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

Management's Discussion and Analysis
For the nine month period ended September 30, 2015
As at November 30th, 2015

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INTRODUCTION

The following discussion and analysis ("MD&A") is a review of operations, current financial position and outlook for 4D Virtual Space Ltd. (Formerly Alibaba Innovations Corp.) (the "Company" or "4DVS") and should be read in conjunction with the nine-month period interim condensed consolidated unaudited financial statements of the Company for the period ended September 30, 2015 including other pertinent events subsequent to that date up to and including November 30th, 2015. The following information should be read in conjunction with the audited consolidated financial statements for the year ending December 31, 2014, which have been prepared in accordance with International Financial Reporting Standards ("IFRS), consistently applied. Amounts are reported in Canadian dollars.

This MD&A provides managements view of the financial condition of the Company and the results of its operations for the reporting periods indicated. Additional information related to 4DVS is available as filed on the Canadian Securities Administrators' website at www.sedar.com.

FORWARD-LOOKING INFORMATION

Certain statements contained in the following MD&A and elsewhere constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect Management's analysis only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth in the Company's filings and herein. Additional information regarding the Company, including copies of the Company's continuous disclosure materials is available through the SEDAR website at www.sedar.com.

The table below sets forth the significant forward-looking information included in this MD&A:

Forward-Looking Information	Key Assumptions	Most Relevant Risk Factors
Prospective high purity graphite properties	The Company will be able to locate and fund exploration of these properties	The Company has disclosed that this may be difficult. Failure to find and fund exploration to prove up these properties will materially impact the Company's ability to continue. This is an ongoing concern
Creating and developing a virtual space platform for use in the real estate development industry.	The Company will be able to fund this platform	The Company has disclosed that this may be difficult. Failure to find and fund this platform will materially impact the Company's ability to continue. This is an ongoing concern

DESCRIPTION OF BUSINESS

The Company was solely a junior mineral exploration company focused on the discovery, acquisition, evaluation and enhancement of natural resource opportunities primarily in North America, until 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 on October 31, 2015 renewed this again to November 13, 2015 and on November 27, 2015 has renewed the agreement to December 31, 2015. The Company will continue its mineral exploration projects along with developing the virtual space platform.

The Company was incorporated under the laws of British Columbia on September 19, 2013 and has been inactive from that time up until December 11, 2014, when 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 an agreement transaction with Alibaba Graphite Corp. ("AGC") wherein the two companies were amalgamated and became listed on the Canadian Stock Exchange ("CSE") under the symbol "ABJ". AGC is a mineral exploration company specifically engaged in the exploration of prospective high purity graphite properties primarily in the region north of Hearst, Ontario.

On January 30, 2015, the Company completed a three-cornered amalgamation pursuant to an amalgamation agreement dated as of May 16, 2014 with AGC, a private Ontario company, and 2417435 Ontario Limited, a wholly-owned subsidiary of the Company. Pursuant to the amalgamation agreement, the Company agreed to issue an aggregate of 36,009,245 common shares to the shareholders of Alibaba Innovations Corp. and 33,810,002 common shares to the shareholders of AGC upon listing on the CSE.

As a result of the amalgamation with AGC, Alibaba Innovations Corp. acquired or has rights to 5 properties with graphite potential in Northern Ontario. Two of the three properties (the WestZen Properties), near the hydrothermal graphite discovery of Zenyatta Ventures Ltd., north of the town of Hearst, have been optioned to Xmet Inc., who have financed the VTEM airborne geophysics recently undertaken on these properties and earned a joint venture interest on these properties. The other property held by the Company is the Maverick Graphite Property located north of the town of Cochrane. Alibaba Innovations Corp. is also actively reviewing additional properties for opportune development at minimal cost and risk to the shareholder.

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.

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

As a result of the amalgamation with AGC the Company acquired interest in a number of mineral claims. The following gives a history, background and current status of these properties.

On January 29, 2014 AGC 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, which was satisfied by the issuance of an aggregate of 17,060,000 common shares in the common shares of AGC at an attributed value of $0.005 per common share on the Closing Date. In addition, AGC 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 (WestZen) Property. The Maverick Graphite Property has a three percent (3%) Net Returns Royalty from any production on the Property payable in favour of the original claimholders.

