



01 Communique Announces its First Quarter Fiscal 2019 Results

TORONTO, ON – March 7, 2019. 01 Communique Laboratory Inc. (ONE:TSX-V) today announced results for its first quarter fiscal 2019, which ended January 31, 2019. The Company's loss for the first quarter 2019 was \$187,309 (2018 - \$38,179) an increase of \$142,772 which is a result of the investment we are making in transitioning our business and development of our new Post-Quantum Cryptography ("PQ-Crypto") technologies. We completed the period with \$612,294 of cash and cash equivalents and guaranteed investment certificate.

"During the first quarter we continued and made significant inroads in the development of our PQ-Crypto technologies," said Andrew Cheung, President and CEO for 01 Communique. "We are on track to release the first beta product incorporating our patent-pending cryptographic system this summer followed by a commercial launch in the fall. We are extremely excited about the prospects for our first new product which is an email/file encryption and digital signing system targeted at consumers as well as businesses of all sizes. Unlike other secure email offering in the market that store their users' email and require recipients to read the messages from their servers, our offering delivers end-to-end encrypted messages to the recipients that only they can decrypt and read. This eliminates a central target point of cyber attack. We believe this will be the world's first secure quantum-safe email system powered by our PQ-Crypto technology."

About our PQ-Crypto technologies:

Our invention, as described in our previously announced United States patent application Nos. 16/268,098 of January 2019, relates generally to cryptographic systems and methods. It is a unique cryptographic system that is not only safe from malicious attacks from Quantum Computers in the future but it can also be implemented on today's classical computer systems to safeguard them from malicious attacks that are present in today's environment. Its application is very broad. Solution vendors of many industries such as email encryption, file encryption, digital signature, blockchain implementation, remote access / VPN, credit card security, cloud storage, password management, etc can easily transform their solutions to safeguard against the threat in the post-quantum world of computing. The email/file encryption and digital signature product described above is one of these vertical applications that we are implementing and offering as a commercial product by ourselves.

A new branding and web site will be announced at our Annual General Meeting coming soon on April 24, 2019 with a preview of the new product.

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.

About 01 Communique

Established in 1992, 01 Communique Laboratory Inc. (TSX-V: ONE) has always been at the forefront of technology. The Company's legacy business provides its customers with a suite of secure remote access services and products. In early 2018 the Company began transitioning its business focusing on cybersecurity with the development and implementation of Post-Quantum Cryptography and Post-Quantum Blockchain technologies, which can be implemented on classical computer systems as we know them today while at the same time secure enough to safeguard against potential Quantum Computer attacks. The Company's legacy products 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.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. 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.

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01 Communique Laboratory Inc.
SELECTED FINANCIAL INFORMATION
Interim Consolidated Statements of Financial Position
(Unaudited)
As at January 31, 2019 and December 31, 2018

	31-Jan-19	31-Oct-18
Assets		
Current assets		
Cash and cash equivalents	\$ 62,294	\$ 113,760
Guaranteed investment certificate	550,000	700,000
Accounts receivable	81,599	62,696
Prepaid expenses and other assets	6,946	6,275
	<u>700,839</u>	<u>882,731</u>
 Plant and equipment	 16,083	 16,085
	<u>\$ 716,922</u>	<u>\$ 898,816</u>
 Liabilities & Shareholders' Deficit		
Current liabilities		
Accounts payable and accrued liabilities	\$ 546,538	\$ 584,552
Deferred revenue	8,403	8,455
Liability component of debenture	395,268	390,733
	<u>950,209</u>	<u>983,740</u>
 Shareholders' equity		
Share capital	41,186,529	41,186,529
Contributed surplus	5,503,667	5,464,721
Share purchase warrants	400,000	400,000
Agent compensation options	99,200	99,200
Equity portion of Debenture	64,811	64,811
Deficit	(47,487,494)	(47,300,185)
	<u>(233,287)</u>	<u>(84,924)</u>
 Total liabilities and shareholders' deficit	 <u>\$ 716,922</u>	 <u>\$ 898,816</u>

01 Communique Laboratory Inc.
SELECTED FINANCIAL INFORMATION
Interim Consolidated Statements of Operations and Comprehensive Income
(Unaudited)
For the 3 month periods ended January 31, 2019 and 2018

	<i>three months ending</i>	
	<i>31-Jan-19</i>	<i>31-Jan-18</i>
Revenue	\$ 50,035	\$ 34,844
Expenses (income):		
Selling, general and administrative	130,013	34,475
Research and development	84,249	23,774
Interest	(797)	(8)
	213,464	58,241
Loss before interest and accretion on liability component of debenture and taxes	\$ (163,429)	\$ (23,397)
Interest on debenture	15,000	10,000
Accretion on liability portion of debenture	4,535	8,420
(Loss) before taxes	\$ (182,964)	\$ (41,817)
Withholding taxes	4,345	2,720
(Loss) for the period and comprehensive loss	\$ (187,309)	\$ (44,537)
Earnings per common share		
Basic	\$ (0.00)	\$ (0.00)
Diluted	\$ (0.00)	\$ (0.00)
Weighted average number of common shares		
Basic	76,543,807	66,543,807
Diluted	76,543,807	66,543,807

01 Communique Laboratory Inc.
SELECTED FINANCIAL INFORMATION
Interim Consolidated Statements of Cash Flows
(Unaudited)
For the 3 month periods ended January 31, 2019 and 2018

	<i>three months ending</i>	
	<u>31-Jan-19</u>	<u>31-Jan-18</u>
Cash provided by (used in):		
Operating activities:		
Income (Loss) for the period	\$ (187,309)	\$ (44,537)
Adjustments to reconcile the loss for the period to net cash flows from operating activities		
Depreciation	1,402	443
Stock-based compensation	38,946	5,915
Accretion on liability portion of debenture	4,535	8,420
Interest income	(797)	(8)
Change in non-cash working capital	<u>(57,640)</u>	<u>(31,738)</u>
	(200,863)	(61,505)
Interest income received	<u>797</u>	<u>8</u>
	(200,066)	(61,497)
Financing activities:		
Proceeds from guaranteed investment certificate	150,000	-
Investing activities:		
Purchase of capital assets	<u>(1,400)</u>	<u>(1,760)</u>
Increase (decrease) in cash	(51,466)	(63,257)
Cash and cash equivalents, beginning of period	<u>113,760</u>	<u>238,576</u>
Cash and cash equivalents, end of period	<u>\$ 62,294</u>	<u>\$ 175,319</u>

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