4D Virtual Space Ltd.

(Formerly Alibaba Innovations Corp.)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED

DECEMBER 31, 2015 AND DECEMBER 31, 2014

(EXPRESSED IN CANADIAN DOLLARS)

Stern & Lovrics LLP
Chartered Accountants

Samuel V. Stern, BA, CPA, CA
George G. Lovrics, BComm, CPA, CA
CPA (Illinois)

Nazli Dewji, BA, CPA, CMA

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of 4D Virtual Space Ltd. (formerly Alibaba Innovations Corp.)

We have audited the accompanying consolidated financial statements of 4D Virtual Space Ltd. (formerly Alibaba Innovations Corp.), which comprise the consolidated statements of financial position as at December 31, 2015 and 2014, and the consolidated statements of loss and comprehensive loss, changes in equity, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of 4D Virtual Space Ltd. (formerly Alibaba Innovations Corp.) as at December 31. 2015 and 2014 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describe certain conditions that give rise to substantial doubt about the Company’s ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Stern & Lovrics LLP

Toronto, Ontario
April 28, 2016

Chartered Accountants
Licensed Public Accountants

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Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

As at	Note	December 31 2015 $	December 31 2014 $
ASSETS			
Current			
Cash		**7,475**	191,745
Accounts receivable	**5**	**17,693**	22,626
Prepaid expenses	**5**	**1,008**	-
Note receivable	**6**	**-**	28,978
		26,176	243,349
LIABILITIES			
Current			
Accounts payable and accrued liabilities		**94,265**	18,270
Shareholders' Deficit			
Share Capital	**8**	**466,400**	460,400
Share based payments reserve	**8**	**20,900**	20,900
Deficit		**(555,389)**	(256,221)
		(68,089)	225,079
Total liabilities and equity		**26,176**	243,349

Nature of operations and continuance of business **1**
Subsequent event **14**

Approved on behalf of the Board

Signed : " Robert Komarechka"	*Signed : " "Binh Vu"*
Director	Director

The accompanying notes are integral to these consolidated financial statements

4D Virtual Space Ltd.
(Formerly Alibaba Innovations Corp.)
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Note	Year ended December 31 2015	2014
		$	$
EXPENSES			
Professional fees		122,104	19,000
Transaction costs	9	50,000	-
Transfer agent and filing fees		31,792	2,500
Loss on note receivable		28,978	-
Consulting fees		23,340	54,000
Video preparation and programmimg		16,750	-
Insurance		11,088	12,096
Exploration and evaluation expenditures	7	9,500	132,515
Travel and investor relations		2,892	10,884
Office and general		2,724	4,326
Stock option compensation		-	20,900
Total Expenses		299,168	256,221
Net loss and comprehensive loss for the year		(299,168)	(256,221)
Weighted average number of outstanding common shares		69,877,990	34,191,581
Net Loss per common share - basic and diluted		(0.004)	(0.007)

The accompanying notes are integral to these consolidated financial statements

4D Virtual Space Ltd.
(Formerly Alibaba Innovations Corp.)
Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Shares issued and subscribed		Reserves		
	Number of shares	Amount	Share-based payments reserve	Deficit	Total
	#	$	$	$	$
Balance at January 1, 2014	102	100	-	-	100
Shares issued:					-
Cash - common	14,000,000	320,000	-	-	320,000
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 year	-	-	-	(256,221)	(256,221)
Balance at December 31, 2014	33,810,102	460,400	20,900	(256,221)	225,079
Shares issued:					
Shares issued on amalgamation(8(b)(v)	36,009,145	-	-	-	-
Exploration and evaluation assets (Note 7)	100,000	6,000	-	-	6,000
Loss for the year	-	-	-	(299,168)	(299,168)
Balance at December 31, 2015	**69,919,247**	**466,400**	**20,900**	**(555,389)**	**(68,089)**

The accompanying notes are integral to these consolidated financial statements

4D Virtual Space Ltd.
(Formerly Alibaba Innovations Corp.)
Consolidated Statement of Cash Flows
(Expressed in Canadian Dollars)

