14 No Recordation. Neither this Agreement nor any notice thereof shall be recorded in the official records of Storey County.

16.15 Written Amendments. This Agreement may not be modified, amended, altered or changed in any respect whatsoever except by further agreement in writing, duly executed by both parties. No oral statements or representations subsequent to the execution hereof by either party are binding on the other party, and neither party shall have the right to rely on such oral statements or representations.

16.16 Future Cooperation. Each party shall, at the request of the other, at any time, execute and deliver to the requesting party all such further instruments as may be reasonably necessary or appropriate in order to effectuate the purpose and intent of this Agreement. Both prior to and after close of escrow, Seller shall cooperate with Buyer in obtaining Buyer's permits and licenses necessary to construct and operate the Facility, including signing of applications, attendance at hearings upon request of Buyer, and similar activities.

16.17 Use of Gender. As used in this Agreement, the masculine, feminine, or neuter gender, or the singular or plural number, shall each be considered to include the others whenever the context so indicates.

16.18 Access and Possession. Possession shall be given at close of escrow. However, after execution hereof, Buyer may enter upon the Real Property for the purpose of performing any engineering, surveying, environmental investigations, studies, soils testing, or other physical investigation of the land. Buyer agrees to indemnify and hold Seller harmless from all liability, claims, costs, and expense, except such as might accrue from the mere discovery of Hazardous Substances, resulting from Buyer's activities on the Real Property prior to close of escrow. Buyer agrees to recontour, revegetate and otherwise reasonably restore the Real Property after any ground-disturbing activity.

16.19 No Other Commissions. Except as specified herein, the parties represent to each other that they have not used the services of any real estate broker or person who may claim a commission or finder's fee with respect to this transaction, and each agrees to indemnify, defend and hold the other harmless from broker compensation claims or finder's fees arising from allegations of an agreement with the indemnifying party.

Buyer Initials: TW Seller Initials: _____

16.20 Interpretation. The parties hereto acknowledge and agree that each has been given the opportunity to review this Agreement with legal counsel independently. The parties have equal bargaining power and intend the plain meaning of the provisions herein. In the event of an ambiguity in or dispute regarding the interpretation of the Agreement, the interpretation of this Agreement shall not be resolved by any rule of interpretation providing for interpretation against the party who causes the uncertainty to exist, or against the draftsman.

16.21 Mutual Indemnity. Seller and Buyer hereby agree to indemnify, defend and hold the other party harmless against any and all liability, claims, costs or expenses of third parties arising directly or indirectly out of a breach of the covenants, representations and warranties by the indemnifying party to the other in this Agreement.

16.22 Authority. Any corporation signing this Agreement, and each agent, officer, director, or employee signing on behalf of such a corporation, represents and warrants that said Agreement is duly authorized by and binding upon said corporation.

16.23 Headings. Headings used in this Agreement are used for reference purposes only and do not constitute substantive matter to be considered in construing the terms of this Agreement.

16.24 Not a Partnership. The provisions of this Agreement are not intended to create, nor shall they be in any way interpreted or construed to create, a joint venture, partnership, or any other similar relationship between the parties.

16.25 Third Party Beneficiary Rights. This Agreement is not intended to create, any third party beneficiary rights in any person not a party hereto.

16.26 Tax Free Exchange. Buyer or Seller may wish to use the Real Property as a part of a tax free exchange of property with a third party. If Buyer or Seller has in good faith entered into an agreement for such exchange, then Buyer or Seller shall have the right to assign its interest in this Agreement to the third party participating in such exchange, provided the assigning party remains fully liable for all obligations under this Agreement. If Buyer or Seller assigns its interest in this Agreement to effectuate a tax free exchange as aforesaid, then said party shall promptly so notify the other party and shall deliver to other party, a copy of the relevant assignment or assignments. Either party shall thereafter cooperate with reasonable requests to effectuate such tax free exchange. The exchanging party shall pay any additional transfer taxes, recording fees or similar closing costs resulting from such tax free exchange at no cost to such party. Buyer and Seller hereby agree to indemnify, defend and save the other party harmless from and against any additional claims or liabilities arising as a result of participation in such tax free exchange. Any assignee under this Subsection shall be bound by the provisions of this Agreement. Neither party shall be allowed to delay Closing under this Agreement in order to exercise its rights pursuant to this Subsection.

Buyer Initials: TW Seller Initials: _____

16.27 Default; Liquidated Damages. In the event of any default hereunder by Seller, Buyer shall have the right to either cancel this Agreement or to enforce this Agreement by an action for damages or specific performance, or both, or to such other appropriate remedy as may be available. In the event of cancellation by Buyer due to Seller's breach, the earnest money deposit and all other sums deposited by Buyer with Escrow Holder shall be returned to Buyer within five (5) days without further instruction from Seller, without liability to Escrow Holder, and Buyer shall have no further obligations under this Agreement.

IN THE EVENT OF ANY MATERIAL DEFAULT HEREUNDER BY THE BUYER, SELLER MAY, AS ITS SOLE REMEDY AT LAW OR IN EQUITY, CANCEL THIS AGREEMENT BY NOTICE TO BUYER AND THE ESCROW HOLDER, AND THE EARNEST MONEY DEPOSIT PAID BY THE BUYER SHALL BE PAID TO SELLER AS LIQUIDATED DAMAGES. SELLER'S REMEDY HEREUNDER SHALL BE LIMITED TO SUCH CANCELLATION AND PAYMENT, IT BEING EXPRESSLY AGREED THAT SELLER SHALL HAVE NO RIGHT TO ANY OTHER LEGAL OR EQUITABLE RELIEF FROM BUYER. BUYER AND SELLER AGREE THAT THE AMOUNT OF LIQUIDATED DAMAGES ESTABLISHED HEREIN IS A REASONABLE, PRESENT ESTIMATE OF WHAT SELLER'S DAMAGES WOULD BE IN THE EVENT OF A DEFAULT BY BUYER.

_____ Initialed by Seller _____ Initialed by Buyer

16.28 Naming Rights. Notwithstanding any provision herein to the contrary, Buyer shall not have the right to use, and Seller is expressly not conveying to Buyer the right to use in any manner, the name "Asamera", "Tahoe-Reno Industrial Center" or "TRI" in connection with the Real Property or any potential development of the Real Property, including the names of entities owning or occupying all or part of the Real Property.

16.29 Further Assurances. In addition to the obligations required to be performed hereunder by Seller and Buyer at or prior to close of escrow, each party, from and after close of escrow, shall execute, acknowledge and/or deliver such other instruments as may be reasonably requested in order to effectuate the purposes of this Agreement without imposing additional liability or obligations on Seller or Buyer beyond that imposed by this Agreement or the documents delivered at close of escrow.

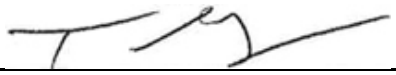
16.30 Time and Manner of Approval. On each occasion when a party is given the right of approval or consent pursuant to this Agreement, unless specified otherwise, the approving party shall have five (5) business days to approve or disapprove after delivery of the item to be approved, which approval shall not be unreasonably withheld. Any disapproval must be accompanied by a detailed description of the grounds for disapproval. The parties shall diligently and in good faith work to reach an agreement on any disapproval, and a revised resubmittal of a disapproved item shall be approved or disapproved in the same manner as the initial submittal. Unless otherwise specified herein, all consents and approvals shall not be unreasonably withheld.

Buyer Initials: _____ Seller Initials: _____

IN WITNESS WHEREOF, the parties here o have executed this Agreement as of the dates set forth below.

BUYER:

AQUA METALS RENO, INC., a Delaware corporation

By: 

Title: Chief Financial Officer

Date: 2/23/15

SELLER:

TAHOE-RENO INDUSTRIAL CENTER, LLC, a Nevada limited liability company

By: Norman Properties, Inc., a California corporation, Manager

By: _____

Title: _____

Date: _____

Buyer Initials: _____ Seller Initials: _____

PURCHASE AND SALE AGREEMENT
AND ESCROW INSTRUCTIONS

TAHOE-RENO INDUSTRIAL CENTER

SELLER:

TAHOE-RENO INDUSTRIAL CENTER, LLC,
a Nevada limited liability company

BUYER:

AQUA METALS RENO, INC.,
a Delaware corporation,
or its assignee

TABLE OF CONTENTS

TABLE OF CONTENTS (Cont'd.)

TABLE OF CONTENTS (Cont'd.)