On February 7-9 2014, 4 additional claims were staked adjacent to the one existing claim of the Maverick Property. It was agreed that this staking, was to be paid by issuance of 210,000 shares of AGC as per the terms of the earlier Jan 29, 2014 purchase agreement. These additional claims were also subject to a 3% NSR due to it being included in the area of influence of the first initial claimstakers of the Maverick Property.

On February 24, 2014 an NI 43-101 report was prepared by Dean G. MacEachern, P.Geo. for AGC covering the current 5 claims on the 100% AGC owned Maverick Property.

On March 12, 2014 AGC purchased VTEM survey data that was partially flown over the North Block of the WestZen Hearst claims by Xmet Inc. (Xmet) as well as 4 adjacent Xmet mining claims carrying a 2 % net returns royalty. The above was acquired for a fee of $30,000 and 1,500,000 shares of AGC priced at $0.05/share. The AGC shares having a hold period of four months and a day from 4DVS's listing date.

On June 18, 2014 4DVS arranged an option on their West Block Claims with Xmet Inc. This option enabled Xmet Inc. to acquire a 65% interest in the AGC West Block Claims for:

1) undertaking a low level VTEM survey over all the claims,
2) return of the 1,500,000 Alibaba shares held in trust from the previous March 12, 2014 purchase,
3) returning of the purchased Xmet claims to Xmet, and
4) undertaking a low level VTEM survey over the West Block Claims.
5) Xmet further agreed to cover the cash payments of up to $20,000 on the original claimholder's option agreement for all the Hearst claims and undertake all assessment requirements to maintain the West Block Claims in good standing during this agreement.
6) On September 17, 2014 AGC arranged to option their WestZen Southwest Block Claims to Xmet. The option stipulated Xmet Inc. would obtain a 50% interest in these claims on performing a partial VTEM survey over the Southwest Block with AGC covering the cost of mobilization and demobilization. Xmet Inc. further agreed to undertake all assessment requirements to maintain the claims in good standing during this agreement.

In December, 2014 Xmet Inc. also paid the first annual installment of $10,000 to the original claimholders on the WestZen Property. As a result of these options and agreements, the ownership of the WestZen and Maverick Property is now as shown in the following table:

Township/ Area	Property	Area	Claim Number	Units	Ha	Claim Due Date	Alibaba Percent
AVON TP	Maverick	Maverick	4267292	2	32	2015-Nov-08	100%
AVON TP	Maverick	Maverick	4270188	1	16	2016-Feb-13	100%
AVON TP	Maverick	Maverick	4270189	4	64	2016-Feb-13	100%
AVON TP	Maverick	Maverick	4270227	12	192	2016-Feb-13	100%
AVON TP	Maverick	Maverick	4276727	4	64	2016-Feb-13	100%
Total		**Maverick**		**23**	**368**		
FEAGAN LAKE AREA	WestZen	North Block	4278003	8	128	2016-Oct-16	100%
FEAGAN LAKE AREA	WestZen	North Block	4278004	16	256	2016-Oct-16	100%
FEAGAN LAKE AREA	WestZen	North Block	4278005	16	256	2016-Oct-16	100%
Total		**North Block**		**40**	**640**		
FEAGAN LAKE AREA	WestZen	Midwest Block	4278006	4	64	2016-Oct-16	35%
FEAGAN LAKE AREA	WestZen	Midwest Block	4278007	9	144	2016-Oct-16	35%
FEAGAN LAKE AREA	WestZen	Midwest Block	4278008	4	64	2016-Oct-16	35%
FEAGAN LAKE AREA	WestZen	Midwest Block	4278009	12	192	2016-Oct-16	35%
		Midwest Block		**29**	**464**		
FEAGAN LAKE AREA	WestZen	Southwest Block	4271208	16	256	2016-Aug-06	50%
FEAGAN LAKE AREA	WestZen	Southwest Block	4278010	4	64	2016-Oct-16	50%
FEAGAN LAKE AREA	WestZen	Southwest Block	4278011	8	128	2016-Oct-16	50%
FEAGAN LAKE AREA	WestZen	Southwest Block	4278012	8	128	2016-Oct-16	50%
Total		**Southwest Block**		**36**	**576**		
Total All Areas				**128**	**2,048**		

