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California Nanotechnologies to Expand with New Lease for Advanced Materials Processing Facility

- ◆ Significant milestone in Cal Nano's production capabilities and manufacturing capacity
 - ◆ New lease for 19,500 sq. ft. facility, an upgrade from current 3,500 sq. ft. facility
 - ◆ Both facilities will be maintained in the near term to ensure operational continuity

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LOS ANGELES, CALIFORNIA, February 20, 2024 - California Nanotechnologies Corp. ("Cal Nano" or the "Company") is pleased to announce that it has signed a new lease agreement for an additional manufacturing facility in Santa Ana, California. This marks a significant milestone in the expansion of the Company's production capabilities and footprint, and positions Cal Nano for continued growth and innovation within the advanced materials industry.

The newly secured lease encompasses an approximate 19,500 square foot facility, spanning a five-year term with a base monthly rent of US\$31,185, exclusive of utilities. Situated approximately a 20-minute car commute from the Cerritos-based facility, this new location represents a substantial upgrade from Cal Nano's current approximately 3,500 square foot site, which it expects to continue operating in the near term. The expansion plan is expected to allow the Company to meet growing market demands, start delivering parts for customers, expand capabilities with newly purchased equipment, and ensure continuity.

"After outgrowing our current facility of ten plus years, we are excited to announce this key development," stated CEO Eric Eyeran. "The expanded footprint enables Cal Nano to install larger equipment, serve an expanding customer base, and undertake more projects at higher volumes. Our new space is expected to enable us to push the boundaries of material science and innovation in the development of next-generation products that demand more advanced materials."

Central to the decision in selecting this new location was its existing high electrical amperage capacity, allowing Cal Nano to set up and more cost effectively operate its cutting-edge spark plasma sintering (SPS) and cryomilling technologies. In addition, by retaining both facilities, the Company aims to ensure uninterrupted operations by housing existing equipment at the current site while deploying its other machinery and resources at the newly leased facility over time.

The first equipment expected to be installed will be the used cryomill purchased in mid-2023, a second larger used cryomill purchased in early February 2024, along with the associated cryogenics and material handling infrastructure needed to support the higher throughput operations. The newly purchased cryomilling equipment reflects a significant increase in production capacity and efficiency, increasing from the existing 25 gallons limit to a combined potential of 160 gallons when fully installed and operational. Cal Nano believes that the base milling equipment, which still requires the implementation of Cal Nano's intellectual property and upgrades, was acquired at an attractive price point, representing a fraction of the cost of comparable new models. Cal Nano continues to explore the potential purchase of larger scale SPS equipment for installation at the facility as well.

Cal Nano strives to be a North American leader in SPS and cryomilling R&D and production services. To the best of the Company's knowledge, no other facilities in North America possess the capability to support both growing technologies in commercially producing state-of-the-art materials for new markets.

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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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.

The forward-looking information contained in this news release is expressly qualified by this cautionary statement. We undertake no duty to update any of the forward-looking information to conform such information to actual results or to changes in our expectations except as otherwise required by applicable securities legislation. Readers are cautioned not to place undue reliance on forward-looking information.

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