EXHIBITS

EXHIBIT "A"

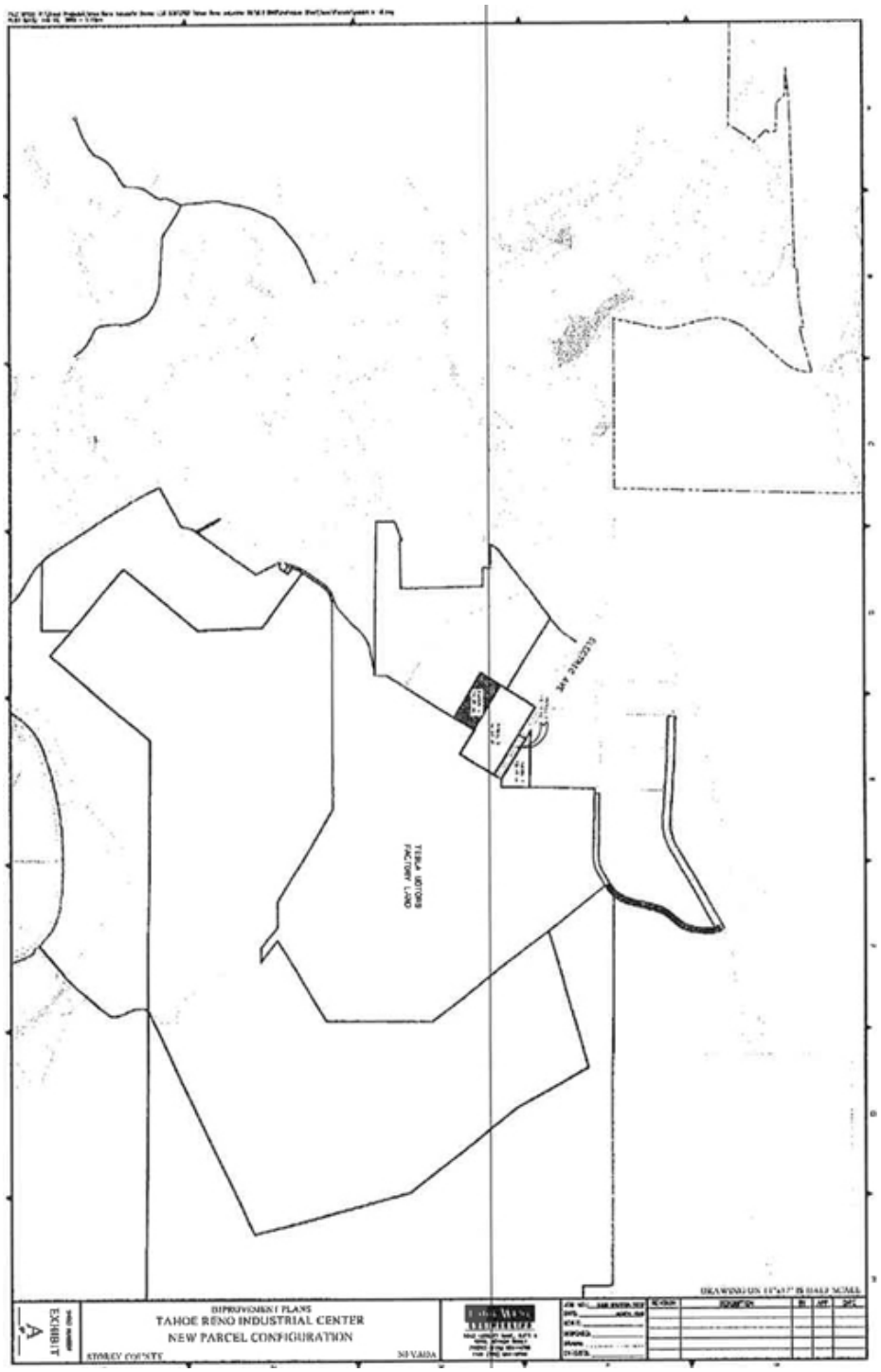


EXHIBIT A
IMPROVEMENT PLANS
TAHOE RENO INDUSTRIAL CENTER
NEW PARCEL CONFIGURATION
STOREY COUNTY
NEVADA

EXHIBIT "B"

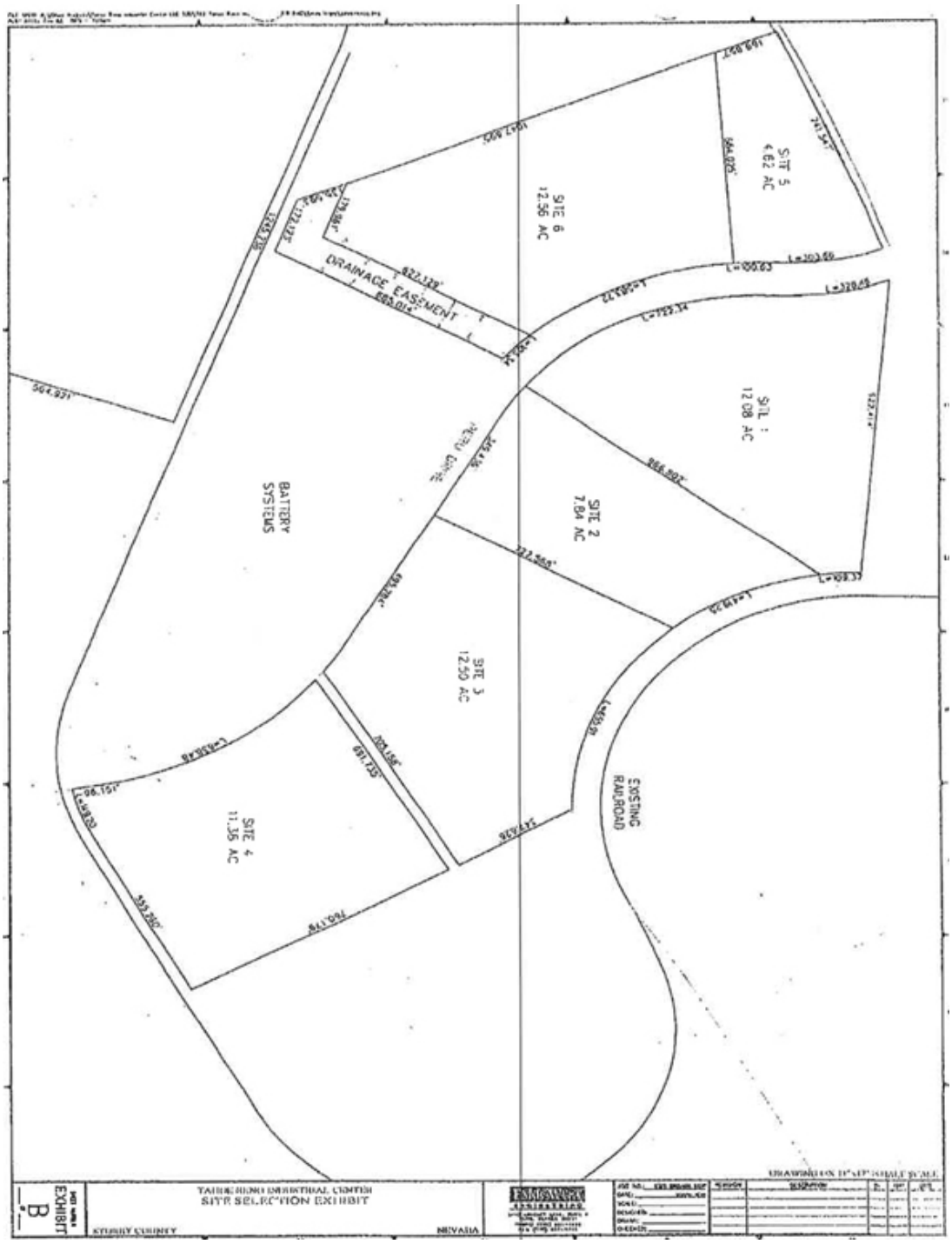

SITE 5
4.62 AC
SITE 6
12.56 AC
DRAINAGE EASEMENT
SITE 1
12.08 AC
SITE 2
7.84 AC
BATTERY
SYSTEMS
SITE 3
12.56 AC
SITE 4
11.35 AC
EXISTING
RAILROAD
EXHIBIT
B
TAHOE-RENO INDUSTRIAL CENTER
SITE SELECTION EXHIBIT
STOREY COUNTY
NEVADA

EXHIBIT "C"

DUTIES OWED BY A NEVADA REAL ESTATE LICENSEE

In Nevada, a real estate licensee can (1) act for only one party to a real estate transaction, (2) act for more than one party to a real estate transaction with written consent of each party, or (3) if licensed as a broker, assign different licensess affiliated with the broker's company to separate parties to a real estate transaction. A licensee, acting as an agent, must act in one of the above capacities in every real estate transaction.

LICENSEE: The licensee in the real estate transaction is L. LANCE GILMAN ("Licensee") whose license number is 19209. The licensee is acting for **TAHOE-RENO INDUSTRIAL CENTER, LLC, a Nevada limited liability company**.

BROKER: The Broker in the real estate transaction is **L. LANCE GILMAN** ("Broker"), whose company is **L. LANCE GILMAN COMMERCIAL REAL ESTATE SERVICES** ("Company").

A Nevada Real Estate licensee in a real estate transaction shall:

1. Disclose to each party to the real estate transaction as soon, as is practicable:
   a) Any material or relevant facts, data or information which Licensee knows, or which by the exercise of reasonable care and diligence licensee should have known, relating to the property, which is the subject of the real estates transaction.

   b) Each source from which Licensee will receive compensation as a result of the transaction.

   c) That Licensee is a principal to the transaction or has an interest in a principal to the transaction.

   d) Any changes in Licensee's relationship to a party to the real estate transaction.

2. Disclose, if applicable, that Licensee is acting for more than one party to the transaction. Upon making such a disclosure the Licensee must obtain the written consent of each party to the transaction for which Licensee is acting before Licensee may continue to act in Licensee's capacity as an agent.

