



01 Communique Announces its Third Quarter Fiscal 2018 Results and Provides an Update on Operations

TORONTO, ON – September 24, 2018. 01 Communique Laboratory Inc. (ONE:TSX-V) today announced results for its third quarter fiscal 2018, which ended July 31, 2018. The Company's loss for the quarter was \$78,948 compared to a profit in 2017 of \$68,383. A conference call is scheduled for Thursday September 27, 2018 at 4:00PM EST.

"We are now implementing our previous announced plan to transition our focus and strategy to the development of Post-Quantum Blockchain ("PQBC") and Post-Quantum Cryptography ("PQ-Crypto") technologies," said Andrew Cheung, President and CEO for 01 Communique. "On September 18, 2018 we closed a financing and I now feel confident we have sufficient working capital to complete commercial development of our PQBC and PQ-Crypto technologies as well as develop strategic partnerships to assist us in our plan to grow our business."

An update on the Company's progress as it moves forward with its new strategy follows:

- As at July 31, 2018 the Company had \$73,992 of cash and cash equivalents on hand. Subsequent to the end of the quarter, on September 18, 2018, as previously announced the Company completed a private placement raising gross proceeds of \$1,000,000, which will be used for completing commercial development of PQBC and PQ-Crypto technologies, to develop strategic partnerships, and for general working capital purposes.
- During the third quarter announced the addition of a new board member, Ms. Jane Yang, who brings with her a wealth of experience in the area of Blockchain technology.
- Engaged the services of Hybrid Financial Ltd. to assist the Company in developing and implementing an investor relations program.
- Added new members to the development team, entering into agreements with several leading experts in Blockchain technology to assist in the development of a Post-Quantum Blockchain for the Company.

An update on the Company's results follows:

Revenue for the third quarter 2018 was \$45,439 (2017 - \$247,269) a decrease of \$201,830. 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 and contract engineering fees received for enhancements made to DoMobile for Japan. Ongoing royalties for the fourth quarter 2018 are expected to continue at the third quarter 2018 level.

Cash operating expenses, which exclude stock based compensation and depreciation, for the second quarter 2018 were \$89,284 (2017 - \$129,699) a decrease of \$40,415 primarily a result of contractor fees paid for product development in 2017 related to the enhancement of DoMobile

Conference Call:

A conference call is scheduled for Thursday September 27, 2018 at 4:00 PM.

Dial in number Local (416) 507-1616

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The pass code when prompted is 893466

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

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 Blockchain and Post-Quantum Cryptography 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
Consolidated Statements of Financial Position

	31-July-18	31-Oct-17
Assets		
Current assets		
Cash and cash equivalents	\$ 73,992	\$ 238,576
Accounts receivable	46,225	28,077
Prepaid expenses and other assets	27,630	6,281
	<u>147,847</u>	<u>272,934</u>
 Plant and equipment	 4,499	 2,477
	<u>\$ 152,346</u>	<u>\$ 275,411</u>
 Liabilities & Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 499,034	\$ 498,295
Deferred revenue	10,291	10,899
Liability component of debenture	386,414	391,580
	<u>895,739</u>	<u>900,774</u>
 Shareholders' equity		
Share capital	40,832,777	40,832,777
Contributed surplus	5,430,109	5,407,310
Equity portion of Debenture	64,811	47,111
Deficit	(47,071,090)	(46,912,561)
	<u>(743,393)</u>	<u>(625,363)</u>
	<u>\$ 152,346</u>	<u>\$ 275,411</u>

01 Communique Laboratory Inc.
SELECTED FINANCIAL INFORMATION
Consolidated Statements of Operations and Comprehensive Income
For the 3 and 9 month periods ended July 31, 2018 and 2017

	<i>for the 3 months ending</i>		<i>for the 9 months ending</i>	
	<u>31-Jul-18</u>	<u>31-Jul-17</u>	<u>31-Jul-18</u>	<u>31-Jul-17</u>
Revenue	\$ 45,439	\$ 247,269	\$ 154,092	\$ 384,362
Expenses (income):				
Selling, general and administrative	77,893	47,097	167,935	197,602
Research and development	23,580	93,487	82,522	119,998
Interest	(23)	(7)	(41)	(34)
	<u>101,450</u>	<u>140,577</u>	<u>250,415</u>	<u>317,566</u>
Profit (Loss) before interest, accretion on liability component of debenture and taxes	\$ (56,011)	\$ 106,692	\$ (96,323)	\$ 66,796
Interest on debenture	15,000	10,000	35,295	30,000
Accretion on liability portion of debenture	4,114	4,352	12,534	12,589
	<u>(75,125)</u>	<u>92,340</u>	<u>(144,152)</u>	<u>24,207</u>
Profit (loss) before taxes	\$ (75,125)	\$ 92,340	\$ (144,152)	\$ 24,207
Withholding taxes	3,823	23,957	14,377	35,979
Profit (loss) for the period and comprehensive loss	<u>\$ (78,948)</u>	<u>\$ 68,383</u>	<u>\$ (158,529)</u>	<u>\$ (11,772)</u>
Basic	\$ (0.001)	\$ 0.001	\$ (0.002)	\$ (0.000)
Diluted	\$ (0.001)	\$ 0.001	\$ (0.002)	\$ (0.000)
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 9 month periods ended July 31, 2018 and 2017

	three months ending		nine months ending	
	<u>31-Jul-18</u>	<u>31-Jul-17</u>	<u>31-Jul-18</u>	<u>31-Jul-17</u>
Cash provided by (used in):				
Operating activities:				
Income (Loss) for the period	\$ (78,948)	\$ 68,383	\$ (158,529)	\$ (11,772)
Adjustments to reconcile the profit (loss) to net cash flows from operating activities				
Depreciation	282	378	1,065	2,043
Stock-based compensation	11,884	10,500	22,799	83,500
Accretion on liability portion of debenture	4,114	4,352	12,534	12,589
Interest income	(23)	(7)	(41)	(34)
Change in non-cash working capital	(4,847)	71,474	(39,366)	(16,146)
	<u>(67,538)</u>	<u>165,080</u>	<u>(161,538)</u>	<u>100,180</u>
Interest income received	<u>23</u>	<u>7</u>	<u>41</u>	<u>34</u>
	(67,515)	165,087	(161,497)	100,214
Investing activities:				
Purchase of capital assets	(692)	-	(3,087)	-
Increase (decrease) in cash	(68,207)	155,087	(164,584)	70,214
Cash and cash equivalents, beginning of period	<u>142,199</u>	<u>88,551</u>	<u>238,576</u>	<u>173,424</u>
Cash and cash equivalents, end of period	<u>\$ 73,992</u>	<u>\$ 243,638</u>	<u>\$ 73,992</u>	<u>\$ 243,638</u>

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