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California Nanotechnologies Announces SPS Equipment Purchase to Further Enhance Capabilities at New Facility

- ◆ Cal Nano secures larger, cutting-edge SPS equipment with a \$300,000 down payment
- ◆ Opens up new customer opportunities with ability to process larger part sizes and higher volumes
- ◆ Follows recent key developments and investments to enhance manufacturing capabilities

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LOS ANGELES, CALIFORNIA, March 5, 2024 - California Nanotechnologies Corp. ("Cal Nano" or the "Company") is pleased to announce a US\$300,000 down payment for a cutting-edge MSP-5 Spark Plasma Sintering (SPS) machine by Germany-based Dr. Fritsch. Cal Nano will be the first organization in North America to receive this model and once operational, it is expected to be the largest SPS machine commercially available for production and R&D manufacturing services on the continent. This purchase solidifies Cal Nano's SPS leadership, enabling larger part sizes and expanding processing capacity for new customer opportunities.

"We are ecstatic to announce this down payment as we build on a thesis developed over five years ago that SPS would become a more prevalent technology," stated CEO Eric Eyeran. "This machine is expected to open new customer applications in key growth areas, such as aerospace, cleantech, renewable energy, and industrials. These opportunities were previously beyond our reach due to the part size and throughput limitations of our current machines. Overall, Cal Nano has assembled a unique offering of advanced materials manufacturing capabilities that can scale with customers from R&D projects to commercial production."

The new SPS equipment, which is expected to be delivered in late calendar year 2024, will exert a maximum force of 500 tons and run on an electric current of 85,000 amps. This is around five times the power of Cal Nano's current largest SPS machine in terms of force and approximately nine times in terms of electric current.

Although the full funding structure is yet to be formalized, Cal Nano expects to potentially finance the purchase using a blend of current cash reserves, operational cash flows, vendor financing, and support from customers.

In the last twelve months, Cal Nano has undertaken various initiatives to strengthen its manufacturing capabilities and capacity, such as:

- July 2023: Procured a used cryomill, the third and largest to date, increasing cryomilling capacity multifold in anticipation of heightened customer demand
- October 2023: Acquired a piece of equipment that performs additive manufacturing, also known as 3D printing, in conjunction with SPS technology
- December 2023: Purchased a third, smaller SPS system for installation at the Cerritos headquarters
- February 2024: Procured another used cryomill, the fourth and largest to date, increasing cryomilling capacity further along with signing new manufacturing facility lease in Santa Ana
- March 2024: Announced a down payment for an MSP-5 SPS system to increase scale, capable of accommodating higher production volumes and larger part sizes

Cal Nano is developing products with a variety of customers that have the potential to utilize the new SPS capacity once it becomes operational at the new facility. In the fiscal quarter ending February 29, 2024, Cal Nano secured approximately US\$1 million in purchase orders from customers utilizing its SPS and cryomilling manufacturing capabilities.

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 Greater 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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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.

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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