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CALIFORNIA NANOTECHNOLOGIES ANNOUNCES POSITIVE CASH FLOW FOR Q1/F2019

- ◆ Q1 revenue increase of 56% from previous year
- ◆ Q1/F2019 operating cash flow of approximately \$16K
- ◆ Development of new high-performance track spike

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LOS ANGELES, CALIFORNIA, July 31, 2018 - California Nanotechnologies Corp. ("Cal Nano" or the "Company") is pleased to announce revenues of US \$182,549 for first quarter of fiscal year 2019, ending May 31, 2018. This is an increase of 56% compared to last year Q1. Cash flow provided by operations was US \$16,712. This represents the second consecutive cash flow positive quarter, which is the first time this has happened in the Company's history.

The Company has just begun development of a new high performance track spike for Adidas. "The Company has been manufacturing track spikes for Adidas's flagship commercial product line, the adiZero Prime SP track spike, for many years now. This new design will be look to continue that product line and plans to be utilized at first by their professional and Olympic athletes." stated COO Eric Eyerman.

The Company is pleased to announce new R&D programs with a large aerospace manufacturer involving Spark Plasma Sintering with a variety of different material systems. "These programs will utilize both our small and larger SPS units and involve making 100's of SPS samples at various sizes for material development over the next few months. This program marks an important step in transitioning the SPS technology from research to production for this customer." stated Brian Weinstein SPS Manager.

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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.

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