

NEWS RELEASE

CALIFORNIA NANOTECHNOLOGIES AUDITED REVENUES INCREASE 81% OVER 2012

CALIFORNIA NANOTECHNOLOGIES CORP.
CNO-TSX VENTURE

Cerritos, California. August 20, 2013 - California Nanotechnologies Inc. ("Cal Nano") is pleased to announce that its audited annual revenues of \$261,302 U.S., for the year ending on February 29, 2012, increased approximately 81 percent over the prior fiscal year. This growth was based on the continued migration of the Company's Nanotechnology Research and Development efforts into ongoing and recurring revenues.

California Nanotechnologies has recently received an order that boosts a prototype nanotechnology product from a developmental "Olympic Level" program with the adidas innovation team, into a flagship commercial product line, the adiZero Prime SP. The adidas product is now hailed as the world's lightest commercially available Track and Field shoe. The initial production order quantities for this product have been successfully shipped to the customer and the Company is currently preparing to fulfill an increase in production requirements," stated Christopher Melnyk, Vice President. "This program is a good example of the commercialization of innovative nanotechnology-based products, the likes of which are setting new technical standards in many segments of industry."

California Nanotechnologies is also pleased to announce it has been contracted by Boeing Research and Technology in Huntington Beach (formerly known as Boeing Phantom Works) to begin the development of various advanced alloys for aerospace applications. The solidification of this relationship as well as developing collaborative partnerships is characteristic of many new projects underway as the Company begins to see traction in the technologies it is helping to develop.

The Company is also pleased to announce that it has received the settlement funds from a disagreement with SRL Nano, in whom the Company invested in 2011 and 2012. Upon final settlement, the Company will recoup all the funds invested in SRL Nano (\$250,000 US). At the conclusion of this transaction, CNO will have no further investment in SRL Nano.

Except for historical information contained herein this document contains forward-looking statements. These statements contain known and unknown risks and uncertainties that may cause the company's actual results or outcomes to be materially different from those anticipated and discussed herein.

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