	Year ended December 31, 2015	2014
CASH (USED IN) PROVIDED BY :		
Operating activities		
Net loss for the year	**(299,168)**	(256,221)
Adjustment for :		
Common shares issued for services	**-**	55,000
Loss on note receivable	**28,978**	
Stock-based compensation	**-**	20,900
Exploration and evaluation expenditures	**6,000**	85,300
	(264,190)	(95,021)
Net change in non-cash working capital		
Changes in operating assets and operating liabilities:		
(Increase)in prepaid expenses	**(1,008)**	-
(Increase) decrease in accounts receivable	**4,933**	(22,526)
Increase(decrease) in accounts payable and accrued liabilities	**75,995**	18,270
Net cash used in operating activities	**(184,270)**	(99,277)
Investing activities		
Shares issued	**-**	320,000
Net cash provided by investing activities	**-**	320,000
Financing activities		
Loan receivable	**-**	(28,978)
		(28,978)
Increase(decrease) in cash	**(184,270)**	191,745
Cash, beginning of year	**191,745**	-
Cash, end of year	**7,475**	191,745
NON-CASH INVESTING AND FINANCING ACTIVITIES :		
Shares issued for exploration and evaluation expenditures (see Note 8(b) (ii))	6,000	85,300
Common shares issued for services	-	55,000

The accompanying notes are integral to these consolidated financial statements

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 agreement terminated on December 31, 2015 and the Company has since entered into a new agreement to acquire Privco, dated January 14, 2016. 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.

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 provided.

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 Company has a working capital deficit at December 31, 2015 of $68,089 and an accumulated deficit of $555,389 (2014 - $256,221).

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.

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"), The policies applied in these financial statements are based on IFRSs issued and outstanding as of April 28th, 2016, the date the Board of Directors approved the statements.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the revaluation of certain financial assets to fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

In the preparation of these consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of expenses during the period. Actual results could differ from these estimates. Of particular significance are the estimates and assumptions used in the recognition and measurement of items included in Note 2 (e).

(c) Basis of Consolidation

The consolidated financial statements include the accounts of 4D Virtual Space Ltd (Formerly Alibaba Innovations Corp.) (the "Company") and its wholly owned subsidiary Alibaba Graphite Corp.The results of subsidiaries acquired or disposed of during the years 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.

(d) Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

(e) Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Assumptions and estimation uncertainties that have a significant risk of resulting material adjustment within the next financial year are as follows:

(i) Income taxes and recoverability of potential deferred tax assets

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Income taxes and recoverability of potential deferred tax assets (continued)

Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(ii) 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 incorporates Black- Scholes input assumption's including the future volatility of the stock price, expected dividend yield, and expected life. Such judgements and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

(f) Financial instruments

Financial assets and liabilities are initially recognized at fair value plus any directly attributable transaction costs except for those which are designated at fair value through profit or loss.

(i) Non-derivative financial assets

The Company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has the legal right to offset amounts and intends to either settle on a net basis or to realize the asset and settle the liability simultaneously.

Financial assets at fair value through profit or loss:

Financial assets are classified as fair value through profit or loss when the financial asset is held for trading or it is designated as fair value through profit or loss. A financial asset is classified as held for trading if: (i) it has been acquired principally for the purpose of selling in the near future; (ii) it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit taking; or (iii) it is a derivative that is not designated and effective as a hedging instrument.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) Non-derivative financial assets (continued)

Financial assets classified as fair value through profit or loss are stated at fair value with any gain or loss recognized in profit or loss. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset. The Company classifies cash as fair value through profit or loss.

Held-to-maturity investments:

Held-to-maturity investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. The Company does not have any assets classified as held-to-maturity investments.

Available-for-sale financial assets:

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale equity instruments, are recognized in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognized, the cumulative gain or loss in other comprehensive income is transferred to profit or loss. Available-for-sale financial assets are comprised of marketable securities. The Company does not have any assets classified as available-for-sale.

Loans and receivables:

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. Accounts receivable and loan receivable are classified as loans and receivables.

Impairment of financial assets:

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income or loss are reclassified to profit or loss in the period. Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted. For marketable securities classified as available-for-sale, a significant or prolonged decline in the fair value of the securities below their cost is considered to be objective evidence of impairment.