Notes:
The Feagan Lake Area claims are located 6-11km northwest of Hearst Ontario and are known as the WestZen Property comprised of 3 noncontiguous claim blocks. The WestZen blocks with less than 100% are held in a joint venture with Xmet Inc. who earned their interest through a cash payment to the original claimholders as part of their option agreement and undertaking helicopter EM surveys over these blocks to assist the evaluation of the property and for assessment purposes.

Note: AGC: Alibaba Graphite Corp. Xmet: Xmet Inc. 4DVS: 4D Virtual Space Ltd.

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.

Partly under the terms of an option to Xmet Inc., Xmet undertook more detailed airborne geophysical surveys and analysis over most of the area.

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.

FINANCING

In June 2015 the Company announced a private placement to raise up to $1,500,000 (the "Offering") comprised of up to 30,000,000 units (the "Units") at a price of $0.05 per Unit. Each Unit will consist of one common share (each a "Share") of the Issuer and one-half of one common share purchase warrant (each, a "Warrant"). Each whole Warrant will entitle the holder to acquire one Share (a "Warrant Share") at a price of $0.075 per Warrant Share for a period of two (2) years. Further, the Issuer may pay a finder's fee in connection with the Offering of up to 8% of the gross proceeds received by the Issuer for the issuance of the Units and attributable to the finder, payable in cash and finder's warrants to acquire so many common shares of the Issuer as equals 8% of the number of securities sold under the Offering at a price of $0.05 per Share. All securities issued under the Offering will be subject to a four-month hold period. The Offering is subject to receipt of all applicable regulatory approvals.

The raising of these funds has been delayed as the CSE has not yet approved the re-listing of the company.

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

(2) the closing of the acquisition was extended to prior 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.

At the date of this MD&A, 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.

SELECTED QUARTERLY INFORMATION

The financial information below reflects the consolidated figures of both Alibaba Innovations Corp. and AGC and the later amalgamated entity, Alibaba Innovations Corp.

Quarter ended	Total revenue	Net Earnings(Loss) and Comprehensive Earnings (Loss)				Total assets	Total long-term liabilities	Working Capital/(Deficit)
		Loss for the period	Write down and impairment of evaluation and exploration assets	Loss before income taxes and write down of exploration and evaluation assets	Per Share (i)			
		$	$	$	$	$	$	$
Sept 30,2015	-	(98,508)	-	(98,508)	(0.001)	72,188	-	(18,233)
June 30, 2015	-	(118,425)	-	(118,425)	(0.002)	111,606	-	80,275
March 31,2015	-	(32,378)	-	(32,378)	(0.001)	209,609	-	192,701
Dec 31,2014	-	(18,205)	-	(18,205)	(0.005)	243,349	-	225,079
Sept 30,2014	-	(4,401)	-	(4,401)	(0.001)	179,423	-	163,338
June 30,2014	-	(22,409)	-	(22,409)	(0.004)	205,295	-	189,210
March 31,2014	-	(218,706)	85,300	(133,406)	(0.008)	231,156	-	212,494

(i) On a non-diluted basis

Factors Affecting Quarterly Results:

Quarterly variances occur mainly due to the recorded impairment of exploration and evaluation assets, which were $9,000 for the second quarter of 2015 (second quarter of 2014 - $Nil), the main factors affecting the third quarter expenses are legal fees incurred from creating the new platform, legal fees to re-list the Company because of the additional type of business, the regulatory costs due to seasonal factors, administrative costs and fees related to specific projects, property maintenance, business partnerships, and levels of exploration activities.

RESULTS OF OPERATIONS

The Company has no revenue or operating cash flow. As a result of its activities, the Company continues to incur net losses. For the nine months ended September 30, 2015, the Company's net loss and comprehensive loss was $249,312 compared to a net loss of $241,115 for the nine month period ended September 30, 2014.

