



01 Communique Provides Update on Business Developments and Second Quarter Fiscal 2022 Results

TORONTO, ON – June 16, 2022. 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 the Company's second quarter fiscal 2022 results, which ended April 30, 2022.

Andrew Cheung, CEO of 01 Communique, stated, "I am pleased with the progress we made during the second quarter. We increased revenue by 20% allowing us to increase the investment in our product development specifically to accelerate our position in the area of quantum-safe blockchain facilitating quantum-safe tokens, NFTs, smart contracts, etc. We are close to completing the product development of our IronCAP X™ business edition, which we expect will be the world's first commercial-ready quantum-safe email security product. We strengthened our board of directors, entered into an agreement with Talent Summit, filed a new patent application based on exciting new technology and to help us get better value for our shareholders we retained the services of Hybrid Financial Ltd. for investor relations. I look forward to the rest of this year as we get ready to launch new products in conjunction with our partner, Talent Summit. We will keep our investors posted on the progress."

Highlights:

- Increased revenue by 20% from Q2 2021 to \$357,594.
- The increase in revenue allowed for the increase in investment in product development which was increased by \$51,335 to \$190,212. These investments allow us to create a new generation of blockchain that is safe against attacks from quantum computers so that it can facilitate quantum-safe tokens, NFTs, smart contracts, etc. transactions while having high throughput that is comparable with that of credit card in the traditional world of finance. A PoC (proof-of-concept) is scheduled to be ready by the end of August and everything is going according to schedule. A separate announcement is expected when the PoC has been completed.
- The loss for the third quarter 2022 was \$82,879 and the Company completed the quarter with \$849,375 of cash. The adjusted loss was \$40,315 which excludes stock-based compensation and depreciation which are non-cash expenses.
- Entered into an agreement with a consortium of highly successful crypto experts that selected the Company as their technology partner and Post-Quantum Cryptography (PQC) provider. The consortium (Talent Summit) is aggressively pursuing a new blockchain and commissioned the Company to develop the World's First Quantum-Safe Blockchain designed for Tokens, NFTs, Smart Contracts for the Metaverse, De-centralized Finance (DeFi). It is expected that this best-in-class quantum-safe blockchain will be resilient against cyber adversaries, including quantum attacks.
- The Company has taken a minority position in Talent Summit and in addition will be compensated for the development project by way of a payment of \$250,000 cash payable over the course of development of the project plus a 10% royalty for the ongoing share of the "Tokens" per transaction.
- Strengthened the board of directors with the addition of Mr. Tyson Macaulay CISA, LEL CIE, who brings with him over twenty-five years of engineering and management experience in network, cloud and IoT security solutions.
- Retained Hybrid Financial Ltd. ("Hybrid") to provide investor relations services to the Company. Hybrid has been engaged to heighten market and brand awareness for the Company and to broaden the Company's reach within the investment community both in Canada and the United States. Hybrid Financial has offices in Toronto and Montreal.

- Filed an international patent application for quantum-safe steganography technology which allows covert hiding of sensitive data in any ordinary digital media. This revolutionary technology can be applied to a broad range of applications including NFTs, digital wallets, digital proof of ownership, etc. The ancient application of steganography technology is to “watermark”. Other applications include subliminal messages in media such as audio and video clips. What 01 has created is a quantum-safe steganography method to hide large amount of digital data in pictures, audio, or video clips utilizing the Company’s patent-protected IronCAP™ cryptographic technology.

Grant of Stock Options

The Company granted stock options pursuant to its stock option plan to directors and executives of the Company to purchase up to an aggregate of 900,000 common shares in the Company. The options were granted on June 15, 2022 and are exercisable at a price of \$0.14 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 15, 2022, June 15, 2023, December 15, 2023 and June 9, 2024. 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 16, 2022) 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=K1ZmRGhYKY9xaVE4UUVRMzJYTUFyQT09>
Passcode: ironcap22

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: 066489703

About 01 Communique

01 Communique (TSX-V: ONE; OTCQB: OONEF) is one of the first-to-market, enterprise level cybersecurity providers for the quantum computing era. Its IronCAP™ technology, protected in the U.S.A. by its patent #11,271,715, is a cryptographic system incorporating advanced 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 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
As at April 30, 2022 and October 31, 2021
Unaudited