For all other financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, such as amounts receivable, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of amounts receivable, where the carrying amount is reduced through the use of an allowance account. When an amount receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Non-derivative financial assets (continued)

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. In respect of available-for-sale equity securities, impairment losses previously recognized through profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade at which the Company becomes a party to the contractual provisions of the instrument.

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company has the following non-derivative financial liabilities: accounts payable and accrued liabilities.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

(ii) Derivative financial instruments:

The Company does not have any derivative financial instruments.

(g) Exploration and evaluation expenditures

The Company expenses exploration and evaluation expenditures as incurred in mineral properties not commercially viable and financially feasible. Exploration and evaluation expenditures include acquisition costs of mineral properties, property option payments and evaluation activities.

Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

Exploration and evaluation expenditures are capitalized if the Company can demonstrate that these expenditures meet the criteria of an identifiable intangible asset. To date, no such exploration and evaluation expenditures have been identified and capitalized.

(h) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

The Company has no material provisions at December 31, 2015 and December 31, 2014.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Share capital

Common shares

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

(j) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss, except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized with regards to the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Deferred taxes are recognized as income or expense in profit or loss, except to the extent that tax arises from transactions recognized in equity. Therefore, when deferred taxes relate to equity items, a backwards tracing is necessary to determine the adjustment to taxes (e.g. change in tax rates and change in valuation allowance) that should be recorded in equity. For this purpose, the accounting policy of the Company is to first allocate changes in valuation allowance to capital losses due to share issuance costs before non-capital losses carryforwards.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(k) Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding, adjusted for own shares held, for the effects of all dilutive potential common shares, which share options granted to employees and directors.

These potential common shares are not included in the calculation of the weighted average number of outstanding shares for diluted loss per common share when the effect would be anti-dilutive.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) New standards and interpretations not yet adopted

IFRS 9 – Financial instruments ("IFRS 9") was issued by the IASB in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). 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. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

(m) Restoration, rehabilitation and environmental obligations:

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pretax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage that is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

As at December 31, 2015 has no material restoration, rehabilitation and environmental costs as the disturbance to date is minimal.

3. CAPITAL RISK MANAGEMENT

The Company's objective in managing capital is to ensure continuity as a going-concern as well as to safeguard its ability to continue its acquisition and exploration programs. The Company manages its capital structure and makes adjustment to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares and acquire or sell mining properties to improve its financial performance and flexibility.

The Company considers its capital to be equity, which comprises share capital, reserves, accumulated other comprehensive loss and accumulated deficit, which at December 31, 2015, totalled $(555,389) (December 31, 2014 - $256,221).

To effectively manage the Company's capital requirements, the Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has appropriate liquidity to meet its operating and growth objectives. As needed, the Company raises funds through private placements or other equity financings. The Company does not utilize long-term debt as the Company does not currently generate operating revenues. There is no dividend policy.

The Company's management of capital remained unchanged since the prior year.

4. FINANCIAL RISK MANAGEMENT

Fair value

Certain of the Company's accounting policies and disclosures require the determination of fair value. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that financial asset or financial liability.

4. FINANCIAL RISK MANAGEMENT (continued)

Fair value (continued)

In establishing fair value, the Company uses a fair value hierarchy based on levels as defined below:
- Level 1: defined as observable inputs such as quoted prices in active markets.
- Level 2: defined as inputs other than quoted prices in active markets that are either directly or indirectly observable.
- Level 3: defined as inputs that are based on little or no observable market data and, therefore, requiring entities to develop their own assumptions.

The carrying values of short-term financial assets and liabilities, which include trade accounts receivable, other receivables, trade accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these items. As of December 31, 2015 and December 31, 2014, all financial instruments held at fair value are considered to be level 1 under the fair value hierarchy.

Financial risk

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

(i) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash, trade accounts receivable and other receivables. Cash is held with a select major Canadian chartered bank, from which management believes the risk of loss to be minimal. Trade accounts receivable and other receivables consist of receivables from unrelated companies. Amounts receivable are in good standing as of December 31, 2015. Management believes that the credit risk with respect to these amounts receivable is minimal.