The main components of the Company's loss were:

	Nine months ended September 30, 2015	2014
	$	$
Acquisition costs	50,000	-
Exploration and evaluation expenditures	9,500	125,300
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	10,884
Transfer agent and filing fees	27,309	2,500
Professional fees	119,249	15,000
Office and general	2,707	435
Total Expenses	249,312	241,115

The past few years have been extremely difficult for junior exploration companies, and a realization that the current market for junior exploration companies especially requires the need to conserve cash more than ever. This has been managed against the costs associated with the parallel need to manage a compliant public company and the maintenance of its assets in good standing. As a result, a change of direction, has been made by the company, away from the mining industry to an opportunity in creating a virtual space platform for use in the real estate development industry, at the same time maintaining the assets acquired under the mining umbrella.

In 2015, $50,000 was paid as a non-refundable deposit pursuant to the agreement to acquire Privco. See details above.

In the second quarter of 2015, professional fees were paid of $42,311, which included amounts incurred for extra-ordinary fees of $14,505 for professional services to process the re-listing of the Company with the Canadian Stock Exchange (the "CSE") due to the transaction with Privco which is a "Material Event".

The balance of the costs were for year end 2015 audit and accounting fees, in addition $13,500 has been accrued for the 2015 year end estimated auditing fees. Approval is pending from the CSE for re-listing.

In the third quarter of 2015, further professional fees have been incurred in regard to the re-listing of the Company amounting to $60,536. In addition $28,750 has been incurred for programming and video production costs for the development of the virtual space platform.

Fees to complete the re-listing of the Company were $12,500, there are further fees yet to be recorded of approximately $9,000 to complete the listing. There were no significant variations in the other general and administration expenses in 2015 compared to 2014.

MINERAL PROPERTY EXPENDITURES

From the date of incorporation of January 29, 2014 to September 30, 2015, the following expenditures were incurred on the Company's mineral exploration properties.

	WestZen Hearst Claims		Maverick North Cochrane Claims		Fraserdale Claims((i)	
	$	Shares	$	Shares	$	Shares
Balance, pre January 29, 2014	-	-	-	-	-	-
Acquisition of WestZen Claims	-	16,350,000 @0.005/share =$81,750	-	500,000 @ 0.005share =$2,500	-	-
Staking 4 Maverick Claims	-	-	-	210,000 @ $.005/share =$1,050	-	-
Maverick NI43-101 Report	-	-	10,000	-	-	-
VTEM Data Purchase	30,000	-	-	-	-	-
Totals	$30,000	$81,750	$10,000	$3,550	-	-
Property Totals at December 31, 2014	**$111,750**		**$13,550**		-	-
March 31, 2015 Staking of the Fraserdale Claims	-	-	-		3,000	-
	-	-	-		-	-
June 30, 2015 Annual option share issuance of the WestZen Claims	-	100,000 @ 0.06share =$6,000	-		-	-
Property Totals at September 30, 2015	**$117,750**		**$13,550**		**$3,000**	

(i) The Fraserdale claims are not owned by the Company at this time, these costs are for exploration only with a view to acquisition.

Although the above total exploration expenses spent by the Company were $134,300 on these properties, additional expenses for geophysical airborne expenses were incurred on the WestZen Claims in the Hearst Area by Xmet Inc., as well as their $10,000 payment to the original WestZen claimholders. These amounts are not included in the above table.

THE MAVERICK GRAPHITE PROPERTY

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 1°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 the property is in good standing.

From information in the NI43-101 the property contains an East-West conductor that has been drilled with graphite being encountered. The core description of the graphite is stated as a vein variety. A follow-up field examination and pending exploration program is being planned for this summer.

