



W. WWW.CALNANOCORP.COM
E. INFO@CALNANOCORP.COM
P. 562.991.5211
F. 562.926.6913

CALIFORNIA NANOTECHNOLOGIES ISSUES UPDATE ON ACTIVITY IN THERMOELECTRIC MARKETS AND PPP LOANS

TSX VENTURE: CNO
OTCMKTS: CANOF

LOS ANGELES, CALIFORNIA, February 17th, 2021 - California Nanotechnologies Corp. ("Cal Nano" or the "Company") is pleased to announce an update on the current development work with a customer that is a leader in the thermoelectric industry as well as an update on the status of its loan under the Paycheck Protection Program ("PPP").

Thermoplastics Update

Cal Nano has been working with a customer that is a technology leader focused on converting waste heat into electric power at an industrial scale.

There are a variety of technological challenges in enhancing the commerciality of thermoelectric technology. "Cal Nano is using its expertise in spark plasma sintering ("SPS") technology to create a thermoelectric product that can outperform materials processed with conventional sintering. SPS Technology could allow for a drastic performance improvement compared to the current thermoelectric devices, opening the technology up to a wider market. The current R&D program continues to progress and results from the initial samples created by Cal Nano have been promising." stated CEO Eric Eyerman.

The customer is currently evaluating the initial R&D samples. The customer is considering its next steps, which could include additional R&D work or moving to prototyping of commercial products.

"While we still have much work to do to move to the commercial stage, we believe that our technology has the potential to enhance the performance of new-economy thermoelectric processes" said Eric Eyerman. "We expect to have an update on our progress in the coming months. We continue to work with a variety of other customers on new applications for our nanotechnology products."

PPP Loan Update

In 2020, the Company applied for and received loan proceeds under the PPP and entered into a loan agreement with Manufacturers Bank pursuant to the PPP. The PPP was established as part of the Coronavirus Aid, Relief and Economic Security Act in order to enable small businesses to pay employees during the economic slowdown caused by COVID-19 by providing forgivable loans to qualifying businesses for up to 2.5 times their average monthly payroll costs. The amount borrowed by the Company under the PPP is eligible to be forgiven in certain circumstances. Cal Nano believes that it has met the criteria for loan forgiveness and is now in the process of applying for forgiveness of the PPP loan.

The Company would also like to announce that is in the process of applying for the 2nd round of PPP funding that was established as part of the Consolidated Appropriations Act in order to enable small businesses to pay employees during the economic slowdown caused by COVID-19 by providing forgivable loans to qualifying businesses. Any amount borrowed by the Company under the second PPP round is eligible to be forgiven per the same requirements as the first round of PPP.

For further information, please contact:

Eric Eyerman, CEO
T: (562)-991-5211
E: info@calnanocorp.com
W: www.calnanocorp.com

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.