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CALIFORNIA NANOTECHNOLOGIES ANNOUNCES REVISED LOAN TERMS WITH OMNI-LITE

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LOS ANGELES, CALIFORNIA, May 24, 2022 - California Nanotechnologies Corp. ("Cal Nano" or the "Company") is pleased to announce that it has revised the terms of the loan that it has had in place with Omni-Lite Industries Canada Inc. ("Omni-Lite").

Omni-Lite, the founding shareholder of Cal Nano, has an equity ownership position Cal Nano of approximately 19%. In addition, Omni-Lite has made two loans to CalNano since Cal Nano was founded which now total approximately US\$1.45 million. The larger of the two loans of approximately US\$1.2 million (including accrued interest) has not paid cash interest since it was initially advanced. CalNano also has a senior secured term loan outstanding with Manufacturers Bank, which has been reduced in quarterly instalments and is expected to be fully repaid in February 2023.

Cal Nano has experienced a gradual improvement in its operating results in recent years. Most recently, the Company announced that it has achieved record revenue in the quarter ending February 28, 2022 (Q4/F2022) of approximately US\$470,000. This quarterly revenue is far in excess of revenue in any previously-reported quarter. During the quarter, the Company delivered the bulk of an order from its thermo-electrics customer as outlined in previous press releases. In addition, the Company also continued to successfully meet product demand by other customers in the normal course of business.

Thermo-electrics is a "green" technology which involves the production of electricity using waste heat from other processes. Thermo-electrics is a large and well-established industry where a key performance measurement is the efficiency of the process which converts waste heat to electricity. Cal Nano's customer is working on a new thermo-electric generator with improved efficiency. In order to enhance the efficiency of the device, the customer has engaged Cal Nano, as perhaps the only provider of third-party commercial

spark plasma sintering (“SPS”) services in North America, to provide SPS services for parts in its prototype device.

Cal Nano is in ongoing discussions with the thermo-electric customer about follow on production orders. The customer has indicated its interest in growing ongoing production orders commencing in late 2022. Cal Nano is beginning to evaluate what facilities would be required to fulfill the potential customer demand.

In light of CalNano’s improved performance, Omni-Lite and CalNano have renegotiated and repriced the inter-company loan agreements. The interest rate has been reset to 7.5% (versus 2.9% under the prior agreement) and the loan maturity is now set at May 30, 2025. Additionally, CalNano will commence interest payments in June 2022 with principal repayments commencing with the retirement of the Manufacturers Bank term loan early next year.

Cal Nano is the sole North American provider for commercial SPS services. With multiple systems in-house, Cal Nano is able to manufacture parts from advanced materials in multiple sizes and shapes at production scale. SPS is used for turning powders into solid parts using an DC pulsed current and high pressure. Due to its 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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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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