3. Exercise reasonable skill and care with respect to all parties to the real estate transaction.

4. Provide to each party to the real estate transaction this form.

5. Not disclose, except to the Broker, confidential in formation relating to a client.

6. Exercise reasonable skill and care to carry out the terms of the brokerage agreement and to carry out Licensee's duties pursuant to the terms of the brokerage agreement.

7. Not disclose confidential information relating to a client for 1 year after the revocation or termination of the brokerage agreement, unless Licensee is required to do so by order of the court. Confidential information includes, but is not limited to the client's motivation to purchase, sell or trade and other information of a personal nature.

8. Promote the interest of his client by;
   a) Seeking a sale, lease or property at the price and terms stated in the brokerage agreement or at a price acceptable to the client.
   b) Presenting all offers made to or by the client as soon as is practicable.
   c) Disclosing to the client material facts of which the licensee has knowledge concerning the transaction.
   d) Advising the client to obtain advice from an expert relating to matters which are beyond the expertise of the licensee.
   e) Accounting for all money and property Licensee receives in which the client may have an interest as soon, as is practicable.

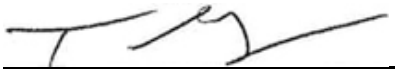
9. Not deal with any party to a real estate transaction in a manner, which is deceitful, fraudulent or dishonest.

10. Abide by all duties, responsibilities and obligations required of Licensee in Chapters 119, 119A, 119B, 645, 645A, and 645C of the NRS.

In the event any party to the real estate transaction is also represented by a licensee who is affiliated with the same Company, the Broker may assign another licensee to act for that party. The above Licensee will continue to act for you. As set forth above, no confidential information will be disclosed.

I/We acknowledge receipt of a copy of this list of licensee duties, and have real and understand this disclosure.

AQUAMETALS RENO, INC., a Delaware Corporation

By: 

Title: CFO

Time 8:10 am/pm Date: 2/23/15

TAHOE-RENO INDUSTRIAL CENTER, LLC, a Nevada limited liability company

By: Norman Properties, Inc.,
a California corporation, Manager

By: _____ Date: _____

Title: _____

Time: _____ am/pm

DISCLOSURE STATEMENT

DUTIES OWED BY A NEVADA REAL ESTATE BROKER

The Buyer/Tenant hereby acknowledges that ***L. Lance Gilman Commercial Real Estate Services***, as broker in the referenced transaction, has disclosed the following items. Buyer/Tenant understands the following disclosures and elects to proceed with the transaction releasing ***L. Lance Gilman Comm. Real Estate***, and its broker, sales associates, employees, and contractors from any liability arising from a possible conflict of interest involved in the referenced transaction.

Disclosure by Real Estate Licensee. In compliance with NAC 645, L. Lance Gilman Commercial Real Estate (LLG), and L. Lance Gilman, individually, hereby makes the following disclosures of the various roles that they may serve:

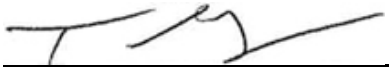
1. **Participation as Principal**. L. Lance Gilman and/or L. Lance Gilman Commercial Real Estate Services hereby disclose that L. Lance Gilman is serving as a principal, as well as an agent, in transactions involving Tahoe Reno Industrial Center, a Nevada limited liability company, which is the development entity for die Tahoe-Reno Industrial Center ("TRI). L. Lance Gilman, individually, is a merater in said company and participates as a principal/owner as well as marketing agent. L. Lance Gilman may also participate as a principal in the leasing of improved property which may be constructed and leased within the TRI, either through the Tahoe-Reno Industrial Center, LLC, or through other ownership entities.

2 . **Disclosure of Sources of Compensation**. L. Lance Gilman ("Gilman")] and/or L. Lance Gilman Commercial Real Estate Services ('LLC") and/or employees or associates of LLG ("Associates"), receive compensation for various activities and roles performed by them. Forms of compensation received by Gilman, LLG or Associates in or related to real estate transactions handled by the firm arc disclosed below.

3. **Brokerage Commissions**. Fees and commissions for serving as broker in the sale and/or leasing of real estate.

4 . **Profits from Sales/Leases**. Gilman participates as a principal in many transactions in the TRI and receives a share of the profits as a principal.

By execution below, I/we acknowledge the receipt of a copy of this disclosure and confirm my/our understanding of the disclosed documents, roles and compensation.

Owner Signature	Buyer Signature	Buyer's Broker/Agent Signature
		/s/ Scott Shanks

CONFIRMATION REGARDING REAL ESTATE AGENT RELATIONSHIP

Property Address: vacant land within the Tahoe-Reno Industrial Center.

I/We confirm the duties of a real estate licensee of which has been presented and explained to me/us. My/our representative's relationship is:

L. Lance Gilman X is the Agent of	Scot t Shanks, Dickson Commercial Group
Seller Exclusively **	Buyer Exclusively***

*IF LICENSEE IS ACTING FOR MORE THAN ONE PARTY IN THIS TRANSACTION, you will be provided Consent to Act form for your review, consideration and approval or rejection. A licensee can legally represent both the Seller and Buyer in a transaction, but ONLY with the knowledge and written consent of BOTH the Seller and Buyer.

**A Licensee who is acting for the Seller exclusively is not representing the Buyer and has no duty to advocate or negotiate for the Buyer.

***A licensee who is acting for the Buyer exclusively is not representing the Seller and has no duty to advocate or negotiate for the Seller.

L. Lance Gilman Commercial Real Estate
Listing Company

By: _____
Licensed Real Estate Agent

Date: _____

Dickson Commercial Group
Scott Shanks

By: /s/ Scott Shanks
Licensed Real Estate Agent

Date: 2/23/15

TAHOE-RENO INDUSTRIAL CENTER, LLC, a Nevada limited liability company

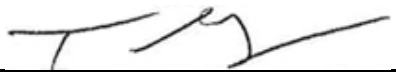
By: Norman Properties, Inc.,
a California corporation, Manager

By: _____

Title: _____

Date: _____

AQUAMETALS RENO, INC., a Delaware Corporation

By: 

Title: CFO

Date: 2/23/15

Exhibit 10.8

AQUA METALS, INC.

EXECUTIVE EMPLOYMENT AGREEMENT

THIS EXECUTIVE EMPLOYMENT AGREEMENT is entered into effective as of January 15th, 2015 between AQUA METALS, INC., a Delaware corporation, and ("Company"), and Dr. Stephen Clarke ("Employee").

1. EMPLOYMENT. Company hereby employs or continues the employment of Employee in the capacity of Chief Executive Officer, in accordance with the terms of this Agreement and all the policies and procedures set forth in the Employee Manual, and other policies or procedures currently in effect or subsequently implemented. Employee acknowledges that Employee is not employed for a specific term but is an at-will employee who may resign at any time without notice. Likewise, the Company may terminate the Employee at any time, with or without notice, and with or without cause or reason.

2. GENERAL WORK RESPONSIBILITIES

2 . 1 Employee is responsible for the executive management and oversight of the Company including all technical research and development, operations, marketing, finance and corporate governance pertaining to all Company operations including reporting all aspects of financial performance to investors and members of the Board of Directors as required by federal and state law and other national and international regulatory agencies.

2.2 Work assignments are made at the exclusive discretion of the Company and the Company has the absolute right to assign Employee new or different job duties as deemed appropriate by the Company.

3. EMPLOYEE'S OBLIGATIONS. Employee covenants and agrees, as a condition of accepting or continuing employment with the Company, to all the terms and conditions in the Employee Manual, as amended, other agreements executed by Employee and all Company policies, procedures and other agreements now in existence or hereafter implemented as follows:

3 . 1 Comply with all Company policies and procedures as set forth in the Employee Manual, policy and procedure manuals, safety manuals and other sources;

3 . 2 Devote his full time and attention to meet the requirements set forth in the job description which objectives or duties may change from year to year;

3.3 Follow the direction and recommendations of Company management including the Chief Executive Officer and the Board of Directors;

3 . 4 Refrain from investing in any direct competitor of the Company except that Employee may at any time own beneficially up to one (1%) of the stock of any competing corporation whose securities are listed on a national securities exchange or regularly traded in the national over-the-counter-market; and

3.5 To observe and comply at all times with the provisions of the Company's share dealing code (as amended, from time to time) and with every rule of law and every regulation in force in relation to dealings in stock, shares, debentures or other securities of the Company (including in relation to unpublished price sensitive information affecting such securities), in whatever jurisdiction, and to observe and comply with all laws and regulations of any stock exchange, market or dealing system in which such dealings take place.

4. COMPENSATION

4.1 **Salary**. The Employee will be paid an annual salary of Two Hundred Eighty Thousand Dollars ($280,000). Salary shall be paid on a semi-monthly basis as adjusted from time to time. During employment, the Company will pay Employee the annual base salary in accordance with the terms of the Employee Manual less state and federal withholding and authorized deductions.

4.2 **Bonuses**. Company plans to implement a bonus compensation plan with the approval of the Board. This Agreement may be amended to include any bonus compensation program adopted by the Company.

4.3 **Benefits.** Employee shall be entitled to the insurance and employee benefits set forth in the Employee Manual or other benefits agreements with insurers who have contracted with the Company. The Company does not warrant that it will continue to offer the same or similar medical insurance benefits or other related benefits in the future and reserves the right to modify, reduce or eliminate benefits at its sole discretion.