THE WESTZEN HEARST PROPERTY

The WestZen Hearst Property, also referred to as the Feagan Lake Claims, consists of 3 separate noncontiguous blocks of claims named the North Block, the West Block and the Southwest Block comprising a total of 11 claims totaling 1,424 Hectares. The property is located 8-12 kilometres northwest of Zenyatta's recently discovered hydrothermal graphite discovery and about 75 kilometres northwest of the town of Hearst. Because of the nearby location of the WestZen Property and the current exploration activity in the area, two of the blocks were optioned by Xmet Inc. who then entered into a joint venture with AGC on these properties. Xmet Inc. is actively involved searching for graphite in the area and have undertaken significant expense in undertaking VTEM surveys over the WestZen Property.

As a result of unfavourable geophysical survey results, the WestZen Hearst 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.

LIQUIDITY AND CAPITAL RESOURCES

On February 28, 2014, 4DVS completed a non-brokered private placement for 13,500,000 common shares at a price of $0.02 per share for gross proceeds of $270,000. On November 15, 2014, as part of the listing requirements for the Company, an additional $50,000 gross proceeds was raised through a non-brokered private placement form the issuance of 500,000 additional shares at a price of $0.10. In February, 2015 $5,000 was received from subscriptions receivable from the non-brokered private placement. As of September 30, 2015 4DVS had a cash balance of $17,715.

In June 2015 the Company announced a private placement to raise up to $1,500,000 (the "Offering") comprised of up to 30,000,000 units (the "Units") at a price of $0.05 per Unit. Each Unit will consist of one common share (each a "Share") of the Issuer and one-half of one common share purchase warrant (each, a "Warrant"). Each whole Warrant will entitle the holder to acquire one Share (a "Warrant Share") at a price of $0.075 per Warrant Share for a period of two (2) years. Further, the Issuer may pay a finder's fee in connection with the Offering of up to 8% of the gross proceeds received by the Issuer for the issuance of the Units and attributable to the finder, payable in cash and finder's warrants to acquire so many common shares of the Issuer as equals 8% of the number of securities sold under the Offering at a price of $0.05 per Share. All securities issued under the Offering will be subject to a four-month hold period. The Offering is subject to receipt of all applicable regulatory approvals.

Currently the Company has a non-capital loss carried forward of $150,019 which expires in 2034, available to reduce income otherwise taxable in future years.

OUTSTANDING SHARE DATA

The table below shows the outstanding share capital of the Company as of September 30, 2015:

Common Shares	69,919,247
Options	5,900,000
Warrants	-
Fully Diluted Share Capital	75,819,247

OFF-BALANCE SHEET ARRANGEMENTS

None are applicable at this time, however with mineral exploration, obligations for environmental, First Nation compliance and health and safety issues can create non reportable concerns. The Company hopes to minimize such situations by maintaining adequate insurance coverage, establishing honest and open communications and operating in a safe and responsible manner compliant with current standards as per the most recent applicable acts and regulations.

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.

ENVIRONMENTAL LIABILITIES

The Company is not aware of any environmental liabilities, obligations or responsibilities associated with the Company's mining interests.

ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

Statement of compliance

The 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 year ended December 31, 2014.

The unaudited condensed interim financial statements for the period ended September 30, 2015 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.

Basis of presentation

The policies applied in the consolidated financial statements are based on IFRS issued and outstanding as of November 30th, 2015, the date the Board of Directors approved the financial statements. The 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 the consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Basis of Consolidation

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. Subsequently extended 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 the region north of Hearst, 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.

The results of subsidiaries acquired or disposed of during the periods presented are included in the consolidated statement of loss and comprehensive loss from the effective date of acquisition and up to the effective date of disposal, as appropriate. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

Significant accounting judgments and estimates

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates

Significant assumptions about the future, that management has made, could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made. These relate to, but are not limited to, the following:

i) *Capitalization of exploration and evaluation assets*

Management has determined that exploration and evaluation costs incurred during the year on the WestZen property do not have future economic benefits and are not economically recoverable. In making this judgement, management has assessed various sources of information including but not limited to the geological and geophysical information, history of conversion of mineral deposits to proven and probable mineral reserves, location and feasibility studies, proximity of operating facilities, operating management expertise and existing permits.

ii) *Impairment of exploration and evaluation assets*

While assessing whether any indications of impairment exist for exploration and evaluation assets, consideration is given to both external and internal sources of information. Information the Company considers includes changes in the market, economic and legal environment in which the Company operates that are not within its control that could affect the recoverable amount of exploration and evaluation assets.