(ii) 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 its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at December 31, 2015, the Company had cash of $7,475 (December 31, 2014 - $191,745) to settle trade accounts payable and accrued liabilities of $94,265 (December 31, 2014 - $18,270) the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity. As discussed in Note 1, the Company's ability to continually meet its obligations is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing. To date the Company has been unsuccessful in securing additional financing in an extremely weak junior exploration company capital market. Management is continuing in its efforts to secure a financing and believes it will be successful.

(iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

(a) Interest rate risk

The Company has cash and cash equivalent balances and no variable interest-bearing debt. The Company's current policy is to invest excess cash in guaranteed investment certificates issued by a Canadian chartered bank with which it keeps its bank accounts. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its Canadian chartered bank.

(b) Foreign currency risk

The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is nil.

(Expressed in Canadian Dollars)

4. FINANCIAL RISK MANAGEMENT

Financial risk (continued)

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:

(i) Cash is subject to floating interest rates. The Company has no variable debt and receives low interest rates on its cash and cash equivalents balances. As such, the Company does not have significant interest rate risk.

5. PREPAID EXPENSES AND SUNDRY RECEIVABLES

	As at December 31, 2015	As at December 31, 2014
	$	$
Accounts receivable	**10,000**	15,000
Prepaid expenses	**1,008**	-
Sales tax recoverable	**7,693**	7,626
	18,701	22,626

6. 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. The Company was unable to collect on this note and recorded a loss of $28,978 in 2015.

7. EXPLORATION AND EVALUATION EXPENDITURES

	Year ended December 31	
	2015	**2014**
	$	$
The Maverick and Hearst Property		
Geological fees	500	17,215
Data collection	-	30,000
Mineral property rights	6,000	85,300
	6,500	132,515
Fraserdale Property		
Staking fees	3,000	-
	9,500	132,515

(Expressed in Canadian Dollars)

7. EXPLORATION AND EVALUATION EXPENDITURES (continued)

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

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.

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.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.

On November 9, 2015 the 2 unit Maverick claim 4267292 was allowed to expire.

8. SHARE CAPITAL

(a) Authorized:

Unlimited number of common shares

(b) Issued: common shares

		#	$
Opening balance, January 29, 2014		-	-
Issued on incorporation		102	100
Issued for cash under private placements	(i)	14,000,000	320,000
Issued for mineral property rights	(ii)	17,060,000	85,300
Issued for services	(iii)	2,750,000	55,000
Balance, December 31, 2014		33,810,102	460,400
Issued on amalgamation	(iv)	36,009,145	-
Option maintenance shares issued	(v)	100,000	6,000
Closing balance, December 31, 2015		69,919,247	$ 466,400

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (continued)

(i) Private Placements

On February 28, 2014, the Company completed a non-brokered private placement for 13,500,000 common shares in the Company at the price of $0.02 per share for gross proceeds of $270,000.

(ii) Issued for Mineral Property Rights

On January 29, 2014, 17,060,000 common share of the Company were issued at $0.005 per share with a total value of $85,300 to acquire mineral rights.

(iii) Issued for Services

During the period, the Company paid for consulting services to two arms-length parties by the issue of 2,750,000 common shares for an amount of $55,000.

(iv) 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.

(v) 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.

(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. No options were issued during the 2015 year. The fair value of the options issued in 2014 has been estimated using the Black-Scholes pricing option model. The assumptions used for the valuation of the respective options were:

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

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (continued)

(c) Stock Options (continued)

On February 19, 2014, the Company granted an aggregate of 6,100,000 stock options to officers, directors and other service providers of the Company, with each such stock option entitling the holder thereof to acquire one common share of Alibaba at an exercise price of $0.05 for a period of five years. All options vested immediately. The estimated fair value of the 6,100,000 options has been estimated at the grant date using the Black-Scholes option pricing model, using the above assumptions. The total estimated fair value was determined to be $20,900. For the period ended December 31, 2014 the impact on stock-based compensation was $20,900.

