01 Communique Reports Third Quarter Fiscal 2015 Results

TORONTO, ON – August 26, 2015. 01 Communique Laboratory Inc. (ONE:TSX-V) today announced results for its third quarter fiscal 2015, which ended July 31, 2015. The loss and comprehensive loss for the third quarter 2015 was $345,956 (2014 - $629,744). The adjusted loss, which excludes non-cash expenses for stock-based compensation and depreciation, for the quarter was $297,216 (2014 - $353,469). The Company completed the quarter with $841,437 of cash and cash equivalents.

"Our main goal for the remainder of this year is to prepare for our patent lawsuit trial against Citrix, scheduled to commence January 8, 2016," said Andrew Cheung, President and CEO for 01 Communique. "Our results reflect our emphasis on this aspect of our business. With respect to the case, on May 18, 2015 we received the inter partes re-examination certificate from the USPTO bringing that part to a successful conclusion and on June 12, 2015 we received the Court's claim construction ruling adopting our construction for the four disputed claim terms. We look forward to our day in court."

An update on the Company's patent lawsuit against Citrix Systems Inc. ("Citrix") follows.

The Company is protecting its intellectual property against Citrix's GoToMyPC product offering. The Company is seeking damages based upon a reasonable royalty, back to August 2005 the date the patent was issued, for infringement, as well as pre and post judgment interest on awarded damages; treble damages for willful infringement, and attorneys' fees. An overview of recent events and timelines to get to trial follows.

The inter partes re-examination. On October 16, 2014 the United States Court of Appeal for the Federal Circuit rendered their decision affirming the United States Patent and Trademark Office`s ("USPTO") Patent Trial and Appeals Board decision that the Company`s patent 6,928,479 (" '479 Patent") is valid and then issued their mandate to the USPTO to issue a re-examination certificate. On May 18, 2015 the USPTO issued that inter partes re-examination certificate.

The Markman Order. On June 12, 2015 the Court issued its claim construction order and memorandum ruling on the meaning of four disputed claim terms, adopting the Company's proposed construction for all four claim terms. The Court also agreed with the Company that the preamble to claim 24 of the '479 Patent was not limiting and hence concluded that it was not necessary to construe two additional claim terms contained in the preamble.

The timetable. Expert discovery was completed on February 27, 2015. A trial is scheduled to commence January 8, 2016. A summary judgment motion schedule is as follows:

- Opening briefs were filed July 27, 2015.
- Response briefs along with an opening brief (if elected) due on any issue for which the party does not bear the burden of proof are to be filed by August 27, 2015.
- Reply and response briefs for the July 27, 2015 and August 27, 2015 briefing respectively to be filed by September 14, 2015.
- Reply briefs in respect of the issues raised in the August 27, 2015 opening brief by September 28, 2015.

An update on financial results follows.

1. Operating expenses for third quarter 2015 were $356,229 (2014 - $681,748). Excluding non-cash expenses for stock based compensation of $47,348 (2014 - $189,643) and depreciation of $1,392 (2014 - $1,632), the cash operating expenses to fund the business for the third quarter 2015 were

$307,489 (2014 - $490,473), a decrease of $97,984. Much of this decrease is a result of a reduction in compensation related expenses and patent litigation and re-examination costs.

2. The loss and comprehensive loss for third quarter 2015 was $345,956 (2014 - $629,744). Excluding non-cash expenses for stock-based compensation and depreciation, the adjusted loss for the third quarter 2015 was $297,216 (2014 - $353,469).

3. There were no patent litigation and re-examination expenses incurred in the third quarter 2015 (2014 -$85,000). These expenses fluctuate with the level of activity in respect of patent litigation as well as the re-examination that had been requested by Citrix and, with the receipt of the re-examination certificate, it is now complete and no further costs are expected. With respect to the Citrix litigation, expenses have reached a cap and the Company's lawyers are now responsible for such expenses for which they are to be reimbursed out of proceeds of settlement or an award of damages, if any.

On August 26, 2015 stock options were granted to members of the Company's executive management and directors. There were 840,000 stock options granted in total expiring on August 26, 2019, with an exercise price of $0.42 and vesting 500,000 on February 26, 2016 and 340,000 on August 26, 2016.