	30-Apr-22	31-Oct-21
Assets		
Current assets		
Cash	\$ 849,375	\$ 994,924
Accounts receivable	146,552	205,527
Prepaid expenses and other assets	51,089	31,743
	<u>1,047,016</u>	<u>1,232,174</u>
Plant and equipment	114,793	125,584
Investment in Talent Summit	31,500	-
	<u>\$ 1,193,309</u>	<u>\$ 1,357,758</u>
Liabilities and Shareholders' Deficit		
Current liabilities		
Accounts payable and accrued liabilities	\$ 242,111	\$ 182,354
Deferred revenue	6,578	6,502
Lease liability	45,051	42,532
	<u>293,740</u>	<u>231,388</u>
Non-current liabilities		
Lease liability	42,809	66,915
CEBA loan payable	40,000	40,000
Total liabilities	<u>376,549</u>	<u>338,303</u>
Shareholders' deficit		
Share capital	43,963,582	43,963,582
Contributed surplus	5,978,122	5,890,297
Warrants	93,533	93,533
Deficit	(49,218,477)	(48,927,957)
	<u>816,760</u>	<u>1,019,455</u>
	<u>\$ 1,193,309</u>	<u>\$ 1,357,758</u>
Total liabilities and shareholders' deficit	<u>\$ 1,193,309</u>	<u>\$ 1,357,758</u>

01 Communique Laboratory Inc.
SELECTED FINANCIAL INFORMATION
Consolidated Statements of Operations and Comprehensive Income
For the 3 and 6 month periods ended April 30, 2022 and 2021
Unaudited

	<i>three months ended</i>		<i>six months ended</i>	
	<u>30-Apr-22</u>	<u>30-Apr-21</u>	<u>30-Apr-22</u>	<u>30-Apr-21</u>
Revenue	\$ 357,594	\$ 297,231	\$ 546,625	\$ 510,493
Expenses:				
Selling, general and administrative	226,782	194,208	428,284	362,492
Research and development	190,212	138,876	365,761	276,105
Withholding taxes	22,734	29,207	41,123	49,991
	<u>439,728</u>	<u>362,291</u>	<u>835,168</u>	<u>688,588</u>
Loss before other income and expense	(82,134)	(65,060)	(288,543)	(178,095)
Interest income	459	839	645	1,415
Interest expense	(1,204)	(561)	(2,622)	(836)
Loss for the period and comprehensive loss	<u>\$ (82,879)</u>	<u>\$ (64,782)</u>	<u>\$ (290,520)</u>	<u>\$ (177,516)</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	94,451,221	91,818,973	92,788,400	91,806,056
Diluted	94,451,221	91,818,973	92,788,400	91,806,056

01 Communique Laboratory Inc.
SELECTED FINANCIAL INFORMATION
Consolidated Statements of Cash Flows
Unaudited
For the 3 and 6 month periods ended April 30, 2022 and 2021

	<i>three months ended</i>		<i>six months ended</i>	
	<i>30-Apr-22</i>	<i>30-Apr-21</i>	<i>30-Apr-22</i>	<i>30-Apr-21</i>
Cash provided by (used in):				
Operating activities:				
Comprehensive loss for the period	\$ (82,879)	\$ (64,782)	\$ (290,520)	\$ (177,516)
Adjustments to reconcile loss for the Period to net cash flows from operating activities:				
Depreciation of property and equipment	1,639	1,804	4,025	3,654
Amortization of right-of-use asset	11,219	12,018	22,438	23,079
Stock-based compensation expense	40,925	44,577	87,825	65,764
Change in non-cash working capital	75,412	(167,471)	99,442	(110,197)
	<u>46,316</u>	<u>(173,854)</u>	<u>(76,790)</u>	<u>(195,216)</u>
Financing activities:				
Exercise of stock options	-	-	-	1,750
Exercise of debenture warrants	-	-	-	52,000
Proceeds from loan	-	-	-	60,000
Lease payments made	(11,015)	(10,455)	(21,587)	(22,113)
	<u>(11,015)</u>	<u>(10,455)</u>	<u>(21,587)</u>	<u>91,637</u>
Investing activities:				
Proceeds from guaranteed investment certificate	-	60,000	-	60,000
Investment in Talent Summit	(31,500)	-	(31,500)	-
Purchase of property and equipment	(15,672)	(2,510)	(15,672)	(4,701)
	<u>(47,172)</u>	<u>57,490</u>	<u>(47,172)</u>	<u>55,299</u>
Decrease in cash	(11,871)	(126,819)	(145,549)	(48,280)
Cash, beginning of period	861,246	1,040,876	994,924	962,337
Cash, end of period	<u>\$ 849,375</u>	<u>\$ 914,057</u>	<u>\$ 849,375</u>	<u>\$ 914,057</u>

#