4.4 **Equity Awards** . The Employee may be eligible for equity awards granted by the Board of Directors of the Company, at its discretion from time to time, in each case subject to a written equity award agreement signed by the Company and Employee independently of this Agreement. The execution of such agreements will not alter the at-will status of the Employee or the terms and conditions of this Agreement and the rights of the Employee under this Agreement by virtue of the adoption, amendment, termination or enforceability of any equity award agreement or other related documents.

4.5 **Severance on Termination Without Cause Or For Good Reason** . If the Company terminates the Employee for any reason without Cause (including death or Disability) or Employee resigns from the Company for Good Reason, the Employee shall be entitled to (i) a severance payment of two year's annual salary at the greater of the salary rate effective on the date of termination or the salary rate of $280,000; and (ii) the cost or value of two year's benefits including, without limitation, the cost of all insurance premiums and all other benefits in effect on the date of termination for which the Employee is eligible, less all federal and state withholding. The receipt of any severance or other benefits pursuant to this Section will be subject to Employee signing, and not revoking, a customary separation agreement and release of claims in a form acceptable to the Company in its reasonable discretion. No severance or other benefits will be paid or provided until the separation agreement and release agreement becomes effective.

5. CONFIDENTIAL INFORMATION, NON DISCLOSURE, AND TRADE SECRETS AGREEMENT

5.1 Employee expressly agrees that he will never disclose to a third party any "Confidential Information" as defined in the Confidential Information, Non-Disclosure, and Trade Secrets Agreement attached hereto as **Exhibit B** to this Agreement.

5.2 Employee shall not during his employment directly or indirectly render any services of a business, commercial or professional nature to any other person or organization, whether for compensation or otherwise, which would be in competition with the Company, or which would prevent Employee from rendering the agreed services to Company during the tenure of his employment.

6. INTENTIONALLY OMITTED.

7. TERMINATION. Upon termination of employment, Employee shall return all Company's property such as cell phones, lap tops, or other tangible and intangible property including, without limitation, customer lists, manuals, contract forms, documents or any other tangible or intangible documents or information used by the Company in the Employee's possession at the time of termination, in a manner consistent with Company policy.

8. SURVIVAL OF PROVISIONS OF AGREEMENT POST TERMINATION . All the obligations set forth in Sections 4, 5.1, 7 and 8 shall survive the termination of the Agreement and the termination of Employee's employment with the Company.

9. MISCELLANEOUS

9.1 Notices. All notices required or permitted hereunder shall be in writing and deemed properly given when delivered in person to Employee or to a corporation officer of Company, as the case may be, or when deposited in the United States mail, postage prepaid and properly addressed to the party to be notified, if to Employee, to his residence, and if to Company, to its Secretary, at the home office, Emeryville, California, or to any such other address as shall have last been given by the party to be notified.

9.2 Parties Benefited. This Agreement shall inure to the benefit of, and be binding on Employee, his heirs, executors and administrators and on Company, its successors and assigns.

9.3 Assignments. This Agreement may be assigned at any time by Company to any related corporation or a successor corporation. In the event of such an assignment, the assignee corporation to which the Agreement is assigned shall automatically be substituted for the assignor Company for all intentions and purposes and to the same extent as if this assignee were the Company that had originally executed this Agreement. This is a personal contract and the Employee cannot assign or transfer all or any portion of the contract except that in the event of the Employee's death the compensation due and owing the Employee can be paid in accordance with any assignment of death benefits.

9.4 Waiver. The waiver by either party of a default or a breach of any provision of this Agreement by the other party shall not operate or be construed as a waiver of any subsequent default or breach.

9.5 Modifications. The provisions of this Agreement shall constitute the entire agreement between the parties, with respect to the specific terms set forth herein, and may only be modified by an agreement in writing signed by the party against whom enforcement is sought.
Modifications to this Agreement do not change or alter the at-will status of the Employee.

9.6 Construction of Agreement. This Agreement shall be construed consistently with the terms and conditions of all other Company policies and procedures, which are referenced in this Agreement. If there is any conflict with the terms of this Agreement and Company policy or procedure, this Agreement shall be interpreted to comply with Company policies or procedures.

9.7 Supersedes Prior Agreements. This Agreement and all the terms thereof supersede all prior employment agreements executed by Employee but shall be interpreted consistent with the Employee Manual and other policies and procedures of the Company. This Agreement will be interpreted independently of any and all agreements executed by Employee pertaining to equity awards.

9.8 Attorneys Fees. The prevailing party in any action brought to enforce this Agreement may recover reasonable attorneys' fees and costs including all costs and fees incurred in the preparation, trial and appeal of an action brought to enforce this Agreement.

9.9 Applicable Law. It is the intent of the parties that all provisions of this Agreement be enforced to the fullest extent permissible under the law and public policy of the state of California, unless prohibited by law in which case this Agreement shall be enforced in accordance with the laws where the action for enforcement is filed. If any section is determined by a court of law to be unenforceable, that section shall be severed from the Agreement and the balance of the Agreement shall be enforced according to its terms.

10. Definitions. Capitalized terms used in this Agreement but not otherwise defined herein shall have the meaning hereby assigned to them as follows:

10.1 "**Disability**" The Employee shall be deemed to have a Disability for purposes of this Agreement if either (i) the Employee is deemed disabled for purposes of any group or individual disability policy or (ii) in the good faith judgment of the Board, the Employee is substantially unable to perform the Employee's duties under this Agreement for more than ninety (90) days, whether or not consecutive, in any twelve (12) month period, by reason of a physical or mental illness or injury.

10.2 "Cause" shall mean (i) Employee's conviction of, or plea of nolo contendere to, a felony; (ii) a willful act by the Employee which constitutes gross misconduct and which is injurious to the Company; (iii) any act or acts of dishonesty by Employee intended or reasonable expected to result in any gain or personal enrichment of Employee at the expense of the Company; or (iv) if Employee fails to perform the duties and responsibilities of his position after a written demand from the Board which describes the basis for the Board's belief that Employee has not substantially performed his duties and provides Employee with thirty (30) days to take corrective action.

10.3 "Good Reason" shall mean, in the context of a resignation by the Employee, a resignation that occurs within thirty (30) days following the occurrence, without the written consent of the Employee, of one or more of the following events: (i) any adverse change in the Employee's base salary the in effect; (ii) a significant reduction of the Employees responsibilities relative to Employee's responsibilities in effect immediately prior to such reduction; or (iii) the relocation of the Employee to a facility or location more than fifty (50) miles from the Company's present location; provided, however, that "Good Reason" shall not be deemed to exist hereunder if such change in Base Salary or reduction of responsibilities occurs in connection with (x) changes or reductions generally applicable to the Company's management group, or (y) Employee's engagement in any action or any inaction that would otherwise enable the Company to terminate the Employee for Cause.

11. EMPLOYEE CERTIFICATION. Employee hereby certifies that he has had an adequate opportunity to review, and understands all the terms and conditions of, this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the day and year first above written.

EMPLOYEE

/s/ Stephen R. Clarke
Dr. Stephen R. Clarke

COMPANY

Aqua Metals, Inc.,
A Delaware corporation

By: /s/ Thomas Murphy
Thomas Murphy
Chief Financial Officer

Exhibit 10.9

AQUA METALS, INC.

EXECUTIVE EMPLOYMENT AGREEMENT

THIS EXECUTIVE EMPLOYMENT AGREEMENT is entered into effective as of January 15th, 2015 between AQUA METALS, INC., a Delaware corporation, and ("Company"), and Thomas Murphy ("Employee").

1. EMPLOYMENT. Company hereby employs or continues the employment of Employee in the capacity of Chief Financial Officer, in accordance with the terms of this Agreement and all the policies and procedures set forth in the Employee Manual, and other policies or procedures currently in effect or subsequently implemented. Employee acknowledges that Employee is not employed for a specific term but is an at-will employee who may resign at any time without notice. Likewise, the Company may terminate the Employee at any time, with or without notice, and with or without cause or reason.

2. GENERAL WORK RESPONSIBILITIES

2 . 1 Employee is responsible for the executive management of the financial, accounting and administrative departments of the Company, including but not limited to ensuring accurate accounting records, corporate insurance, tax reporting and planning, reporting compliance, human resources and facilities. Employee reports all aspects of financial performance to investors and members of the Board of Directors as required by federal and state law and other national and international regulatory agencies.

2.2 Work assignments are made at the exclusive discretion of the Company and the Company has the absolute right to assign Employee new or different job duties as deemed appropriate by the Company.

3. EMPLOYEE'S OBLIGATIONS. Employee covenants and agrees, as a condition of accepting or continuing employment with the Company, to all the terms and conditions in the Employee Manual, as amended, other agreements executed by Employee and all Company policies, procedures and other agreements now in existence or hereafter implemented as follows:

3.1 Comply with all Company policies and procedures as set forth in the Employee Manual, policy and procedure manuals, safety manuals and other sources;

3.2 Devote his full time and attention to meet the requirements set forth in the job description which objectives or duties may change from year to year;

3.3 Follow the direction and recommendations of Company management including the Chief Executive Officer and the Board of Directors;

3 . 4 Refrain from investing in any direct competitor of the Company except that Employee may at any time own beneficially up to one (1%) of the stock of any competing corporation whose securities are listed on a national securities exchange or regularly traded in the national over-the-counter-market; and

3.5 To observe and comply at all times with the provisions of the Company's share dealing code (as amended, from time to time) and with every rule of law and every regulation in force in relation to dealings in stock, shares, debentures or other securities of the Company (including in relation to unpublished price sensitive information affecting such securities), in whatever jurisdiction, and to observe and comply with all laws and regulations of any stock exchange, market or dealing system in which such dealings take place.

