
4D Virtual Space Ltd.

(Formerly Alibaba Innovations Corp.)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIODS ENDED

SEPTEMBER 30, 2015 AND SEPTEMBER 30, 2014

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED-PREPARED FOR MANAGEMENT PURPOSES ONLY)

NOTICE TO READER

REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying unaudited interim condensed consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

4D Virtual Space Ltd.
(Formerly Alibaba Innovations Corp.)
Interim Condensed Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

(Unaudited-prepared for management purposes only)

As at	Note	September 30 2015 \$	December 31 2014 \$
ASSETS			
Current			
Cash		17,715	191,745
Accounts receivable		21,464	22,626
Prepaid expenses		4,032	-
Note receivable	3	28,978	28,978
		72,188	243,349
LIABILITIES			
Current			
Accounts payable and accrued liabilities		90,421	18,270
Shareholders' Deficit			
Share Capital	6	466,400	460,400
Contributed surplus		20,900	20,900
Deficit		(505,533)	(256,221)
		(18,233)	225,079
Total liabilities and equity		72,188	243,349
Nature of operations and continuance of business	1		
Subsequent event	9		
Approved on behalf of the Board			
<i>Signed : " Robert Komarechka"</i>		<i>Signed : " Binh Vu"</i>	
Director		Director	

The accompanying notes are integral to these interim condensed consolidated financial statements

4D Virtual Space Ltd.
(Formerly Alibaba Innovations Corp.)

Interim Condensed Consolidated Statements of Operations and Comprehensive Loss
(Expressed in Canadian Dollars)

(Unaudited-prepared for management purposes only)

	Nine months ended September 30,	
	2015	2014
	\$	\$
Acquisition costs	50,000	-
Exploration and evaluation expenditures	9,500	129,568
Consulting fees	15,840	54,000
Stock option compensation	-	20,900
Video preparation and programming	13,750	-
Insurance	8,064	12,096
Travel and investor relations	2,892	11,285
Transfer agent and filing fees	27,309	2,500
Professional fees	119,249	7,500
Office and general	2,707	167
Total Expenses	249,312	238,016
Net loss and comprehensive loss for the period	(249,312)	(238,016)
Weighted average number of outstanding common shares	69,835,822	34,191,581
Net Loss per common share - basic and diluted	(0.004)	(0.007)

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4D Virtual Space Ltd.
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Interim Condensed Consolidated Statements of Changes in Equity

(Expressed in Canadian Dollars)

(Unaudited-prepared for management purposes only)

	Shares issued and subscribed		Contributed surplus	Deficit	Total
	Number of shares	Amount			
	#	\$	\$	\$	\$
Balance at January 1, 2014	102	100	-	-	100
Cash - common	13,500,000	270,000	-	-	270,000
Valuation of options granted	-	-	20,900	-	20,900
Exploration and evaluation assets	17,060,000	85,300	-	-	85,300
Services	2,750,000	55,000	-	-	55,000
Loss for the period	-	-	-	(238,016)	(238,016)
Balance at September 30, 2014	33,310,102	410,400	20,900	(238,016)	193,284
Cash - common	500,000	50,000	-	-	50,000
Loss for the period	-	-	-	(18,205)	(18,205)
Balance at December 31, 2014	33,810,102	460,400	20,900	(256,221)	225,079
Shares issued on amalgamation (note 1)	36,009,145	-	-	-	-
Exploration and evaluation assets (note 5)	100,000	6,000	-	-	6,000
Loss for the period	-	-	-	(249,312)	(249,312)
Balance at September 30, 2015	69,919,247	466,400	20,900	(505,533)	(18,233)

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4D Virtual Space Ltd.
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Interim Consolidated Statement of Cash Flows
(Expressed in Canadian Dollars)

(Unaudited-prepared for management purposes only)

	Nine months ended September 30,	
	2015	2014
CASH (USED IN) PROVIDED BY :		
Operating activities		
Net loss for the period	(249,312)	(238,016)
Adjustment for :		
Common shares issued for services	-	55,000
Stock-based compensation	-	20,900
Exploration and evaluation expenditures	6,000	85,300
	(243,312)	(76,816)
Net change in non-cash working capital		
Changes in operating assets and operating liabilities:		
(Increase)in prepaid expenses	(4,032)	-
(Increase) decrease in accounts receivable	1,162	(7,171)
Increase(decrease) in accounts payable and accrued liabilities	72,151	7,610
Net cash used in operating activities	(174,030)	(76,377)
Cash flows from investing activities		
Shares issued	-	270,100
Net cash provided by investing activities	-	270,100
Increase(decrease) in cash	(174,030)	193,723
Cash, beginning of period	191,745	-
Cash, end of period	17,715	193,723
NON-CASH INVESTING AND FINANCING ACTIVITIES :		
Shares issued for exploration and evaluation expenditures (see Note 5(ii))	6,000	85,300
Common shares issued for services	-	55,000