Internal sources of information include the manner in which the assets are being used or are expected to be used and indications of expected economic performance of the assets. Estimates include but are not limited to estimates of the discounted future cash flows expected to be derived from the Company's properties, costs to sell the properties and the appropriate discount rate. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company's exploration and evaluation assets.

For the third quarter ended September 30, 2015, an impairment charge on exploration and evaluation assets of $9,500 was recorded.

iii) *Income taxes and recoverability of potential deferred tax assets*

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are within the Company's control, are feasible and are within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets or liabilities recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

iv) *Share-based payments*

Management determines costs for share-based payments using the Black-Scholes option pricing model. The fair value of the market-based and performance-based share awards are determined at the date of grant and incorporate certain input assumptions including the future volatility of the stock price, expected dividend yield, and expected life. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Critical accounting judgments

i) *Provision for income taxes*

Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax- related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

ii) *Categorization of financial assets and liabilities*

The categorization of financial assets and liabilities is an accounting policy that requires management to make judgements or assessments.

New accounting standards and interpretations

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

IFRS9-Financial instruments ("IFRS9")
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 consolidated financial statements.

IFRS11-Joint Arrangements ("IFRS11")

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.

IAS1-Presentation of Financial Statements ("IAS1")

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.

CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company considers its capital to be equity, comprising share capital and reserves net of deficit which at September 30, 2015 totaled negative $18,233 (December 31, 2014 –$225,079). The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new shares, and acquire or dispose of assets to adjust the amount of cash and cash equivalents.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including but not limited to source and use of capital and general industry conditions.

The Company's capital management objectives, policies and processes have remained unchanged during the period ended September 30, 2015.

PROPERTY AND FINANCIAL RISK FACTORS

The Company is exposed to property risk and a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risks) as explained below.

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

(a) Property risk

Unless the Company acquires or develops additional material properties, the Company will be mainly dependent upon the existing projects. If no additional major mineral exploration properties are acquired by the Company, any adverse development affecting these projects would have a material adverse effect on the Company's financial condition and results of operations.

(b) Financial risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate and commodity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit risk

The Company's credit risk is primarily attributable to cash and cash equivalents and sundry receivables. The Company has no significant concentration of credit risk arising from operations. Cash and cash equivalents consist of short-term deposits, which have been invested with reputable financial institutions, from which management believes the risk of loss to be minimal. Sundry receivables consist of harmonized sales tax due from the Federal Government of Canada. Sundry receivables of $21,464 are in good standing as of September 30, 2015 and represent the maximum credit exposure. Management believes that the credit risk concentration with respect to sundry receivables is minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company’s liquidity and operating results may be adversely affected if the Company’s access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or as a result of conditions specific to the Company. As at September 30, 2015, the Company had cash and cash equivalents of $17,715 (December 31, 2014 - $191,745) to settle current liabilities of $90,421 (December 31, 2014 - $18,270). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk

(i) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its banks.

(ii) Commodity price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold, copper, silver, lead, zinc and molybdenum to determine the appropriate course of action to be taken by the Company.

(c) Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a twelve month period.

Cash equivalents include deposits at call which are at variable rates. As at September 30, 2015, if interest rates had decreased/increased by 1% with all other variables held constant, the loss for the quarter ended September 30, 2015 would have been approximately $200 higher/lower, as a result of lower/higher interest income from cash equivalents. Similarly, as at September 30, 2015, reported shareholders' deficit would have been approximately $200 lower/higher as a result of lower/higher interest income from cash equivalents due to a 1% decrease/increase in interest rates.