4. COMPENSATION

4.1 **Salary**. The Employee will be paid an annual salary of Two Hundred Fifty Thousand Dollars ($250,000). Salary shall be paid on a semi-monthly basis as adjusted from time to time. During employment, the Company will pay Employee the annual base salary in accordance with the terms of the Employee Manual less state and federal withholding and authorized deductions.

4.2 **Bonuses**. Company plans to implement a bonus compensation plan with the approval of the Board. This Agreement may be amended to include any bonus compensation program adopted by the Company.

4.3 **Benefits.** Employee shall be entitled to the insurance and employee benefits set forth in the Employee Manual or other benefits agreements with insurers who have contracted with the Company. The Company does not warrant that it will continue to offer the same or similar medical insurance benefits or other related benefits in the future and reserves the right to modify, reduce or eliminate benefits at its sole discretion.

4.4 **Equity Awards** . The Employee may be eligible for equity awards granted by the Board of Directors of the Company, at its discretion from time to time, in each case subject to a written equity award agreement signed by the Company and Employee independently of this Agreement. The execution of such agreements will not alter the at-will status of the Employee or the terms and conditions of this Agreement and the rights of the Employee under this Agreement by virtue of the adoption, amendment, termination or enforceability of any equity award agreement or other related documents.

4.5 **Severance on Termination Without Cause Or For Good Reason** . If the Company terminates the Employee for any reason without Cause (including death or Disability) or Employee resigns from the Company for Good Reason, the Employee shall be entitled to (i) a severance payment of two year's annual salary at the greater of the salary rate effective on the date of termination or the salary rate of $250,000; and (ii) the cost or value of two year's benefits including, without limitation, the cost of all insurance premiums and all other benefits in effect on the date of termination for which the Employee is eligible, less all federal and state withholding. The receipt of any severance or other benefits pursuant to this Section will be subject to Employee signing, and not revoking, a customary separation agreement and release of claims in a form acceptable to the Company in its reasonable discretion. No severance or other benefits will be paid or provided until the separation agreement and release agreement becomes effective.

5. CONFIDENTIAL INFORMATION, NON DISCLOSURE, AND TRADE SECRETS AGREEMENT

5 . 1 Employee expressly agrees that he will never disclose to a third party any "Confidential Information" as defined in the Confidential Information, Non-Disclosure, and Trade Secrets Agreement attached hereto as **Exhibit B** to this Agreement.

5.2 Employee shall not during his employment directly or indirectly render any services of a business, commercial or professional nature to any other person or organization, whether for compensation or otherwise, which would be in competition with the Company, or which would prevent Employee from rendering the agreed services to Company during the tenure of his employment.

6. INTENTIONALLY OMITTED.

7. TERMINATION. Upon termination of employment, Employee shall return all Company's property such as cell phones, lap tops, or other tangible and intangible property including, without limitation, customer lists, manuals, contract forms, documents or any other tangible or intangible documents or information used by the Company in the Employee's possession at the time of termination, in a manner consistent with Company policy.

8. SURVIVAL OF PROVISIONS OF AGREEMENT POST TERMINATION . All the obligations set forth in Sections 4, 5.1, 7 and 8 shall survive the termination of the Agreement and the termination of Employee's employment with the Company.

9. MISCELLANEOUS

9.1 Notices. All notices required or permitted hereunder shall be in writing and deemed properly given when delivered in person to Employee or to a corporation officer of Company, as the case may be, or when deposited in the United States mail, postage prepaid and properly addressed to the party to be notified, if to Employee, to his residence, and if to Company, to its Secretary, at the home office, Emeryville, California, or to any such other address as shall have last been given by the party to be notified.

9.2 Parties Benefited. This Agreement shall inure to the benefit of, and be binding on Employee, his heirs, executors and administrators and on Company, its successors and assigns.

9.3 Assignments. This Agreement may be assigned at any time by Company to any related corporation or a successor corporation. In the event of such an assignment, the assignee corporation to which the Agreement is assigned shall automatically be substituted for the assignor Company for all intentions and purposes and to the same extent as if this assignee were the Company that had originally executed this Agreement. This is a personal contract and the Employee cannot assign or transfer all or any portion of the contract except that in the event of the Employee's death the compensation due and owing the Employee can be paid in accordance with any assignment of death benefits.

9.4 Waiver. The waiver by either party of a default or a breach of any provision of this Agreement by the other party shall not operate or be construed as a waiver of any subsequent default or breach.

9.5 Modifications. The provisions of this Agreement shall constitute the entire agreement between the parties, with respect to the specific terms set forth herein, and may only be modified by an agreement in writing signed by the party against whom enforcement is sought.
Modifications to this Agreement do not change or alter the at-will status of the Employee.

9.6 Construction of Agreement. This Agreement shall be construed consistently with the terms and conditions of all other Company policies and procedures, which are referenced in this Agreement. If there is any conflict with the terms of this Agreement and Company policy or procedure, this Agreement shall be interpreted to comply with Company policies or procedures.

9.7 Supersedes Prior Agreements. This Agreement and all the terms thereof supersede all prior employment agreements executed by Employee but shall be interpreted consistent with the Employee Manual and other policies and procedures of the Company. This Agreement will be interpreted independently of any and all agreements executed by Employee pertaining to equity awards.

9.8 Attorneys Fees. The prevailing party in any action brought to enforce this Agreement may recover reasonable attorneys' fees and costs including all costs and fees incurred
in the preparation, trial and appeal of an action brought to enforce this Agreement.

9.9 Applicable Law. It is the intent of the parties that all provisions of this Agreement be enforced to the fullest extent permissible under the law and public policy of the state of California, unless prohibited by law in which case this Agreement shall be enforced in accordance with the laws where the action for enforcement is filed. If any section is determined by a court of law to be unenforceable, that section shall be severed from the Agreement and the balance of the Agreement shall be enforced according to its terms.

10. Definitions. Capitalized terms used in this Agreement but not otherwise defined herein shall have the meaning hereby assigned to them as follows:

10.1 "**Disability**" The Employee shall be deemed to have a Disability for purposes of this Agreement if either (i) the Employee is deemed disabled for purposes of any group or individual disability policy or (ii) in the good faith judgment of the Board, the Employee is substantially unable to perform the Employee's duties under this Agreement for more than ninety (90) days, whether or not consecutive, in any twelve (12) month period, by reason of a physical or mental illness or injury.

10.2 "Cause" shall mean (i) Employee's conviction of, or plea of nolo contendere to, a felony; (ii) a willful act by the Employee which constitutes gross misconduct and which is injurious to the Company; (iii) any act or acts of dishonesty by Employee intended or reasonable expected to result in any gain or personal enrichment of Employee at the expense of the Company; or (iv) if Employee fails to perform the duties and responsibilities of his position after a written demand from the Board which describes the basis for the Board's belief that Employee has not substantially performed his duties and provides Employee with thirty (30) days to take corrective action.

10.3 "Good Reason" shall mean, in the context of a resignation by the Employee, a resignation that occurs within thirty (30) days following the occurrence, without the written consent of the Employee, of one or more of the following events: (i) any adverse change in the Employee's base salary the in effect; (ii) a significant reduction of the Employees responsibilities relative to Employee's responsibilities in effect immediately prior to such reduction; or (iii) the relocation of the Employee to a facility or location more than fifty (50) miles from the Company's present location; provided, however, that "Good Reason" shall not be deemed to exist hereunder if such change in Base Salary or reduction of responsibilities occurs in connection with (x) changes or reductions generally applicable to the Company's management group, or (y) Employee's engagement in any action or any inaction that would otherwise enable the Company to terminate the Employee for Cause.

11. EMPLOYEE CERTIFICATION. Employee hereby certifies that he has had an adequate opportunity to review, and understands all the terms and conditions of, this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the day and year first above written.

EMPLOYEE

/s/ Thomas Murphy
Thomas Murphy

COMPANY

Aqua Metals, Inc.,
A Delaware corporation

By: /s/ Stephen R. Clarke
Dr. Stephen R. Clarke, President

Exhibit 10.10

AQUA METALS, INC.

EXECUTIVE EMPLOYMENT AGREEMENT

THIS EXECUTIVE EMPLOYMENT AGREEMENT is entered into effective as of January 1st, 2015 between AQUA METALS, INC., a Delaware corporation, and ("Company"), and Selwyn Mould ("Employee").

1. EMPLOYMENT. Company hereby employs or continues the employment of Employee in the capacity of Chief Operating Officer, in accordance with the terms of this Agreement and all the policies and procedures set forth in the Employee Manual, and other policies or procedures currently in effect or subsequently implemented. Employee acknowledges that Employee is not employed for a specific term but is an at-will employee who may resign at any time without notice. Likewise, the Company may terminate the Employee at any time, with or without notice, and with or without cause or reason.

