



01 Communique Provides Quarterly Update on Business Developments and Second Quarter Fiscal 2021 Results

TORONTO, ON – June 10, 2021. 01 Communique Laboratory Inc. (the "Company") (TSX-V: ONE; OTCQB: OONEF) one of the first-to-market, enterprise level cybersecurity providers for the quantum computing era is pleased to report that the Company moved closer to profitability with increasing revenue and reducing the loss for the second quarter 2021.

Andrew Cheung, CEO of 01 Communique, stated, "I am pleased to announce we exceeded our expectations this quarter. The rising number of corporate users of our Remote Access technology have resulted in substantial revenue growth enabling us to increase our investment in our sales and marketing activities for IronCAP™. I am confident we will continue with this positive momentum in both revenue and earnings."

Second quarter 2021 results:

The Company's loss for the second quarter was \$64,782 (2020 - \$249,133) a decrease of \$184,351. The adjusted loss was very close to breakeven at \$18,401 (2020 - \$205,924) a decrease of \$187,523. The adjusted loss excludes stock-based compensation and depreciation which are non-cash operating expenses.

Revenue for the second quarter was \$297,231 (2020 - \$73,297) an increase of \$223,934. The upward trend for the Company's remote access service business continues as subscriber numbers and revenue are increasing.

Operating expenses including withholding taxes for the second quarter were \$362,291 (2020 - \$294,324) an increase of \$67,967. The Company increased sales and marketing activities with the goal to commercialize IronCAP X™ as well as continue its efforts to build partnerships with companies for the integration of the IronCAP™ API with third party applications. The Company expects to make significant investments in infrastructure over the next few years including marketing, sales and business development, R&D, finance and business processes. These investments are expected to support the growth of the business thereby enabling significant future levels of profitability.

Business Development Highlights:

The Company continued with its business development efforts forming new partnerships and building on existing partnerships:

1. The Company's remote access service business continued to see an increase in subscriber numbers and revenue. The Company believes much of this increase is the result of a response to the coronavirus pandemic whereby many companies have moved towards remote work. We believe this trend will continue as the move towards work from home continues beyond the pandemic.
2. On March 25, 2021 the Company announced the results of its second Bounty Contest, whereby 807 cybersecurity and quantum experts attempted unsuccessfully to crack IronCAP™'s quantum-safe encryption during the one-month CAD\$100,000 Bounty Contest. As with the first contest held over a year ago, no contestants managed to break the code and IronCAP™'s encryption yet again proven its resilience and robustness.
3. On March 23, 2021 the Company announced a partnership agreement with DigiFlynt Tech Ltd., a Dubai-based digital transformation company with market focus on West Africa, UAE and India to sell IronCAP™.
4. On April 6, 2021 the Company announced the signing of a partnership agreement with rThreat Inc., a United States-based cybersecurity company providing breach and attack emulation solutions to help their clients prevent cyberattacks. Upon testing IronCAP™'s algorithm during the month-long Bounty Contest, rThreat Inc. deemed IronCAP™ "uncrackable" and concluded that the attack methodologies for traditional asymmetric encryption algorithms such as RSA, do not apply to IronCAP™. rThreat Inc. plans to use IronCAP™'s technology and encryption methodologies to help create the next generation of custom and forced zero-day artifacts for quantum-era cyberattacks.

5. Building on the existing partnership with ixFintech on May 26, 2021 the Company announced its collaboration with ixFintech and a third party, Polydigi Tech, to augment the security and protection of ixFintech's ixWallet against mounting cyber-threats. We believe we are the first to provide quantum-safe protection to the world's first quantum-safe Bitcoin ATM machine and crypto E-wallet, ixWallet.