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 achieveme*nts 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 Factors" in the company's Annual Information Form 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
Unaudited

	31-July-15	31-Oct-14
Assets		
Current assets		
Cash and cash equivalents	$ 841,437	$ 1,370,813
Accounts receivable	79,990	105,551
Prepaid expenses and other assets	52,372	35,938
	973,799	1,512,302
Property and equipment	9,588	12,549
	$ 983,387	$ 1,524,851
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	$ 507,309	$ 711,679
Deferred revenue	15,464	17,810
	522,773	729,489
Liability portion of Debenture	356,351	---
Shareholders' equity		
Share capital	40,628,777	40,288,777
Equity portion of Debenture	47,111	---
Contributed surplus	4,909,005	4,878,587
Deficit	(45,480,630)	(44,372,002)
	104,263	795,362
	$ 983,387	$ 1,524,851

01 Communique Laboratory Inc.
SELECTED FINANCIAL INFORMATION
Consolidated Statements of Operations and Comprehensive Income
For the 3 and 9 month periods ended July 31, 2015 and 2014
Unaudited

	for the 3 months ending		*for the 9 months ending*	
	31-Jul-15	*31-Jul-14*	*31-Jul-15*	*31-Jul-14*
Revenue	$ 23,018	$ 49,355	$ 76,311	$ 208,943
Cost of revenue	-	-	-	-
	23,018	49,355	76,311	208,943
Expenses (income):				
Selling, general and administrative	162,032	418,052	575,728	957,373
Patent litigation & re-examination expenses	-	85,000	6,658	114,696
Research and development	194,197	178,696	590,352	541,175
Interest	(497)	(2,649)	(1,911)	(5,558)
	355,732	679,099	1,170,827	1,607,686
Loss before interest and accretion on liability component of debenture	$ (332,714)	$ (629,744)	$ (1,094,516)	$ (1,398,743)
Interest on debenture	10,000	-	10,650	-
Accretion on liability portion of debenture	3,242	-	3,462	-
Loss for the period and comprehensive loss	$ (345,956)	$ (629,744)	$ (1,108,628)	$ (1,398,743)
Loss per common share				
Basic	$ (0.01)	$ (0.01)	$ (0.02)	$ (0.02)
Diluted	$ (0.01)	$ (0.01)	$ (0.02)	$ (0.02)
Weighted average number of common shares				
Basic	65,795,437	65,743,807	65,761,159	65,607,697
Diluted	65,795,437	65,743,807	65,761,159	65,607,697

01 Communique Laboratory Inc.
SELECTED FINANCIAL INFORMATION
Consolidated Statements of Cash Flows
For the 3 and 9 month periods ended July 31, 2015 and 2014
Unaudited

	three months ending		nine months ending	
	31-Jul-15	*31-Jul-14*	*31-Jul-15*	*31-Jul-14*
Cash provided by (used in):				
Operating activities:				
Loss for the period	$ (345,956)	$ (629,744)	$ (1,108,628)	$ (1,398,743)
Adjustments to reconcile the loss for the period to net cash flows from operating activities				
Depreciation	1,392	1,632	4,719	5,856
Stock-based compensation	47,348	189,643	165,418	279,793
Accretion on liability portion of debenture	3,242	-	3,462	-
Interest income	(497)	(2,649)	(1,911)	(5,558)
Change in non-cash working capital	7,708	(55,120)	(197,589)	(426,907)
	(286,763)	(496,238)	(1,134,529)	(1,545,559)
Interest income received	497	2,649	1,911	5,558
	(286,266)	(493,589)	(1,132,618)	(1,540,001)
Financing activities:				
Issue of common shares	205,000	-	205,000	75,600
Issue of debenture	-	-	400,000	-
Investing activities:				
Purchase of capital assets	(1,017)	-	(1,758)	-
Increase (decrease) in cash	(82,283)	(493,589)	(529,376)	(1,464,401)
Cash and cash equivalents, beginning of period	923,720	2,101,469	1,370,813	3,072,281
Cash and cash equivalents, end of period	$ 841,437	$ 1,607,880	$ 841,437	$ 1,607,880

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