2. GENERAL WORK RESPONSIBILITIES

2 . 1 Employee is responsible for the operations strategy, manufacturing strategy, technical strategy, research, development and operations of the Company, including but not limited to activities relating to machinery manufacturing, lead production operations, process development and quality assurance.

2 . 2 Work assignments are made at the exclusive discretion of the Company and the Company has the absolute right to assign Employee new or different job duties as deemed appropriate by the Company.

3. EMPLOYEE'S OBLIGATIONS. Employee covenants and agrees, as a condition of accepting or continuing employment with the Company, to all the terms and conditions in the Employee Manual, as amended, other agreements executed by Employee and all Company policies, procedures and other agreements now in existence or hereafter implemented as follows:

3.1 Comply with all Company policies and procedures as set forth in the Employee Manual, policy and procedure manuals, safety manuals and other sources;

3.2 Devote his full time and attention to meet the requirements set forth in the job description which objectives or duties may change from year to year;

3 . 3 Follow the direction and recommendations of Company management including the Chief Executive Officer and the Board of Directors;

3 . 4 Refrain from investing in any direct competitor of the Company except that Employee may at any time own beneficially up to one (1%) of the stock of any competing corporation whose securities are listed on a national securities exchange or regularly traded in the national over-the-counter-market; and

3.5 To observe and comply at all times with the provisions of the Company's share dealing code (as amended, from time to time) and with every rule of law and every regulation in force in relation to dealings in stock, shares, debentures or other securities of the Company (including in relation to unpublished price sensitive information affecting such securities), in whatever jurisdiction, and to observe and comply with all laws and regulations of any stock exchange, market or dealing system in which such dealings take place.

4. COMPENSATION

4.1 **Salary**. The Employee will be paid an annual salary of Two Hundred Fifty Thousand Dollars ($250,000). Salary shall be paid on a semi-monthly basis as adjusted from time to time. During employment, the Company will pay Employee the annual base salary in accordance with the terms of the Employee Manual less state and federal withholding and authorized deductions.

4.2 **Bonuses**. Company plans to implement a bonus compensation plan with the approval of the Board. This Agreement may be amended to include any bonus compensation program adopted by the Company.

4.3 **Benefits.** Employee shall be entitled to the insurance and employee benefits set forth in the Employee Manual or other benefits agreements with insurers who have contracted with the Company. The Company does not warrant that it will continue to offer the same or similar medical insurance benefits or other related benefits in the future and reserves the right to modify, reduce or eliminate benefits at its sole discretion.

4.4 **Equity Awards** . The Employee may be eligible for equity awards granted by the Board of Directors of the Company, at its discretion from time to time, in each case subject to a written equity award agreement signed by the Company and Employee independently of this Agreement. The execution of such agreements will not alter the at-will status of the Employee or the terms and conditions of this Agreement and the rights of the Employee under this Agreement by virtue of the adoption, amendment, termination or enforceability of any equity award agreement or other related documents.

4.5 **Severance on Termination Without Cause Or For Good Reason** . If the Company terminates the Employee for any reason without Cause (including death or Disability) or Employee resigns from the Company for Good Reason, the Employee shall be entitled to (i) a severance payment of two year's annual salary at the greater of the salary rate effective on the date of termination or the salary rate of $250,000; and (ii) the cost or value of two year's benefits including, without limitation, the cost of all insurance premiums and all other benefits in effect on the date of termination for which the Employee is eligible, less all federal and state withholding. The receipt of any severance or other benefits pursuant to this Section will be subject to Employee signing, and not revoking, a customary separation agreement and release of claims in a form acceptable to the Company in its reasonable discretion. No severance or other benefits will be paid or provided until the separation agreement and release agreement becomes effective.

5. CONFIDENTIAL INFORMATION, NON DISCLOSURE, AND TRADE SECRETS AGREEMENT

5 . 1 Employee expressly agrees that he will never disclose to a third party any "Confidential Information" as defined in the Confidential Information, Non-Disclosure, and Trade Secrets Agreement attached hereto as **Exhibit B** to this Agreement.

5.2 Employee shall not during his employment directly or indirectly render any services of a business, commercial or professional nature to any other person or organization, whether for compensation or otherwise, which would be in competition with the Company, or which would prevent Employee from rendering the agreed services to Company during the tenure of his employment.

6. INTENTIONALLY OMITTED.

7. TERMINATION. Upon termination of employment, Employee shall return all Company's property such as cell phones, lap tops, or other tangible and intangible property including, without limitation, customer lists, manuals, contract forms, documents or any other tangible or intangible documents or information used by the Company in the Employee's possession at the time of termination, in a manner consistent with Company policy.

8. SURVIVAL OF PROVISIONS OF AGREEMENT POST TERMINATION . All the obligations set forth in Sections 4, 5.1, 7 and 8 shall survive the termination of the Agreement and the termination of Employee's employment with the Company.

9. MISCELLANEOUS

9.1 Notices. All notices required or permitted hereunder shall be in writing and deemed properly given when delivered in person to Employee or to a corporation officer of Company, as the case may be, or when deposited in the United States mail, postage prepaid and properly addressed to the party to be notified, if to Employee, to his residence, and if to Company, to its Secretary, at the home office, Emeryville, California, or to any such other address as shall have last been given by the party to be notified.

9.2 Parties Benefited. This Agreement shall inure to the benefit of, and be binding on Employee, his heirs, executors and administrators and on Company, its successors and assigns.

9.3 Assignments. This Agreement may be assigned at any time by Company to any related corporation or a successor corporation. In the event of such an assignment, the assignee corporation to which the Agreement is assigned shall automatically be substituted for the assignor Company for all intentions and purposes and to the same extent as if this assignee were the Company that had originally executed this Agreement. This is a personal contract and the Employee cannot assign or transfer all or any portion of the contract except that in the event of the Employee's death the compensation due and owing the Employee can be paid in accordance with any assignment of death benefits.

9.4 Waiver. The waiver by either party of a default or a breach of any provision of this Agreement by the other party shall not operate or be construed as a waiver of any subsequent default or breach.

9.5 Modifications. The provisions of this Agreement shall constitute the entire agreement between the parties, with respect to the specific terms set forth herein, and may only be modified by an agreement in writing signed by the party against whom enforcement is sought. Modifications to this Agreement do not change or alter the at-will status of the Employee.

9.6 Construction of Agreement. This Agreement shall be construed consistently with the terms and conditions of all other Company policies and procedures, which are referenced in this Agreement. If there is any conflict with the terms of this Agreement and Company policy or procedure, this Agreement shall be interpreted to comply with Company policies or procedures.

9.7 Supersedes Prior Agreements. This Agreement and all the terms thereof supersede all prior employment agreements executed by Employee but shall be interpreted consistent with the Employee Manual and other policies and procedures of the Company. This Agreement will be interpreted independently of any and all agreements executed by Employee pertaining to equity awards.

9.8 Attorneys Fees. The prevailing party in any action brought to enforce this Agreement may recover reasonable attorneys' fees and costs including all costs and fees incurred in the preparation, trial and appeal of an action brought to enforce this Agreement.

9.9 Applicable Law. It is the intent of the parties that all provisions of this Agreement be enforced to the fullest extent permissible under the law and public policy of the state of California, unless prohibited by law in which case this Agreement shall be enforced in accordance with the laws where the action for enforcement is filed. If any section is determined by a court of law to be unenforceable, that section shall be severed from the Agreement and the balance of the Agreement shall be enforced according to its terms.

10. Definitions. Capitalized terms used in this Agreement but not otherwise defined herein shall have the meaning hereby assigned to them as follows:

10.1 "**Disability**" The Employee shall be deemed to have a Disability for purposes of this Agreement if either (i) the Employee is deemed disabled for purposes of any group or individual disability policy or (ii) in the good faith judgment of the Board, the Employee is substantially unable to perform the Employee's duties under this Agreement for more than ninety (90) days, whether or not consecutive, in any twelve (12) month period, by reason of a physical or mental illness or injury.

10.2 "Cause" shall mean (i) Employee's conviction of, or plea of nolo contendere to, a felony; (ii) a willful act by the Employee which constitutes gross misconduct and which is injurious to the Company; (iii) any act or acts of dishonesty by Employee intended or reasonable expected to result in any gain or personal enrichment of Employee at the expense of the Company; or (iv) if Employee fails to perform the duties and responsibilities of his position after a written demand from the Board which describes the basis for the Board's belief that Employee has not substantially performed his duties and provides Employee with thirty (30) days to take corrective action.

10.3 "Good Reason" shall mean, in the context of a resignation by the Employee, a resignation that occurs within thirty (30) days following the occurrence, without the written consent of the Employee, of one or more of the following events: (i) any adverse change in the Employee's base salary the in effect; (ii) a significant reduction of the Employees responsibilities relative to Employee's responsibilities in effect immediately prior to such reduction; or (iii) the relocation of the Employee to a facility or location more than fifty (50) miles from the Company's present location; provided, however, that "Good Reason" shall not be deemed to exist hereunder if such change in Base Salary or reduction of responsibilities occurs in connection with (x) changes or reductions generally applicable to the Company's management group, or (y) Employee's engagement in any action or any inaction that would otherwise enable the Company to terminate the Employee for Cause.

