01 Communique Reports Second Quarter Fiscal 2017 Results and Provides an Update on its Patent Litigation with Citrix

TORONTO, ON – June 8, 2017. 01 Communique Laboratory Inc. (ONE:TSX-V) today announced results for its second quarter fiscal 2017, which ended April 30, 2017. The Company produced a profit for the quarter of $17,608 compared to a loss for second quarter 2016 of $216,006. The adjusted profit, which excludes non-cash expenses for stock-based compensation and depreciation, was $38,684 compared to a loss in 2016 of $79,883.

"We remain committed to our plan of continuing operations as well as pursuing the matter with Citrix Systems Inc. ("Citrix") until its conclusion," said Andrew Cheung, President and CEO for 01 Communique. "With respect to the lawsuit with Citrix, we filed a Notice to Appeal of the district court`s decision with the United States Court of Appeals for the Federal Circuit on March 30, 2017 and are progressing with the appeal process. We remain confident in the merits of our appeal."

An Update on the Company's Operations follows:

In addition to moving forward with the appeal process in its patent lawsuit against Citrix the Company plans to continue and work with Hitachi Solutions Create Ltd. to maximize potential revenue from the Japanese market. The Company reduced operating expenses significantly last year while still maintaining sufficient resources to meet these objectives. To assist in achieving this expense reduction the Company's executive management and board of directors continue to not draw a salary.

Revenue for the second quarter 2017 was $129,462 (2016 - $37,509), an increase of $91,953. Operating expenses for the second quarter 2017 were $97,679 (2016 - $299,953). Excluding non cash expenses for stock based compensation and depreciation the cash operating expenses for second quarter 2017 were $76,603 (2016 - $103,831) a reduction of $27,228. In addition the Company paid $10,000 (2016 - $10,000) interest on its debenture.

A Co-development agreement has been signed with Hitachi Solutions Create Ltd. to enhance DoMobile which is a remote access offering built on the Company's I'm InTouch platform and marketed exclusively in Japan by Hitachi Solutions Create Ltd. under agreement with the Company.

The Company completed the period with $88,551 of cash and cash equivalents. Subsequent to the end of the quarter the Company collected its receivable of $101,000 providing additional funds for operations.

On June 7, 2017 stock options were granted to members of the Company's executive management and directors. There were 885,000 stock options granted in total expiring on June 7, 2021, with an exercise price of $0.05 and vesting on December 7, 2021.

Background on the Company's patent lawsuit against Citrix:

In February 2006, the Company commenced a lawsuit in the United States District Court, Northern District of Ohio, Eastern Division, against Citrix alleging infringement by their GoToMyPC product line of the '479 Patent. On January 11, 2016 a jury trial commenced in the lawsuit with the jury reaching and returning a unanimous verdict on January 19, 2016. The Court entered Judgment as follows:

1. Defendants Citrix have not infringed claims 24 or 45 of 01 Communique's patent (United States Patent No. 6,928,479);

2. Claims 24 and 45 of United States Patent No. 6,928,479 are not invalid;

3. Plaintiff 01 Communique takes no damages from Citrix;

4. Except as set forth above or adjudicated through Summary Judgment, all other claims and counterclaims in this matter were dismissed;

5. On March 7, 2016 the Company filed post-trial motions with the District Court that presided over the trial. These included motions for renewed judgment as a matter of law and for a new trial.

6. On March 21, 2017 the District Court issued its order denying the Company's motion for judgment as a matter of law and for a new trial.

7. On March 30, 2017 the Company filed a Notice to Appeal the District Court's Order with the United States Court of Appeals for the Federal Circuit. The Company is working through this process and while the Company is confident in the merits of its appeal there can be no assurance that the Company will be successful in its appeal.