The accompanying notes are integral to these interim condensed consolidated financial statements

4D Virtual Space Ltd.
(Formerly Alibaba Innovations Corp.)
Notes to the Interim Condensed Consolidated Financial Statements
(Expressed in Canadian Dollars)

(Unaudited-prepared for management purposes only)

1. NATURE OF OPERATIONS AND GOING CONCERN

Alibaba Innovations Corp.'s ("AIC" or the "Company") precursor company, Cuprum Coating Acquisition Corp., was incorporated under the laws of British Columbia on September 19, 2013 and has been inactive since that time. On December 11, 2014, the Company changed its name from Cuprum Coating Acquisition Corp. to Alibaba Innovations Corp. The Company's head office is located at 545 Granite Street, Sudbury, Ontario, P3C 2P4.

On January 30, 2015, the Company completed a three-cornered amalgamation with Alibaba Graphite Corp. ("AGC") wherein the two companies were amalgamated and became listed on the Canadian Stock Exchange ("CSE") under the symbol "ABJ". Pursuant to the amalgamation, ABJ completed a forward stock split of its existing share capital consisting of 14,403,698 common shares on the basis of two and one-half for every one outstanding resulting in 36,009,145 shares and issued 33,810,102 to the existing shareholders of Alibaba Graphite Corp. for a total of 69,819,247 post amalgamation.

On June 26, 2015 the Company changed its name from Alibaba Innovations Corp. to 4D Virtual Space Ltd. ("AIC") pursuant to the Company entering into an agreement on May 26, 2015 to acquire 100% of the authorized share capital of a private company ("Privco"), whereby Privco will become a wholly-owned subsidiary of the Company. This transaction is subject to regulatory approval to complete the acquisition. Privco is in the business of creating and developing a virtual space platform for use in the real estate development industry. On July 31, 2015 the Company amended the previously amended closing date for the agreement to acquire Privco from July 31, 2015 to October 31, 2015 and subsequently to December 31, 2015.

The trading in the shares of the Company has been halted pending regulatory approval for the above transaction as it is considered to be a "Material Event" by the regulators which requires a new listing application to be approved.

These financial statements reflect the operations of AIC and AGC on a consolidated basis. AGC is a mineral exploration company specifically engaged in the exploration of prospective high purity graphite properties in northern Ontario. Going forward the Company will be involved both in mineral exploration through its subsidiary, AGC, and in the business of creating and developing a virtual space platform for use in the real estate development industry through Privco, once regulatory approval has been given.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company's continuing operations, as intended, and its financial success may be dependent upon the extent to which it can successfully raise the capital to implement the investment plan. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

The success of the Company is dependent upon certain factors that may be beyond management's control. If the Company is unable to fund its investments or otherwise fails to invest in an active business, its business, financial condition or results of operations could be materially and adversely affected. All of these facts raise uncertainty about the Company's ability to continue as a going concern. The Company's ability to launch its operations, as intended is dependent on its ability to obtain necessary financing and raise capital sufficient to cover its exploration and other costs. These financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and liabilities that might be necessary should the Company be unable to continue in existence.

4D Virtual Space Ltd.
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Notes to the Interim Condensed Consolidated Financial Statements
(Expressed in Canadian Dollars)

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2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's reporting for the nine months ended September 30, 2015.

(b) Basis of presentation

These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these consolidated financial statements are based on IFRS issued and outstanding as of November 27, 2015, the date the Board of Directors approved the statements. These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments that have been measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended December 31, 2014, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2015 could result in restatement of these unaudited condensed interim financial statements.

(c) Recent accounting pronouncements

The following accounting pronouncements have been released but have not yet been adopted by the Company.

IFRS 9 - Financial instruments ("IFRS 9")

In November 2009, the IASB issued, and subsequently revised in October 2010, IFRS 9 as a first phase in its ongoing project to replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9, which is to be applied retrospectively, will be effective as of January 1, 2018.

IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. Management has not yet determined the potential impact the adoption of IFRS 9 will have on the Company's financial statements.

4D Virtual Space Ltd.
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

IFRS 11 - Joint Arrangements ("IFRS 11")

IFRS 11 was amended in May 2014 to require business combination accounting to be applied to acquisitions of interests in a joint operation that constitute a business. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted.

IAS 1 - Presentation of Financial Statements ("IAS 1")

IAS 1 was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted.