11. EMPLOYEE CERTIFICATION. Employee hereby certifies that he has had an adequate opportunity to review, and understands all the terms and conditions of, this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the day and year first above written.

EMPLOYEE

/s/ Selwyn Mould
Selwyn Mould

COMPANY

Aqua Metals, Inc.,
A Delaware corporation

By: /s/ Stephen R. Clarke
Dr. Stephen R. Clarke, President

Exhibit 10.11

AQUA METALS, INC.

EXECUTIVE EMPLOYMENT AGREEMENT

THIS EXECUTIVE EMPLOYMENT AGREEMENT is entered into effective as of January 15th, 2015 between AQUA METALS, INC., a Delaware corporation, and ("Company"), and Stephen Cotton ("Employee").

1. EMPLOYMENT. Company hereby employs or continues the employment of Employee in the capacity of Chief Commercial Officer, in accordance with the terms of this Agreement and all the policies and procedures set forth in the Employee Manual, and other policies or procedures currently in effect or subsequently implemented. Employee acknowledges that Employee is not employed for a specific term but is an at-will employee who may resign at any time without notice. Likewise, the Company may terminate the Employee at any time, with or without notice, and with or without cause or reason.

2. GENERAL WORK RESPONSIBILITIES

2 . 1 Employee is responsible for the commercial strategy and development of the Company, including but not limited to activities relating to marketing, sales (including both supply and offtake strategies), branding, product development and customer service.

2.2 Work assignments are made at the exclusive discretion of the Company and the Company has the absolute right to assign Employee new or different job duties as deemed appropriate by the Company.

3. EMPLOYEE'S OBLIGATIONS. Employee covenants and agrees, as a condition of accepting or continuing employment with the Company, to all the terms and conditions in the Employee Manual, as amended, other agreements executed by Employee and all Company policies, procedures and other agreements now in existence or hereafter implemented as follows:

3.1 Comply with all Company policies and procedures as set forth in the Employee Manual, policy and procedure manuals, safety manuals and other sources;

3.2 Devote his full time and attention to meet the requirements set forth in the job description which objectives or duties may change from year to year;

3.3 Follow the direction and recommendations of Company management including the Chief Executive Officer and the Board of Directors;

3 . 4 Refrain from investing in any direct competitor of the Company except that Employee may at any time own beneficially up to one (1%) of the stock of any competing corporation whose securities are listed on a national securities exchange or regularly traded in the national over-the-counter-market; and

3.5 To observe and comply at all times with the provisions of the Company's share dealing code (as amended, from time to time) and with every rule of law and every regulation in force in relation to dealings in stock, shares, debentures or other securities of the Company (including in relation to unpublished price sensitive information affecting such securities), in whatever jurisdiction, and to observe and comply with all laws and regulations of any stock exchange, market or dealing system in which such dealings take place.

4. COMPENSATION

4.1 **Salary**. The Employee will be paid an annual salary of Two Hundred Fifty Thousand Dollars ($250,000). Salary shall be paid on a semi-monthly basis as adjusted from time to time. During employment, the Company will pay Employee the annual base salary in accordance with the terms of the Employee Manual less state and federal withholding and authorized deductions.

4.2 **Bonuses**. Company plans to implement a bonus compensation plan with the approval of the Board. This Agreement may be amended to include any bonus compensation program adopted by the Company.

4.3 **Benefits.** Employee shall be entitled to the insurance and employee benefits set forth in the Employee Manual or other benefits agreements with insurers who have contracted with the Company. The Company does not warrant that it will continue to offer the same or similar medical insurance benefits or other related benefits in the future and reserves the right to modify, reduce or eliminate benefits at its sole discretion.

4.4 **Equity Awards** . The Employee may be eligible for equity awards granted by the Board of Directors of the Company, at its discretion from time to time, in each case subject to a written equity award agreement signed by the Company and Employee independently of this Agreement. The execution of such agreements will not alter the at-will status of the Employee or the terms and conditions of this Agreement and the rights of the Employee under this Agreement by virtue of the adoption, amendment, termination or enforceability of any equity award agreement or other related documents.

4.5 **Severance on Termination Without Cause Or For Good Reason** . If the Company terminates the Employee for any reason without Cause (including death or Disability) or Employee resigns from the Company for Good Reason, the Employee shall be entitled to (i) a severance payment of two year's annual salary at the greater of the salary rate effective on the date of termination or the salary rate of $250,000; and (ii) the cost or value of two year's benefits including, without limitation, the cost of all insurance premiums and all other benefits in effect on the date of termination for which the Employee is eligible, less all federal and state withholding. The receipt of any severance or other benefits pursuant to this Section will be subject to Employee signing, and not revoking, a customary separation agreement and release of claims in a form acceptable to the Company in its reasonable discretion. No severance or other benefits will be paid or provided until the separation agreement and release agreement becomes effective.

5. CONFIDENTIAL INFORMATION, NON DISCLOSURE, AND TRADE SECRETS AGREEMENT

5 . 1 Employee expressly agrees that he will never disclose to a third party any "Confidential Information" as defined in the Confidential Information, Non-Disclosure, and Trade Secrets Agreement attached hereto as **Exhibit B** to this Agreement.

5.2 Employee shall not during his employment directly or indirectly render any services of a business, commercial or professional nature to any other person or organization, whether for compensation or otherwise, which would be in competition with the Company, or which would prevent Employee from rendering the agreed services to Company during the tenure of his employment.

6. INTENTIONALLY OMITTED.

7. TERMINATION. Upon termination of employment, Employee shall return all Company's property such as cell phones, lap tops, or other tangible and intangible property including, without limitation, customer lists, manuals, contract forms, documents or any other tangible or intangible documents or information used by the Company in the Employee's possession at the time of termination, in a manner consistent with Company policy.

8. SURVIVAL OF PROVISIONS OF AGREEMENT POST TERMINATION . All the obligations set forth in Sections 4, 5.1, 7 and 8 shall survive the termination of the Agreement and the termination of Employee's employment with the Company.

9. MISCELLANEOUS

9.1 Notices. All notices required or permitted hereunder shall be in writing and deemed properly given when delivered in person to Employee or to a corporation officer of Company, as the case may be, or when deposited in the United States mail, postage prepaid and properly addressed to the party to be notified, if to Employee, to his residence, and if to Company, to its Secretary, at the home office, Emeryville, California, or to any such other address as shall have last been given by the party to be notified.

9.2 Parties Benefited. This Agreement shall inure to the benefit of, and be binding on Employee, his heirs, executors and administrators and on Company, its successors and assigns.

9.3 Assignments. This Agreement may be assigned at any time by Company to any related corporation or a successor corporation. In the event of such an assignment, the assignee corporation to which the Agreement is assigned shall automatically be substituted for the assignor Company for all intentions and purposes and to the same extent as if this assignee were the Company that had originally executed this Agreement. This is a personal contract and the Employee cannot assign or transfer all or any portion of the contract except that in the event of the Employee's death the compensation due and owing the Employee can be paid in accordance with any assignment of death benefits.

9.4 Waiver. The waiver by either party of a default or a breach of any provision of this Agreement by the other party shall not operate or be construed as a waiver of any subsequent default or breach.

9.5 Modifications. The provisions of this Agreement shall constitute the entire agreement between the parties, with respect to the specific terms set forth herein, and may only be modified by an agreement in writing signed by the party against whom enforcement is sought. Modifications to this Agreement do not change or alter the at-will status of the Employee.

9.6 Construction of Agreement. This Agreement shall be construed consistently with the terms and conditions of all other Company policies and procedures, which are referenced in this Agreement. If there is any conflict with the terms of this Agreement and Company policy or procedure, this Agreement shall be interpreted to comply with Company policies or procedures.

9.7 Supersedes Prior Agreements. This Agreement and all the terms thereof supersede all prior employment agreements executed by Employee but shall be interpreted consistent with the Employee Manual and other policies and procedures of the Company. This Agreement will be interpreted independently of any and all agreements executed by Employee pertaining to equity awards.

9.8 Attorneys Fees. The prevailing party in any action brought to enforce this Agreement may recover reasonable attorneys' fees and costs including all costs and fees incurred in the preparation, trial and appeal of an action brought to enforce this Agreement.

9.9 Applicable Law. It is the intent of the parties that all provisions of this Agreement be enforced to the fullest extent permissible under the law and public policy of the state of California, unless prohibited by law in which case this Agreement shall be enforced in accordance with the laws where the action for enforcement is filed. If any section is determined by a court of law to be unenforceable, that section shall be severed from the Agreement and the balance of the Agreement shall be enforced according to its terms.

10. Definitions. Capitalized terms used in this Agreement but not otherwise defined herein shall have the meaning hereby assigned to them as follows:

10.1 "**Disability**" The Employee shall be deemed to have a Disability for purposes of this Agreement if either (i) the Employee is deemed disabled for purposes of any group or individual disability policy or (ii) in the good faith judgment of the Board, the Employee is substantially unable to perform the Employee's duties under this Agreement for more than ninety (90) days, whether or not consecutive, in any twelve (12) month period, by reason of a physical or mental illness or injury.

