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CALIFORNIA NANOTECHNOLOGIES ANNOUNCES Q3/FY2023 RESULTS AND DEBT REPAYMENT

- ◆ US\$418k revenue for Q3/FY2023
- ◆ Three SPS systems worth approximately US\$440k sold to date
- ◆ First-ever debt repayment to Omni-Lite Industries ahead of schedule

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LOS ANGELES, CALIFORNIA, January 31, 2023 - California Nanotechnologies Corp. ("Cal Nano" or the "Company") is pleased to announce revenues of US\$418,422 for the quarter ending November 30, 2022. This represents an increase of 79% from the previous quarter last year. For the first nine months of FY2023, revenues have increased to US\$1,019,570 from US\$609,080 in the previous year. Net income for the first nine months of the year was US\$88,575 from US\$(51,862) and EBITDA¹ was US\$292,953 from US\$80,838 for the same period last year. The financial statements are available on SEDAR at www.sedar.com and on the [Company's website](#).

The main contributors to the Company's second highest quarterly revenue in history, were service programs with the sustainability-focused biotech company, the start-up battery-technology company (Ambri), and other customers in various industries including: advanced materials, aerospace and defense. "We are pleased with the growth of our services revenues this quarter as we support customers with their ongoing R&D efforts. Customers like Ambri continue to progress well with their first batch of full prototypes now ready for testing and evaluation. We are hopeful some of these R&D initiatives will translate into commercial scale production customers in the future," stated Eric Eyeran, CEO of Cal Nano.

Cal Nano would also like to announce traction in its growth strategy with another SPS system sale worth approximately US\$150,000 to Lehigh University. This SPS system will serve as a lab unit in which Cal Nano will install at the department of materials science and engineering at the university. This marks the Company's third SPS system sale to date, bringing the total contract value to approximately US\$440,000 for all three units. Cal Nano expects revenues from these units to be recognized next fiscal year 2024 as they are delivered. Furthermore, the Company has seen increasing quote

¹ Non-IFRS Measure

activity for these SPS systems totaling approximately US\$900,000 in the last thirty days. These quotes could translate into additional SPS system sales in FY2024.

Cal Nano has been focused on reducing its outstanding debt balance in FY2023. At the beginning of the current fiscal year, the Company had both bank debt of US\$133,142 and borrowings from Omni-Lite Industries Canada Inc. (including accrued interest) of US\$1,441,516. Since the beginning of this fiscal year, the Company has repaid all the bank debt, and in January 2023, paid US\$120,000 toward the borrowings from Omni-Lite Industries Canada Inc. The US\$120,000 represents a pre-payment of the twelve scheduled US\$10,000 principal repayments that were due between March 1, 2023 and February 28, 2024. Cal Nano believes that reducing its debt is in the best interests of shareholders.

About California Nanotechnologies Corp.

Cal Nano is the sole North American provider for commercial SPS and cryomilling services. Cryomilling is used to produce nanomaterials and advanced powder systems. SPS is used for turning powders into solid parts using a pulsed current and high pressure. With multiple systems in-house, Cal Nano is able to manufacture parts from advanced materials in multiple sizes and shapes at production scale. Due to SPS's unique method of heating, it is superior for sintering advanced and nanomaterials that will go into the next generation of enhanced products in the aerospace, green energy and defense industries.

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Non-IFRS Measures and Reconciliation of Non-IFRS Measures

This press release makes reference to certain non-IFRS measures. These non-IFRS measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing a further understanding of results of operations of Cal Nano from management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of the financial information of Cal Nano reported under IFRS. The Company uses non-IFRS measures such as EBITDA to provide investors with a supplemental measure of operating performance and thus highlight trends in its core business that may not otherwise be apparent when relying solely on IFRS financial measures. Management also believes that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of issuers. Management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period, prepare annual operating budgets and assess the Company's ability to meet its capital expenditure and working capital requirements.

"EBITDA" means the earnings before interest, income taxes, depreciation, and amortization, where interest is defined as net finance costs as per the consolidated statement of comprehensive income.

Reconciliations and Calculations

The table set forth below provides a quantitative reconciliation of EBITDA, which is a Non-IFRS financial measure, to the most comparable IFRS measure disclosed in the Company's financial statements. The reconciliation of Non-IFRS measures to the most directly comparable measure calculated in accordance with IFRS is provided below where appropriate. Quotes do not have a directly comparable IFRS measure.

EBITDA Reconciliation

Amounts in \$US	Three months ended	Three months ended	Nine months ended	Nine months ended
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	November 30, 2022	November 20, 2021	November 30, 2022	November 30, 2021
Net Income/(Loss)	64,801	(19,729)	88,575	(51,862)
Interest Expense	39,421	15,816	98,813	47,925
Taxes	-	-	800	-
Depreciation & Amortization	35,290	27,690	105,565	84,775
EBITDA	\$139,511	\$23,777	\$293,753	\$80,838

Reader Advisory

Except for statements of historical fact, this news release contains certain "forward-looking information" within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. In particular, forward-looking information in this press release includes, but is not limited to 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; industry conditions, governmental regulation, including environmental regulation; 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.sedar.com. 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.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.