3. PREPAID EXPENSES AND SUNDRY RECEIVABLES

	As at September 30, 2015 \$	As at December 31, 2014 \$
Accounts receivable	10,000	15,000
Prepaid expenses	4,032	-
Sales tax recoverable	11,464	7,626
	25,496	22,626

(1) Note Receivable

On December 12, 2014, the Company advanced US\$25,000 to a third party under a promissory note that matures on December 31, 2015. The terms of the note requires interest of 5% payable on maturity along with the outstanding principal.

4. INVESTMENT IN WHOLLY OWNED SUBSIDIARY

On May 29, 2015 the Company entered into a definitive agreement with an arm's length third party to acquire all of the issued and outstanding shares of a private company ("Privco") in exchange for 60,000,000 shares of the Company and \$400,000 in cash. \$50,000 in cash was paid upon the signing of the agreement in the form of a non-refundable deposit, in addition the following terms are part of the acquisition agreement:

(1) a further \$50,000 portion of the cash portion of the purchase price was amended to be payable by the Issuer on the earlier of:

- (a) September 30, 2015; and
- (b) the Issuer raising capital of \$750,000 or more cumulatively from the date of the Agreement; and

On June 26, 2015 the Company amended the original closing date of May 29, 2015 to July 31, 2015. On July 31, 2015 the Company amended the previously amended closing date for the agreement to acquire Privco from July 31, 2015 to October 31, 2015, which has subsequently been extended to December 31, 2015. The date for the payment of the second amount for \$50,000 that was due as indicated above has also been extended to December 31, 2015.

Privco is in the business of creating and developing a virtual space platform for use in the real estate development industry. The completion of this agreement is subject to regulatory approval.

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5. EXPLORATION AND EVALUATION EXPENDITURES

	September 30,		September 30,	
	2015	2014	2015	2014
	\$	\$	\$	\$
The Maverick and Hearst Property				
Geological fees	-	-	-	10,000
Data collection	-	-	-	30,000
Mineral property rights	-	-	6,000	85,300
	-	-	6,000	125,300
Fraserdale Property				
Staking fees	-	-	3,000	-
	-	-	9,000	125,300

On January 29, 2014 the Company paid \$85,300 for a 100% undivided legal and beneficial interest in and all right and title to the Option on the Maverick and Hearst Property (the Hearst Property later referred to as the Feagan Lake or WestZen Property), which was satisfied by the issuance of an aggregate of 17,060,000 common shares in the common shares of the Company at an attributed value of \$0.005 per common share on the Closing Date. In addition, the Company granted a net returns royalty effective as of the exercise of the Option. The Company granted a one and one-half percent (1.5%) Net Returns Royalty from any production on the Property payable in favour of the original two vendors on a 50/50 basis, in addition to a one and one-half percent (1.5%) Net Returns Royalty from any production on the Property payable in favour of the original claimholder of the Hearst Property. The Maverick Graphite Property has a three percent (3%) Net Returns Royalty from any production on the Property payable in favour of only the original claimholders.

The Maverick Graphite Property is an early stage exploration project located approximately 60 kilometres north of Smooth Rock Falls, Ontario. The property is located in the Porcupine Mining Division, District of Cochrane at 81°31'18.78"W and 49°49'4.71"N (NTS 41-I/14) or in NAD 83 co-ordinates, 462457.30 m E and 5518523.29 m N, Zone 17U.

The property consists of 5 contiguous unpatented mining claims composed of 23 claim units covering approximately 368 hectares in Avon Township. There are no work commitment obligations on the property. As of the date of this report all terms of the Option Agreement have been met and this Agreement is in good standing.

In June 2015, 100,000 common shares with a value of \$6,000 were issued in order to maintain its WestZen mining claim option for an additional year. The WestZen property is located on geophysical magnetic low anomalies as shown on government maps. The property lies 7-11 kilometres west of Zenyatta Ventures Ltd.'s high purity graphite property. Within the last year, partly under the terms of an option to Xmet Inc., Xmet undertook more detailed airborne geophysical surveys over most of the area.

See Subsequent Events (note 9).

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6. SHARE CAPITAL

(a) Authorized:

Unlimited number of common shares

(b) Issued: common shares

	Note	#	\$
Opening balance at, January 1, 2015		33,810,102	460,400
Issued on amalgamation	(i)	36,009,145	-
Option maintenance shares issued	(ii)	100,000	6,000
		69,919,247	466,400

(i) Amalgamation shares

On January 30, 2015, the Company completed a three-cornered amalgamation with Alibaba Graphite Corp. ("AGC") wherein the two companies were amalgamated and became listed on the Canadian Stock Exchange ("CSE") under the symbol "ABJ". Pursuant to the amalgamation, ABJ completed a forward stock split of its existing share capital consisting of 14,403,698 common shares on the basis of two and one-half for every one outstanding resulting in 36,009,145 shares and issued 33,810,102 to the existing shareholders of Alibaba Graphite Corp. for a total of 69,819,247 post amalgamation.