10.2 "Cause" shall mean (i) Employee's conviction of, or plea of nolo contendere to, a felony; (ii) a willful act by the Employee which constitutes gross misconduct and which is injurious to the Company; (iii) any act or acts of dishonesty by Employee intended or reasonable expected to result in any gain or personal enrichment of Employee at the expense of the Company; or (iv) if Employee fails to perform the duties and responsibilities of his position after a written demand from the Board which describes the basis for the Board's belief that Employee has not substantially performed his duties and provides Employee with thirty (30) days to take corrective action.

10.3 "Good Reason" shall mean, in the context of a resignation by the Employee, a resignation that occurs within thirty (30) days following the occurrence, without the written consent of the Employee, of one or more of the following events: (i) any adverse change in the Employee's base salary the in effect; (ii) a significant reduction of the Employees responsibilities relative to Employee's responsibilities in effect immediately prior to such reduction; or (iii) the relocation of the Employee to a facility or location more than fifty (50) miles from the Company's present location; provided, however, that "Good Reason" shall not be deemed to exist hereunder if such change in Base Salary or reduction of responsibilities occurs in connection with (x) changes or reductions generally applicable to the Company's management group, or (y) Employee's engagement in any action or any inaction that would otherwise enable the Company to terminate the Employee for Cause.

11. EMPLOYEE CERTIFICATION. Employee hereby certifies that he has had an adequate opportunity to review, and understands all the terms and conditions of, this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the day and year first above written.

EMPLOYEE

/s/ Stephen Cotton
Stephen Cotton

COMPANY

Aqua Metals, Inc.,
A Delaware corporation

By: /s/ Stephen R. Clarke
Dr. Stephen R. Clarke, President

Exhibit 10.12

National Securities Corporation
4551 Glencoe Ave. Suite 150
Marina del Rey, CA 90292

Ladies and Gentlemen:

This agreement is being delivered to you in connection with the proposed Underwriting Agreement (the "**Underwriting Agreement**") between Aqua Metals, Inc., a Delaware corporation (the "**Company**"), and National Securities Corporation ("**National"**) relating to a proposed underwritten public offering of shares (the "**Shares**") of the Company's Common Stock (the "**Common Stock**").

In order to induce National to enter into the Underwriting Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned agrees that, during the period beginning on and including the date of the Underwriting Agreement through and including the one year anniversary of the date of the Underwriting Agreement (the "**Lock-Up Period**"), the undersigned, or any affiliated party of the undersigned, will not, without the prior written consent of National, directly or indirectly:

(i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock, whether now owned or hereafter acquired by the undersigned or with respect to which the undersigned has or hereafter acquires the power of disposition, or

(ii) enter into any swap or other agreement, arrangement or transaction that transfers to another, in whole or in part, directly or indirectly, any of the economic consequence of ownership of any Common Stock or any securities convertible into or exercisable or exchangeable for any Common Stock,

whether any transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock, other securities, in cash or otherwise.

Notwithstanding the provisions set forth in the immediately preceding paragraph, the undersigned may, without the prior written consent of National, (1) transfer any Common Stock or any securities convertible into or exchangeable or exercisable for Common Stock as a bona fide gift or gifts, or by will or intestacy, to any member of the immediate family (as defined below) of the undersigned or to a trust the beneficiaries of which are exclusively the undersigned or members of the undersigned's immediate family or to a charity or educational institution; provided, however, that it shall be a condition to the transfer that (A) the transferee executes and delivers to National not later than one business day prior to such transfer, a written agreement, in substantially the form of this agreement and otherwise satisfactory in form and substance to National, and (B) if the undersigned is required to file a report under Section 16(a) of the Securities Exchange Act of 1934, as amended, reporting a reduction in beneficial ownership of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock by the undersigned during the Lock-Up Period, the undersigned shall include a statement in such report to the effect that such transfer or distribution is not a transfer for value and that such transfer is being made as a gift or by will or intestacy, as the case may be or (2) exercise or convert currently outstanding warrants, options and convertible debentures, as applicable, and exercise options under an acceptable stock option plan, so long as the undersigned agrees that the shares of Common Stock received from any such exercise or conversion will be subject to this agreement. For purposes of this paragraph, "immediate family" shall mean a spouse, child, grandchild or other lineal descendant (including by adoption), father, mother, brother or sister of the undersigned.

The undersigned further agrees that (i) it will not, during the Lock-Up, make any demand for or exercise any right with respect to the registration under the Securities Act of 1933, as amended (the "**1933 Act**"), of any Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock, and (ii) the Company may, with respect to any Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock owned or held (of record or beneficially) by the undersigned, cause the transfer agent or other registrar to enter stop transfer instructions and implement stop transfer procedures with respect to such securities during the Lock-Up Period.

In addition, the undersigned hereby waives any and all notice requirements and rights with respect to the registration of any securities pursuant to any agreement, instrument, understanding or otherwise, including any registration rights agreement or similar agreement, to which the undersigned is a party or under which the undersigned is entitled to any right or benefit and any tag-along rights or other similar rights to have any securities (debt or equity) included in the offering contemplated by the Underwriting Agreement or sold in connection with the sale of Common Stock pursuant to the Underwriting Agreement, provided that such waiver shall apply only to the public offering of Common Stock pursuant to the Underwriting Agreement and each registration statement filed under the 1933 Act in connection therewith.

The undersigned hereby represents and warrants that the undersigned has full power and authority to enter into this agreement and that this agreement has been duly executed and delivered by the undersigned and is a valid and binding agreement of the undersigned. This agreement and all authority herein conferred are irrevocable and shall survive the death or incapacity of the undersigned and shall be binding upon the heirs, personal representatives, successors and assigns of the undersigned.

IN WITNESS WHEREOF, the undersigned has executed and delivered this agreement as of the date set forth below.

Yours very truly,

_____

Print Name: _____

Date: _____, 2015

Exhibit 10.13

THIRD AMENDMENT TO
PURCHASE AND SALE AGREEMENT

THIS THIRD AMENDMENT TO PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS (" Third Amendment") is made by and between TAHOE-RENO INDUSTRIAL CENTER, LLC, a Nevada limited liability company, (" Seller") and AQUA METALS RENO, INC., a Delaware corporation, ("Buyer").

RECITALS

WHEREAS, Buyer and Seller entered into that certain Purchase and Sale Agreement and Escrow Instructions dated February 25, 2015, as amended by the certain First Amendment to Purchase and Sale Agreement dated April 28, 2015 and that certain Second Amendment to Purchase and Sale Agreement dated May 15, 2015, (collectively "Agreement") in connection with the purchase and sale of certain real property located in the Tahoe-Reno Industrial Center in Storey County, Nevada and which is in escrow (First American Escrow 121-2480604-MLR); and

WHEREAS, Buyer and Seller desire to amend certain provisions of the Agreement, in accordance with the terms and conditions contained herein.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows.

1. Capitalized and Conflicting Terms; Continued Effect. Capitalized terms not otherwise defined in this Third Amendment shall have the meanings ascribed to them in the Agreement. To the extent the provisions of this Third Amendment conflict with any of the terms and conditions of the Agreement, the provisions of this Third Amendment shall control. The parties acknowledge and agree that, except as specifically modified hereby, each of the terms and conditions of the Agreement shall remain in full force and effect and are enforceable in accordance with its respective terms.

2. Real Property. The parties agree that the Real Property as defined in Exhibit "B" of the Second Amendment shall be revised to include Area 1 only. Area 2 is hereby deleted.

3. Purchase Price. The purchase price shall be a sum equal to $1.95 per square foot for 11.73 acres of land, and one acre foot of an additional allocation of water rights to the water allocation specified in Subsection 13.3 in consideration for the payment at close of escrow of $10,000.00, which totals $1,006,369.66. As provided in the Purchase and Sale Agreement, the purchase price may be adjusted based on the square footage of the Real Property as determined by the record of survey referenced below.

4 . Record of Survey. In order to revise the legal parcel for the Real Property, Seller shall immediately contact TRI-State Surveying, Inc. to amend and cause to be recorded a Record of Survey Map for the Real Property. All costs and fees of said surveyor shall be paid by Buyer.

5. Section 5 of the Second Amendment is hereby deleted.

IN WITNESS WHEREOF, the parties have executed this Third Amendment as of the date last written below.

SELLER:		**BUYER:**	
TAHOE-RENO INDUSTRIAL CENTER, LLC, a Nevada limited liability company		AQUA METALS RENO, INC., a Delaware corporation	
By:	Norman Properties, Inc., a California corporation, its Manager		
By:	/s/ L. Lance Gilman L. Lance Gilman, Authorized Representative	By:	/s/ Thomas Murphy Thomas Murphy, Chief Financial Officer
Date:	5-18-2015	Date:	5/19/15

Exhibit 21.1

The following are the wholly-owned subsidiaries of Aqua Metals, Inc.:

Aqua Metals Reno, Inc., a Delaware Corporation

Aqua Metals Operations, Inc., a Delaware Corporation

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the inclusion in this Registration Statement of Aqua Metals, Inc. on Form S-1 of our report dated May 8, 2015, with respect to our audit of the consolidated financial statements of Aqua Metals, Inc. as of December 31, 2014 and for the period from June 20, 2014 (Inception) through December 31, 2014, which report appears in the Prospectus, which is part of this Registration Statement. We also consent to the reference to our Firm under the heading "Experts" in such Prospectus.

/s/ Armanino LLP

San Ramon, California
June 8, 2015