Commodity price risk could adversely affect the Company. In particular, the Company’s future profitability and viability of development depends upon the world market price of gold, copper, silver, lead and zinc. Gold, copper, silver, lead and zinc prices have fluctuated significantly in recent years. There is no assurance that, even as commercial quantities of gold, copper, silver, lead and zinc may be produced in the future, a profitable market will exist for them. As of September 30, 2015, the Company was not a gold, copper, silver, lead and zinc producer. As a result, gold, copper, silver, lead and zinc price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

RISK FACTORS

Due to the nature of the Company’s business, it is subject to various financial, environmental and operational risks that should be carefully considered by readers. In addition to other information set forth elsewhere in the Consolidated Financial Statements, readers should carefully review the following risk factors.

Credit risk

The Company assesses the potential losses of its prepaid and sundry receivables and maintains a provision for losses based on their estimated realizable value.

Exploration, Development and Mining Risks

Resource exploration, development and operations are highly speculative, characterized by a number of significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. Unusual or unexpected formations, formation pressures, fires, power and water outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the conduct of exploration programs. The Company will rely upon consultants and others for exploration and development expertise.

The Company's projects are in the exploration stages only and are each without a known body of commercial ore. Development of the Company's projects would follow only if favourable exploration results are obtained. The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines.

No assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot accurately be predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

The Company will carefully evaluate the political and economic environment in considering any properties for acquisition. There can be no assurance that additional significant restrictions will not be placed on the Company's projects and any other properties the Company may acquire or its operations. Such restrictions may have a material adverse effect on the Company's business and results of operation.

Title to Mineral tenure

The Company believes it has taken reasonable measures to ensure that title to the mineral tenure is held as described in this Filing Statement. There is no guarantee that title to any of the mineral tenures covering the Company's projects will not be challenged or impaired. No assurances can be given that title defects to the mineral tenure do not exist. The mineral tenures and the land to which they apply may be subject to prior unregistered agreements, or interests and title may be affected by undetected defects. There may be valid challenges to the title of any of the mineral tenures covering the Company's projects that, if successful, could impair development and/or operations. A defect could result in the Company losing all or a portion of its right, title and interest in and to the properties to which the title defect relates.

Uninsurable Risks

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons.

Environmental and Safety Regulations and Risks

All of the Company's operations will be subject to environmental regulations, which can make operations expensive or prohibit them altogether.

The Company may be subject to potential risks and liabilities associated with pollution of the environment and the disposal of waste products that could occur as a result of its mineral exploration, development and production. In addition, environmental hazards may exist on a property in which the Company directly or indirectly holds an interest which are unknown to the Company at present which have been caused by previous or existing owners or operators of the property. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties.

To the extent the Company is subject to environmental liabilities, the payment of such liabilities or the costs that it may incur to remedy environmental pollution would reduce funds otherwise available to it and could have a material adverse effect on the Company. If the Company is unable to fully remedy an environmental problem, it might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy. The potential exposure may be significant and could have a material adverse effect on the Company.

There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. The Company intends to minimize potential risks and liabilities associated with pollution of the environment and the disposal of waste products by taking steps to ensure compliance with environmental, health and safety laws and regulations and operating to international environmental standards. There is also a risk that the environmental laws and regulations in China may become more onerous, making the Company's operations in that country more expensive.

Future Profits/Losses and Production Revenues/Expenses

There can be no assurance that significant losses will not occur in the near future or that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years as consultants, personnel and equipment associated with advancing exploration, development and, if warranted, commercial production of the Company's projects and any other properties the Company may acquire are added as needed. The amounts and timing of expenditures will depend on the progress of ongoing exploration and development, the results of consultants' analyses and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners, and the Company's acquisition of additional properties and other factors, many of which are beyond the Company's control. The Company does not expect to receive revenues from operations in the foreseeable future, if at all. The Company expects to incur losses unless and until such time as the Company's projects and any other properties the Company may acquire enter into commercial production and generate sufficient revenues to fund its continuing operations. The development of the Company's projects and any other properties the Company may acquire will require the commitment of substantial resources to conduct the time-consuming exploration and development of the properties. There can be no assurance that the Company will generate any revenues or achieve profitability. There can be no assurance that the underlying assumed levels of expenses will prove to be accurate.