(ii) Option maintenance

In June 2015, 100,000 common shares with a value of \$6,000 were issued in order to maintain its WestZen mining claim option for an additional year. The WestZen property is located on geophysical magnetic low anomalies as shown on government maps. The property lies 7- 11 kilometres west of Zenyatta Ventures Ltd.'s high purity graphite property. Within the last year, partly under the terms of an option to Xmet Inc., Xmet undertook more detailed airborne geophysical surveys over most of the area.

(c) Stock Options

The Company has a stock option plan ("the Plan") under which options to purchase common shares may be granted to officers, directors, employees and non-employees of the Company. The term of any options granted under the Plan will be fixed by the board of directors at the time such options are granted, provided that options will not be permitted to exceed a term of five years. The exercise price of any option granted under the Plan may not be less than fair market value (e.g., the prevailing market price) of the common shares at the time the option is granted, less any permitted discount.

All options are non-transferable. The options are subject to earlier termination upon the termination of the optionee's employment, upon the optionee ceasing to be a director, officer, or consultant of the Company, or upon the retirement, permanent disability or death of an optionee.

All issued options are vested at the date they are granted.

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6. SHARE CAPITAL (continued)

(c) Stock Options (continued)

No options were issued during the period.

The fair value of the options has been estimated using the Black-Scholes pricing option model. The assumptions used for the valuation of the respective options were:

<u>Option Assumptions</u>	<u>2014</u>
Dividend yield	-
Expected Volatility	138%
Risk free interest rate	1.62%
Expected option term - years	5

The following table summarizes information about stock options outstanding and exercisable at September 30, 2015:

	<u>As at September 30,</u>				
	<u>2015</u>		<u>2014</u>		
	<u>Number of options outstanding</u>	<u>Weighted average exercise price</u>	<u>Number of options outstanding</u>	<u>Weighted average exercise price</u>	<u>Black Scholes Value</u>
	<u>#</u>	<u>\$</u>	<u>#</u>	<u>\$</u>	<u>\$</u>
Outstanding, beginning of period	6,100,000	0.05	-	-	-
Granted during the period	-	-	6,100,000	0.05	20,900
Cancelled during the period	(200,000)	0.05	-	-	-
Outstanding, end of period	5,900,000	0.05	6,100,000	0.05	20,900

The number of common shares issuable under options and the average option prices per share are as follows:

<u>Weighted Average Remaining Contractual Life</u>	<u>Fair Value of Options</u>	<u>Number of options and exercisable options</u>	<u>Exercise Price</u>	<u>Expiry date</u>
<u>Years</u>	<u>\$</u>	<u>#</u>	<u>\$</u>	
3.375	20,900	5,900,000	0.05	19-Feb-19

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>As at September 30, 2015</u>	<u>As at December 31, 2014</u>
	<u>\$</u>	<u>\$</u>
Trade payables	56,262	-
Accrued liabilities	34,159	18,270
	90,421	18,270

4D Virtual Space Ltd.
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Notes to the Interim Condensed Consolidated Financial Statements
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8. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Key management personnel include executive officers and non-executive directors. At this time executive officers are not paid a salary but participate in the Company's stock option program. The executive officers include the Chief Executive Officer, and the Chief Financial Officer. Non-executive directors also participate in the Company's stock option program. To this end the Company issued stock options in 2014 valued at \$20,900. As of September 30, 2015, the Company owes no money to executives of the Company for unpaid salaries and wages. A significant amount of the work required by the Company is undertaken on a contract basis by unrelated highly qualified companies and individuals.

9. SUBSEQUENT EVENTS

Option on the Maverick and Hearst Property
(The Hearst Property also referred to as the Feagan Lake or WestZen Property)

As a result of unfavourable geophysical survey results, the Hearst WestZen claim option was returned to the original claimholders on October 15, 2015. The return of these claims alleviated the obligations of Alibaba Graphite Corp. from undertaking \$42,000 in assessment work, issuing 100,000 of the Company's common shares, paying \$10,000 and paying management fees to hold the property for another year. The return of the Company's pro-rated interest in the property has resulted in a reduction of 53% of its previous land holdings. In addition the joint venture agreement with Xmet Inc. on these claims has been terminated.