Grant of Stock Options

The Company granted stock options pursuant to its stock option plan to certain directors and executives of the Company to purchase up to an aggregate of 740,000 common shares in the Company. The options were granted on June 9, 2021 and are exercisable at a price of \$0.36 per share for a period of four years from the date of grant. The options vest over a period of two years, with 25% vesting on each of December 9, 2021, June 9, 2022, December 9, 2022 and June 9, 2023. The options, and the shares issuable upon exercise, will be subject to applicable securities and regulatory laws.

Conference Call Reminder and Information:

01 Communique will host a live teleconference allowing for questions and answers later today at 10:00AM EST (June 10, 2021) to discuss the Company's results as well as providing an update on the business prospects for IronCAP™ and IronCAP X™.

Browser (please cut-and-paste the following link into your browser):

<https://us02web.zoom.us/j/83272630612?pwd=ZGRGMU5aWUY0Z3N3SFgvT2s0VlVrZz09>
Passcode: ironcap21

Dial-in:

Within Canada (647) 374-4685 or (647) 558-0588
Within the USA (646) 558 8656 or (669) 900 9128
Webinar ID when prompted is 832 7263 0612
Passcode: 724051661

About 01 Communique

Established in 1992, 01 Communique (TSX-V: ONE; OTCQB: OONEF) has always been at the forefront of technology. The Company's cyber security business unit focuses on post-quantum cybersecurity with the development of its IronCAP™ technology. IronCAP™'s patent-pending cryptographic system is an advanced Goppa code-based post-quantum cryptographic technology that can be implemented on classical computer systems as we know them today while at the same time can also safeguard against attacks in the future post-quantum world of computing. The Company's remote access business unit provides its customers with a suite of secure remote access services and products under its I'm InTouch and I'm OnCall product offerings. The remote access offerings are protected in the U.S.A. by its patents #6,928,479 / #6,938,076 / #8,234,701; in Canada by its patents #2,309,398 / #2,524,039 and in Japan by its patent #4,875,094. For more information, visit the Company's web site at www.ironcap.ca and www.01com.com.

Cautionary Note Regarding Forward-looking Statements.

Certain statements in this news release may constitute "forward-looking" statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this news release, such statements use such words as "may", "will", "expect", "believe", "plan", "intend", "are confident" and other similar terminology. Such statements include statements regarding the commercial success of IronCAP X™, the future of quantum computers and their impact on the Company's product offering, the functionality of the Company's products and the intended product lines for the Company's technology and the potential licensing of the Company's technology. These statements reflect current expectations regarding future events and operating performance and speak only as of the date of this news release. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the factors discussed under "Risk and Uncertainties" in the Company's Management's Discussion and Analysis document filed on SEDAR. Although the forward-looking statements contained in this news release are based upon what management of the Company believes are reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this

news release, and the Company assumes no obligation to update or revise them to reflect new events or circumstances.

Neither TSX Venture Exchange ("TSX-V") nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

INVESTOR CONTACT:

Brian Stringer
Chief Financial Officer
01 Communique
(905) 795-2888 x204
Brian.stringer@01com.com

01 Communique Laboratory Inc.
SELECTED FINANCIAL INFORMATION
Consolidated Statements of Financial Position
Unaudited
As at April 30, 2021 and October 31, 2020

	30-Apr-21	31-Oct-20
Assets		
Current assets		
Cash and cash equivalents	\$ 914,057	\$ 962,337
Guaranteed investment certificate	-	60,000
Accounts receivable	303,780	202,974
Prepaid expenses and other assets	42,495	25,343
	1,260,332	1,250,654
 Plant and equipment	 147,855	 35,253
 Total assets	 \$ 1,408,187	 \$ 1,285,907
 Liabilities and Shareholders' Deficit		
Current liabilities		
Accounts payable and accrued liabilities	\$ 157,483	\$ 151,111
Deferred revenue	9,068	7,679
Lease liability	38,449	18,704
	205,000	177,494
Non-current liabilities		
Premise lease liability	92,776	-
CEBA loan payable	60,000	-
Total liabilities	357,776	177,494
Shareholders' deficit		
Share capital	43,462,102	43,395,752
Contributed surplus	5,781,650	5,717,636
Warrants	255,285	266,135
Deficit	(48,448,626)	(48,271,110)
	1,050,411	1,108,413
 Contingencies		
Total liabilities and shareholders' deficit	\$ 1,408,187	\$ 1,285,907

