



01 Communique Announces its Second Quarter Fiscal 2018 Results and Provides an Update on Future Direction

TORONTO, ON – June 21, 2018. 01 Communique Laboratory Inc. (ONE:TSX-V) today announced results for its second quarter fiscal 2018, which ended April 30, 2018. The Company's loss for the quarter was \$35,044 compared to a profit in 2017 of \$17,608. The adjusted loss for the second quarter, which excludes non-cash expenses for stock-based compensation and depreciation, was \$29,601 compared to an adjusted profit in 2017 of \$39,197. As at April 30, 2018 the Company had \$142,199 of cash and cash equivalents.

"We received a decision from the United States Court of Appeals for the Federal Circuit ("Federal Circuit") in respect of our appeal of our patent lawsuit against Citrix Online, LLC ("Citrix") affirming the district court's finding that Citrix does not infringe our patent (Patent Nos. 6,928,479)," said Andrew Cheung, President and CEO for 01 Communique. "We strongly disagree with the ruling. However, after careful consideration, we decided that it is not in our favor to proceed any further on this matter. This brings this lawsuit to a conclusion and now we turn our attention to refocusing our company with the development of a Post-Quantum Blockchain. Additional information on our plan is outlined below."

An Update on Our Future Direction follows:

Today, we are announcing a plan to transition our focus and strategy to the development of a Post-Quantum Blockchain. In summary, our vision is to develop a Post-Quantum Blockchain, which can be implemented on classical computer systems as we know them today while at the same time powerful enough to safeguard against potential Quantum Computer attacks.

Blockchain is a decentralized, digitized, public ledger of all transactions, using what is known as Distributed Ledger Technology. In recent years Blockchain technology has garnered significant attention because it has successfully raised the bar for cyber security. This is due to the fact that corrupting or altering any piece of information on the Blockchain is virtually impossible as it would require vast amounts of computing power. The reason for this is that the blocks in the Blockchain are digitally signed with private keys and the signatures can only be validated using their corresponding public keys. Using the existing computer systems of today it is virtually impossible (would take longer than the life span of the average human) to get a private key from its corresponding public key.

However, there is a new breed of computer in development called Quantum Computers that threatens the security of Blockchain technology. A Quantum Computer can process information exponentially faster than "classical computers" rendering existing public key encryption unsecure. Since public key encryption is a corner stone of cyber security today, Quantum Computers have the ability to render virtually everything insecure including Blockchain. While not a household name as yet, Quantum Computers are not fiction. They are real. As a result, over the last year the Company has devoted a significant amount of time researching this new disruptive cyber security technology and based on this research we are proceeding with the development of a Post-Quantum Blockchain that we believe will be capable of protecting the network against Quantum Computer attacks.

Conference Call:

A conference call is scheduled for Thursday June 28, 2018 at 4:00 PM.

Dial in number Local (416) 900-2936

Toll free 1-866-279-1594

The pass code when prompted is 532785

During the conference call the Company will provide an update on operations and provide an overview of the new direction as well as answer any questions asked by participants.

An Update on the Company's Operations follows:

Revenue for the second quarter 2018 was \$73,809 (2017 - \$129,463) a decrease of \$55,653. In 2017 there was a one-time payment received for past royalties received from third parties for the sale of DoMobile in Japan by Hitachi Solutions Create, Ltd. Ongoing royalties are still expected at the second quarter 2018 level.

Cash operating expenses, which exclude stock based compensation and depreciation, for the second quarter 2018 were \$85,281 (2017 - \$64,049) an increase of \$21,232 primarily a result of contractor fees paid for product development.

As previously announced, the Company received a decision from the Federal Circuit in respect of the Company's appeal of its patent lawsuit against Citrix. The Federal Circuit issued its Order affirming the district court's finding that defendants Citrix do not infringe the Company's patent (Patent Nos. 6,928,479) and denying the Company's request for a new trial. This brings the lawsuit to a conclusion.

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) offers a suite of remote access services designed for small-medium sized business, mobile professionals and IT service providers. 01's software as a service offerings are deployed on-demand and include functionality enabling on-line meetings, remote computing and IT support. 01's suite of products includes its remote access offering I'm InTouch (www.imintouch.com), its online meeting offering (www.imintouchmeeting.com) and its remote support offering I'm OnCall (www.imoncall.com) products are protected in the U.S.A. by its patents #6,928,479 / #6,938,076 / #8,234,701 and in Canada by its patents #2,309,398 / #2,524,039 and Japan by its patent #4,875,094. For more information, visit www.01com.com or call (905) 795-888 or (800) 668-2185 (North America only).

