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California Nanotechnologies Provides Year End Business and Operational Update

- ◆ R&D programs remain robust and provide visibility for potential commercial contracts
- ◆ Acquiring a new SPS manufacturing system, expanding capacity along with other recent additions
 - ◆ Exploring market expansion opportunities with European partners

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LOS ANGELES, CALIFORNIA, December 4, 2023 - California Nanotechnologies Corp. ("Cal Nano" or the "Company") is pleased to announce a series of corporate and operational updates that highlight the Company's growth strategy and manufacturing production expansion.

"This calendar year has been a transformational year for Cal Nano," stated CEO Eric Eyeran. "We saw a significant increase in sales, debt reduction, and the closing of our first equity issue in almost a decade. We are entering the 2024 calendar year with a strong pipeline of commercial opportunities, increased capacity, and a more fortified balance sheet. We are excited to execute on our growth plan and appreciative of our hard-working employees and shareholders who have supported us in this journey."

Cal Nano continues to see strong demand and interest for its R&D manufacturing offerings as customers achieve their desired material enhancement results and as awareness of the Company's core technologies grow.

Customers such as Ambri, the green steel cleantech company referred to in recent press releases, and a world-leading carbon capture company continue working with Cal Nano to progress their R&D programs while simultaneously exploring pathways to larger work volumes. In addition, the thermoelectric customer which previously worked with Cal Nano in FY2022 and early FY2023, is resuming its R&D efforts, and Cal Nano anticipates revenue from this customer again by Q1/FY2025.

These development programs create the potential for larger commercial contracts as these clients seek to move beyond research and development initiatives. Cal Nano is actively engaged in discussions for more extensive programs with its existing and potential R&D customers, and additional updates will be shared if contracts are finalized.

In response to current and anticipated market demand, Cal Nano has acquired a mid-sized SPS2000 system to expand its spark plasma sintering ("SPS") manufacturing capacity. This equipment is scheduled for delivery in late 2024 and will complement other recent equipment purchases. These purchases include an additional cyromill, which is expected to increase cyromilling capacity multifold upon installation, and another piece of equipment that performs additive manufacturing, also known as 3D printing, in conjunction with SPS technology.

As an SPS equipment distributor, Cal Nano successfully completed two scheduled deliveries, valued at US\$295K, to two U.S. universities within the most recent fiscal quarter. As a result of these sales and the Company's continued manufacturing execution, Q3/FY2024 is expected to be another record revenue quarter. Cal Nano expects to release its Q3/FY2024 results in mid-January 2024.

Eric Eyerman (CEO) and Chris Melnyk (Director of Business Development) recently returned from a business development trip in Europe which focused on leveraging partnerships and creating new commercial opportunities. Collaborations with European partners, like Aerosint based in Belgium, help Cal Nano remain at the forefront of materials science and enhance its North American manufacturing offering. In addition, the Company is exploring options with European-headquartered multinationals who see benefits to local manufacturing and wish to work with U.S. partners such as Cal Nano.

Lastly, the Company believes that making key investments in sales and marketing will help drive the adoption of its nascent technologies. As a result, Cal Nano has started initiatives such as sponsoring a material science podcast and working with new channel partners. One of these channel partners is the American Lightweight Materials Manufacturing Innovation Institute, known as "LIFT". LIFT provides the Company with access to over 300 companies aligned with advanced manufacturing techniques and a 100,000-square-foot state-of-the-art facility that will be utilized to demonstrate SPS and cryomilling to a broader audience.

About California Nanotechnologies Corp.

At Cal Nano, we envision a world in which our advanced technologies are used to help make the most innovative products on this planet and beyond. Global leaders trust us to help push the boundaries of applied material science by utilizing our unique technical expertise and vision. Headquartered in Los Angeles, California, Cal Nano hosts advanced processing and testing capabilities for materials research and production needs. Customers range from Fortune 500 companies to startups with programs spanning aerospace, renewable energy, defense, and semiconductors.

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the Company's services by current and future customers, including existing and future orders for the Company's SPS equipment and the anticipated revenue therefrom; and the expected future performance of the Company. Although we believe that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. We cannot guarantee future results, performance or achievements. Consequently, there is no representation that the actual results achieved will be the same, in whole or in part, as those set out in the forward-looking information. Forward-looking information is based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking information. Some of the risks and other factors that could cause the results to differ materially from those expressed in the forward-looking information include, but are not limited to: general economic conditions in Canada, the United States and globally; a significant change in demand for the Company's services and products; industry conditions, governmental regulation, including environmental regulation; the effects of product development and need for continued technological change; the effect of government regulation and compliance on the Corporation and the industry; research and development risks; reliance on key personnel; operations in foreign jurisdictions; protection of intellectual property rights; contractual risk; third-party risk, risk of technological or scientific obsolescence; dependence of technical infrastructure; unanticipated operating events or performance; failure to obtain industry partner and other third party consents and approvals, if and when required; the availability of capital on acceptable terms; the need to obtain required approvals from regulatory authorities; stock market volatility; competition for, among other things, capital, skilled personnel and supplies; changes in tax laws; and the other risk factors disclosed under our profile on SEDAR+ at www.sedarplus.ca. Readers are cautioned that this list of risk factors should not be construed as exhaustive.

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