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 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)

	30-Apr-17	31-Oct-16
Assets		
Current assets		
Cash and cash equivalents	$ 88,551	$ 173,424
Accounts receivable	101,458	27,696
Prepaid expenses and other assets	19,325	6,975
	209,334	208,095
Plant and equipment	2,299	3,965
	$ 211,633	$ 212,060
Liabilities & Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	$ 520,072	$ 522,119
Deferred revenue	12,613	12,075
	532,685	534,194
Liability portion of Debenture	382,713	374,476
Shareholders' equity		
Share capital	40,832,777	40,832,777
Contributed surplus	5,384,155	5,311,155
Equity portion of Debenture	47,111	47,111
Deficit	(46,967,808)	(46,887,653)
	(703,765)	(696,610)
	$ 211,633	$ 212,060

01 Communique Laboratory Inc.
SELECTED FINANCIAL INFORMATION
Consolidated Statements of Operations and Comprehensive Income
For the 3 and 6 month periods ended April 30, 2017 and 2016
(Unaudited)

	for the 3 months ending		*for the 6 months ending*	
	30-Apr-17	*30-Apr-16*	*30-Apr-17*	*30-Apr-16*
Revenue	$ 129,462	$ 37,509	$ 137,093	$ 47,003
Cost of revenue	-	-	-	-
	129,462	37,509	137,093	47,003
Expenses (income):				
Selling, general and administrative	76,493	189,328	162,527	453,089
Patent litigation and re-examination expenses	-	-	-	-
Research and development	21,186	50,625	26,511	239,078
Interest	(19)	(59)	(27)	(763)
	97,660	239,894	189,011	691,404
Loss before interest and accretion on liability component of debenture	$ 31,802	$ (202,385)	$ (51,918)	$ (644,401)
Interest on debenture	10,000	10,000	20,000	20,000
Accretion on liability portion of debenture	4,194	3,620	8,237	7,110
Profit (Loss) for the period and comprehensive loss	$ 17,608	$ (216,005)	$ (80,155)	$ (671,511)
Profit (Loss) per common share				
Basic	$ 0.001	$ (0.003)	$ (0.001)	$ (0.010)
Diluted	$ 0.001	$ (0.003)	$ (0.001)	$ (0.010)
Weighted average number of common shares				
Basic	66,543,807	66,543,807	66,543,807	66,443,807
Diluted	66,543,807	66,543,807	66,543,807	66,443,807

01 Communique Laboratory Inc.
SELECTED FINANCIAL INFORMATION
Consolidated Statements of Cash Flows
For the 3 and 6 month periods ended April 30, 2017 and 2016
(Unaudited)

	three months ending		six months ending	
	30-Apr-17	*30-Apr-16*	*30-Apr-17*	*30-Apr-16*
Cash provided by (used in):				
Operating activities:				
Loss for the period	$ 17,608	$ (216,005)	$ (80,155)	$ (671,511)
Adjustments to reconcile the profit (loss) for the period to net cash flows from operating activities				
Depreciation	576	1,322	1,665	2,877
Stock-based compensation	20,500	134,800	73,000	277,690
Accretion on liability portion of debenture	4,194	3,620	8,237	7,110
Interest paid on debenture	10,000	10,000	20,000	20,000
Interest income	(19)	(59)	(27)	(763)
Change in non-cash working capital	(70,804)	(35,519)	(87,620)	(22,713)
	(17,945)	(101,841)	(64,900)	(387,310)
Interest income received	19	59	27	763
	(17,926)	(101,782)	(64,873)	(386,547)
Financing activities:				
Issue of common shares	-	-	-	123,000
Interest paid on debenture	(10,000)	(10,000)	(20,000)	(20,000)
Investing activities:				
Purchase of capital assets	-	-	-	(655)
Increase (decrease) in cash	(27,926)	(111,782)	(84,873)	(284,202)
Cash and cash equivalents, beginning of period	116,477	378,785	173,424	551,205
Cash and cash equivalents, end of period	$ 88,551	$ 267,003	$ 88,551	$ 267,003

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