01 Communique Laboratory Inc.
SELECTED FINANCIAL INFORMATION
Consolidated Statements of Operations and Comprehensive Income
Unaudited
For the 3 and 6 month periods ended April 30, 2021 and 2020

	<i>three months</i>	<i>ended</i>	<i>six months ended</i>	
	<i>30-Apr-21</i>	<i>30-Apr-20</i>	<i>30-Apr-21</i>	<i>30-Apr-20</i>
Revenue	\$ 297,231	\$ 73,297	\$ 510,493	\$ 114,667
Expenses:				
Selling, general and administrative	194,208	162,918	362,492	304,570
Research and development	138,876	131,404	276,105	202,499
Withholding taxes	29,207	7,816	49,991	11,272
	<u>362,291</u>	<u>294,324</u>	<u>688,588</u>	<u>507,069</u>
Loss before accretion on liability component of debenture, interest, and other income	(65,060)	(221,027)	(178,095)	(392,402)
Interest on debenture	-	15,000	-	30,000
Accretion on liability portion of debenture	-	4,762	-	9,297
Loss before other income and expense	(65,060)	(240,789)	(178,095)	(431,699)
Interest income	839	150	1,415	875
Interest expense	561	679	836	1,429
Loss for the period and comprehensive loss	<u>\$ (64,782)</u>	<u>\$ (249,133)</u>	<u>\$ (177,516)</u>	<u>\$ (443,525)</u>
Loss per common share:				
Basic	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Diluted	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted average number of common shares:				
Basic	91,818,973	80,235,472	91,806,056	80,235,472
Diluted	91,818,973	80,235,472	91,806,056	80,235,472

01 Communicative Laboratory Inc.
SELECTED FINANCIAL INFORMATION
Consolidated Statements of Cash Flows
Unaudited

For the 3 and 6 month periods ended April 30, 2021 and 2020

	<i>three months ended</i>		<i>six months ended</i>	
	<i>30-Apr-21</i>	<i>30-Apr-20</i>	<i>30-Apr-21</i>	<i>30-Apr-20</i>
Cash provided by (used in):				
Operating activities:				
Comprehensive loss for the period	\$ (64,782)	\$ (249,133)	\$ (177,516)	\$ (443,525)
Adjustments to reconcile loss for the period to net cash flows from operating activities:				
Depreciation of property and equipment	1,804	1,459	3,654	2,952
Amortization of right-of-use asset	12,018	11,061	23,079	22,122
Stock-based compensation expense	44,577	41,750	65,764	73,150
Accretion on liability portion of debenture	-	4,762	-	9,297
Change in non-cash working capital	(167,471)	13,281	(110,197)	1,827
	(173,854)	(176,820)	(195,216)	(334,177)
Financing activities:				
Exercise of stock options	-	-	1,750	-
Exercise of debenture warrants	-	-	52,000	-
Proceeds from loan	-	-	60,000	-
Lease payments made	(10,455)	(11,034)	(22,113)	(21,930)
	(10,455)	(11,034)	91,637	(21,930)
Investing activities:				
Proceeds from guaranteed investment certificate	60,000	(60,000)	60,000	190,000
Purchase of property and equipment	(2,510)	(1,443)	(4,701)	(2,151)
	57,490	(61,443)	55,299	187,849
Increase in cash and cash equivalents	(126,819)	(249,296)	(48,280)	(168,258)
Cash and cash equivalents, beginning of period	1,040,876	364,751	962,337	283,712
Cash and cash equivalents, end of period	\$ 914,057	\$ 115,454	\$ 914,057	\$ 115,454

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