The international mining industry is highly competitive and the Company competes with other mining companies, many of which have greater resources and experience. Competition in the precious metals mining industry is primarily for: mineral rich properties which can be developed and can produce economically; the technical expertise to find, develop and operate such properties; the labour to operate the properties; and the capital for the purpose of funding such properties. Many competitors not only explore for and mine precious metals, but also conduct refining and marketing operations on a worldwide basis. Such competition may result in the Company being unable to acquire desired properties, to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop its properties. The Company's inability to compete with other mining companies for these resources would have a material adverse effect on the Company's results of operation and business.

Key Employees

The Company will depend on a number of key employees, the loss of any one of whom could have an adverse effect on the Company.

Fluctuating Mineral Prices

Commodity prices are highly volatile and factors beyond the control of the Company may affect the marketability of metals discovered, if any. Metal prices have fluctuated widely, particularly in recent years. The effect of these factors cannot be predicted.

Conflicts of Interest

The Company's directors and officers may serve as directors or officers of other natural resource companies or companies providing services to the Company or they may have significant shareholdings in other resource companies. Situations may arise where the directors and/or officers of the Company may be in competition with the Company. Any conflicts of interest will be subject to and governed by the law applicable to directors' and officers' conflicts of interest. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms.

From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In accordance with applicable laws, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Limited Operating History

There is no assurance that the Company will earn profits in the future, or that profitability, if achieved, will be sustained. If the Company does not have sufficient capital to fund its operations, it may be required to forego certain business opportunities. The Company may also have a reduced interest or lose its interest in the properties.

Future Capital Requirements

The Company will require additional financing in order to grow and expand its operations. It is possible that required future financing will not be available or, if available, will not be available on favourable terms. If the Company issues treasury shares to finance its operations or expansion plans, control of the Company may change and shareholders may suffer dilution of their investment. If adequate funds are not available, or are not available on acceptable terms, the Company may not be able to take advantage of opportunities, or otherwise respond to competitive pressures and remain in business.

Management of Growth

Any expansion of the Company's business may place a significant strain on its financial, operational and managerial resources. There can be no assurance that the Company will be able to implement and subsequently improve its operations and financial systems successfully and in a timely manner in order to manage any growth it experiences. There can be no assurance that the Company will be able to manage growth successfully. Any inability of the Company to manage growth successfully could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company may expand its operations through the acquisition of additional businesses, products or technologies that it believes will complement its current or future business. There can be no assurance that the Company will be able to identify, acquire or profitably manage additional businesses or successfully integrate any acquired businesses, products or technologies into the Company without substantial expenses, delays or other operational or financial problems. Furthermore, acquisitions involve a number of special risks, including diversion of management's attention, failure to retain key acquired personnel, unanticipated events or circumstances, and legal liabilities, some or all of which could have a material adverse effect on the Company's business, results of operations and financial condition. In addition, there can be no assurance that the Company can complete any acquisition it pursues on favourable terms, that any acquired businesses, products or technologies will achieve anticipated revenues and income, or that any acquisitions completed will ultimately benefit the Company's business. An acquisition could also result in a potentially dilutive issuance of equity securities. If a strategy of growth through acquisition is pursued, the failure of the Company to manage this strategy successfully could have a material adverse effect on the Company's business, results of operations and financial condition.

Government Regulations

The Company may be subject to various laws, regulations, regulatory actions and court decisions that may have negative effects on the Company. Changes in the regulatory environment imposed upon the Company could adversely affect the ability of the Company to attain its corporate objectives.

Share Price Volatility

The market price of the Company Shares is highly volatile and may be significantly affected by factors such as actual or anticipated fluctuations in the Company's operating results, announcements of technological innovations, changes in estimates or analysis by securities analysts, new exploration projects by the Company or its competitors, government regulatory action, general market conditions and other factors.

OUTLOOK

The Company is dependent on obtaining financing for the exploration and development of its mineral properties and any new projects. The Company needs to secure funding in order to continue operating and to its properties in good standing. Management is currently exploring various financing alternatives in order to fund its planned exploration activities. Given the current market in which junior exploration mining companies find themselves, this has been an incredibly difficult task. There is no assurance that such financing will be available when required, or under favourable terms.