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CALIFORNIA NANOTECHNOLOGIES REPORTS 85% INCREASE IN REVENUES IN FIRST SIX MONTHS INCLUDING NEW SPARK PLASMA SINTERING REVENUE

TSX VENTURE: CNO

CERRITOS, CA, October 29, 2014 - California Nanotechnologies Corp. ("Cal Nano" or the "Company") is pleased to report financial results for the first six months of fiscal 2015, ended August 31, 2014. In the March to August period, revenues increased by 85% to \$218,684 US (\$237,773 CAD), compared to \$118,390 US (\$124,717 CAD) during the same period last year. This increase in revenues was due mainly to increased sales in the oil and gas division. "Of particular significance the Company was almost cash flow break even in the last quarter of 2014 and the first quarter of 2015." stated Andrew Bengis, CFO.

Cal Nano's net loss for the first six months was \$106,845 US or \$0.01 per share, a significant improvement from a loss of \$182,284 US in the same period last year. Overall operating expenses of \$377,453 US were higher by 28% when compared to the prior period. These expenses are related to salaries, wages and benefits, promotion and travel due to the growth of the Company.

SUMMARY OF SIX MONTH FINANCIAL HIGHLIGHTS (US \$)

All figures in US dollars unless noted.

Basic Weighted Average Shares Issued And Outstanding : 30,059,362	For the period ended August 31, 2014	For the period ended August 31, 2013	% Increase (Decrease)
Revenue	\$ 218,684	\$ 118,390	85%
Cash flow provided by (used for) operations	(101,454)	(126,892)	-
Net income (loss)	(106,845)	(182,284)	-
EPS (LPS) (US)	(0.01)	(0.01)	-
EPS (LPS) (CAD)	(0.01)	(0.01)	-

(Note: at 08/31/14, \$1US = \$1.087 CAD; 08/31/13, \$1US = \$1.053 CAD)

The Company is also pleased to report its first Spark Plasma Sintering ("SPS") equipment installation at a major US university. "Our partnership with FUJI-SPS (the originator of the SPS technology) and Autrans is beginning to show financial benefits as we execute the strategy developed in the first quarter of this year. The additional revenues generated from the commissions, installation and product support associated with the SPS technology will help diversify the Company's revenue base, while providing additional support to our customers, further differentiating the Company as a leader in the nano-material research, products and services marketplace," stated Christopher Melnyk, CEO. "The Company is making significant progress

on the installation of the new mill that was purchased as part of the financing completed in April, 2014. This mill will increase the Company's cryogenic milling throughput by a factor of six."

SUMMARY OF THREE MONTH FINANCIAL HIGHLIGHTS (US \$)

All figures in US dollars unless noted.

Basic Weighted Average Shares Issued And Outstanding : 31,230,296	For the three months ended August 31, 2014	For the three months ended August 31, 2013	% Increase (Decrease)
Revenue	\$ 59,486	\$ 61,855	(4%)
Cash flow provided by (used for) operations	(31,523)	(53,818)	-
Net income (loss)	(52,627)	(70,953)	-
EPS (LPS) (US)	(0.01)	(0.01)	-
EPS (LPS) (CAD)	(0.01)	(0.01)	-

(Note: at 08/31/14, \$1US = \$1.087 CAD; 08/31/13, \$1US = \$1.053 CAD)

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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", "budget", "scheduled", "estimates", "forecast" and other similar words or variations thereof, or statements that certain events or conditions "may", "could", "would", "might" or "will" occur. In particular, forward-looking information in this press release includes, but is not limited to, statements with respect to the expected use of proceeds. 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: additional funding required by the Company on an ongoing basis; market competition against third parties with greater financial and human resources; the protection of the Company's intellectual property rights; costs of production; capital expenditures; requirements for additional capital; failure of equipment or processes to operate as anticipated; delays in obtaining regulatory approvals, claims limitations on insurance coverage; risks associated with international operations; risks related to material customer agreements; fluctuations in the currency markets; and changes in national and local government legislation, controls, regulations and political or economic developments in Canada, the United States or other countries in which the Company may carry on business in the future. 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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