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.

INVESTOR CONTACT:

Andrew Cheung
Chief Executive Officer
01 Communique
(905) 795-2888 x206
andrew@01com.com

01 Communique Laboratory Inc.
SELECTED FINANCIAL INFORMATION
Consolidated Statements of Financial Position

	30-Apr-18	31-Oct-17
Assets		
Current assets		
Cash and cash equivalents	\$ 142,199	\$ 238,576
Accounts receivable	46,518	28,077
Prepaid expenses and other assets	18,986	6,281
	<u>207,703</u>	<u>272,934</u>
Plant and equipment	4,089	2,477
	<u>\$ 211,792</u>	<u>\$ 275,411</u>
Liabilities & Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 494,082	\$ 498,295
Deferred revenue	11,739	10,899
Liability component of debenture	382,300	391,580
	<u>888,121</u>	<u>900,774</u>
Shareholders' equity		
Share capital	40,832,777	40,832,777
Contributed surplus	5,418,225	5,407,310
Equity portion of Debenture	64,811	47,111
Deficit	(46,992,142)	(46,912,561)
	<u>(676,329)</u>	<u>(625,363)</u>
	<u>\$ 211,792</u>	<u>\$ 275,411</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, 2018 and 2017

	<i>for the 3 months ending</i>		<i>for the 6 months ending</i>	
	<u>30-Apr-18</u>	<u>30-Apr-17</u>	<u>30-Apr-18</u>	<u>30-Apr-17</u>
Revenue	\$ 73,809	\$ 129,462	\$ 108,653	\$ 137,093
Expenses (income):				
Selling, general and administrative	55,566	64,471	90,041	150,505
Research and development	35,168	21,186	58,942	26,511
Interest	(10)	(19)	(18)	(27)
	<u>90,724</u>	<u>85,638</u>	<u>148,965</u>	<u>176,989</u>
Profit (Loss) before interest, accretion on liability component of debenture and taxes	\$ (16,915)	\$ 43,824	\$ (40,312)	\$ (39,896)
Interest on debenture	10,295	10,000	20,295	20,000
Accretion on liability portion of debenture	-	4,194	8,420	8,237
	<u>(27,210)</u>	<u>29,630</u>	<u>(69,027)</u>	<u>(68,133)</u>
Profit (loss) before taxes	\$ (27,210)	\$ 29,630	\$ (69,027)	\$ (68,133)
Withholding taxes	7,834	12,022	10,554	12,022
Profit (loss) for the period and comprehensive loss	<u>\$ (35,044)</u>	<u>\$ 17,608</u>	<u>\$ (79,581)</u>	<u>\$ (80,155)</u>
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	66,543,807	66,543,807	66,543,807	66,543,807
Diluted	66,543,807	66,543,807	66,543,807	66,543,807

01 Communique Laboratory Inc.
SELECTED FINANCIAL INFORMATION
Consolidated Statements of Cash Flows
For the 3 and 6 month periods ended April 30, 2018 and 2017

	three months ending		Six months ending	
	<u>30-Apr-18</u>	<u>30-Apr-17</u>	<u>30-Apr-18</u>	<u>30-Apr-17</u>
Cash provided by (used in):				
Operating activities:				
Income (Loss) for the period	\$ (35,044)	\$ 17,608	\$ (79,581)	\$ (80,155)
Adjustments to reconcile the loss for the period to net cash flows from operating activities				
Depreciation	340	576	783	1,665
Stock-based compensation	5,000	20,500	10,915	73,000
Accretion on liability portion of debenture	-	4,194	8,420	8,237
Interest income	(10)	(19)	(18)	(27)
Change in non-cash working capital	(2,781)	(70,804)	(34,519)	(87,620)
Interest income received	10	19	18	27
	<u>(32,485)</u>	<u>(17,926)</u>	<u>(93,982)</u>	<u>(64,873)</u>
Investing activities:				
Purchase of capital assets	(635)	-	(2,395)	-
Increase (decrease) in cash	<u>(33,120)</u>	<u>(27,926)</u>	<u>(96,377)</u>	<u>(84,873)</u>
Cash and cash equivalents, beginning of period	175,319	116,477	238,576	173,424
Cash and cash equivalents, end of period	<u>\$ 142,199</u>	<u>\$ 88,551</u>	<u>\$ 142,199</u>	<u>\$ 88,551</u>

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