The following table summarizes information about stock options outstanding and exercisable at December 31, 2015:

	As at December 31,				
	2015		2014		
	Number of options outstanding	**Weighted average exercise price**	Number of options outstanding	Weighted average exercise price	Black Scholes Value
	#	**$**	#	$	$
Outstanding, beginning of year	**6,100,000**	**0.05**	-	-	
Granted during the year	**-**	**-**	6,100,000	0.05	20,900
Cancelled during the year	**(200,000)**	**0.05**	-	-	-
Outstanding, end of year	**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:

Weighted Average Remaining Contractual Life	Fair Value of Options	Number of options and exercisable options	Exercise Price	Expiry date
Years	$	#	$	
3.125	20,900	5,900,000	0.05	19-Feb-19

9. TRANSACTION COSTS

The Company paid $50,000 as transaction costs for the acquisition of Privco. As these costs are non refundable, they were recorded in the statement of operations.

10. 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 December 31, 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.

(Expressed in Canadian Dollars)

11. NET LOSS PER COMMON SHARE

The calculation of basic and diluted loss per share for the year ended December 31, 2015 was based on the loss attributable to common shareholders of $299,168 (year ended December 31, 2014 - loss of $256,221) and the weighted average number of common shares outstanding of 69,835,822 (year ended December 31, 2014 - 34,191,581). Diluted loss per share did not include the effect of the stock options and warrants as they are anti-dilutive.

12. SEGMENTED INFORMATION

The Company's operations in the current year comprised a single reporting operating segment engaged mainly in mineral exploration in Canada. As the operations were transitioning away from mineral exploration in the current year with no definitive additional reporting segment, the company's activities were still reported as a single reporting segment. In order to determine reportable operating segments, the chief operating decision maker reviews various factors including nature of operations, geographical location, quantitative thresholds and managerial structure.

13. INCOME TAXES

The following table reconciles the expected income tax expense at the Canadian Federal and Provincial statutory rate of 26.00% (2014 - 26.00%) to the amounts recognized in the statements of operations:

Year ended December 31,	2015	2014
	$	$
Expected income tax recovery	(77,784)	(66,617)
Tax effect of:		
Change in valuation allowance	58,547	27,565
Transaction and other costs	16,767	-
Stock based compensation	-	5,434
Exploration and evaluation assets	2,470	33,618
Income tax provision	-	-

Deferred tax assets have not been recognized above as it is not probable that future taxable profit will be available against which the Company can utilize benefits therefrom.

The significant components of the Corporation's Canadian unrecognized deferred income tax assets are as follows:

	As At Dec 31 2015	As at Dec 31 2014
	$	$
Deferred income tax assets:		
Non-capital loss	87,779	26,730
Resource deductions	36,088	33,618
Other	9,750	
	133,617	60,348
Unrecognized deferred tax assets	(133,617)	(60,348)
	-	-

(Expressed in Canadian Dollars)

13. INCOME TAXES (continued)

As at December 31, 2015, the Company has $337,610 of non capital losses which can be used to reduce taxable income in future years. These losses expire as follows:

Year	$
2034	126,920
2035	210,690
	337,610

14. SUBSEQUENT EVENTS

(1) In its news release issued on May 29, 2015, the Company announced that it has entered into an agreement to acquire all of the issued and outstanding shares of a private company (“Privco”). This agreement was terminated on December 31, 2015 and the Company has since entered into a new agreement to acquire Privco, dated January 14, 2016.

In consideration for the acquisition, the Company will issue 39,300,001 shares (the “Purchase Shares”), pay $400,000 in cash (the “Purchase Cash”) and grant 20,000,000 performance warrants to Privco shareholders. The Purchase Shares will be issued on closing of the acquisition on a pro rata basis. $100,000 of the Purchase Cash will be paid to the former sole shareholder of Privco, Griffis Capital, and $300,000 will be divided pro rata among the Privco shareholders.

The performance warrants will be granted to the Privco shareholders on a pro rata basis, with each warrant exercisable into one common share in 4DVS for a period of five years from the grant date at a price of $0.05 per share, upon the occurrence of the earlier of:

(i) Privco having secured contracts for Privco’s services having a value equal to the aggregate of a minimum of $2,000,000; or

(ii) 4DVS raising capital of $5,000,000 or more cumulatively from the date Company has entered into a new agreement to acquire all of the issued and outstanding shares of a private company (“Privco”).

The above transaction is subject to regulatory and shareholder approval.

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

(2) On February 9, 2016 the 4 remaining claims of the Maverick Property were allowed to expire. As at April 28, 2016, the company holds no mining claims.