Supreme Metals Corp.

Form 2A
LISTING STATEMENT

Dated December 19, 2016

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Glossary of Terms

The following is a glossary of certain terms used in this Listing Statement and in certain documents attached as schedules hereto.

"**Advisory Committee**" means the committee of advisors, appointed by the Board, who will provide assistance to the Company with respect to operations on the Shotgun Property; initially to be each of the Owners.

"**AGC**" means Alibaba Graphite Corp., the wholly owned subsidiary of the Company.

"**Auditors**" means Stern & Lovrics L.L.P., Chartered Professional Accountants, the auditors of the Company.

"**BCBCA**" means the *Business Corporations Act* (British Columbia) including the regulations thereunder, as amended.

"**Board**" means the board of directors of the Company.

"**CEO**" means an individual who acted as our chief executive officer, or acted in a similar capacity, for any part of the most recently completed financial year.

"**CFO**" means an individual who acted as our chief financial officer, or acted in a similar capacity, for any part of the most recently completed financial year.

"**Common Shares**" or "**Shares**" means the common shares without par value in the capital of the Company.

"**Company**" or "**Issuer**" means Supreme Metals Corp.

"**Claim unit**" means an area of mineral rights equal to 16 hectares in Ontario.

"**CSE**" means the Canadian Securities Exchange.

"**Financing**" means the recent non-brokered private placement undertaken by the Company, of 14,640,000 units at $0.05 per unit to raise $732,000 (each unit comprised of one Share and one Share purchase warrant exercisable at $0.05 for two years).

"**Finder's Fee**" means the 500,000 Shares paid by the Issuer to an arm's length third party as consideration for the finder introducing the Issuer to the Owners and the Shotgun Property, and for assisting in negotiating and settling the Property Option Agreement.

"**Listing Statement**" means this CSE Form 2A Listing Statement.

"**NI 43-101**" means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.

"**NSR**" means net smelter returns royalty.

"**Owners**" mean the three persons who own the Shotgun Property, being Mr. Dev Rishy-Maharaj, Mr. Christopher Ryan and Mr. Michael Adam Blady.

"**Property Option Agreement**" means the agreement dated August 8, 2016 between the Owners and AGC whereby AGC was granted the option to acquire a 100% interest in the Shotgun Property, subject only to a 3% NSR.

"**Related Person**" has the meaning ascribed thereto in CSE Policy 1.

"**Shotgun Property**" means those 24 claims in three mineral titles, totaling 492.73 hectares located approximately 60 km northwest of the town of Pemberton, B.C.; being the subject of the Property Option Agreement.

"**Technical Report**" means the NI 43-101 compliant technical report of the Shotgun Property entitled "NI 43-101 Technical Report - Shotgun Property" dated July 31, 2016 and prepared by David Hladky, P.Geol., an independent Qualified Person as defined by NI 43-101.

Forward-Looking Statements

The information provided in this Listing Statement, including information incorporated by reference, may contain "forward-looking statements" about the Company or its operations. In addition, certain statements may be made in future filings with Canadian securities regulatory authorities, in press releases, or in oral or written presentations that are not statements of historical fact and which may also constitute forward-looking statements. All statements, other than statements of historical fact, that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words. Forward-looking statements may relate to future financial conditions, results of operations, plans, objectives, performance or business developments. These statements speak only as of the date they are made and are based on information currently available and on then current expectations and assumptions concerning future events, which are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from that which was expressed or implied by such forward-looking statements, including, but not limited to, risks and uncertainties related to:

- the availability of financing opportunities, risks associated with economic conditions, dependence on management and conflicts of interest;
- the speculative nature of the mineral exploration sector;
- other risks described in this Listing Statement and described from time to time in Company documents filed with Canadian securities regulatory authorities.

Consequently, all forward-looking statements made in this Listing Statement and other Company documents are qualified by the cautionary statements made herein, and there can be no assurance that the anticipated results or developments will actually be realized or, even if realized, that they will have the expected consequences or effects. The cautionary statements contained or referred to in this section should be considered in connection with any subsequent written or oral forward-looking statements that the Company and/or persons acting on its behalf may issue. The Company assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required under securities legislation. See "Part 17 – Risk Factors".

2. Corporate Structure

Corporate Structure

Supreme Metals Corp. (the "Company") (formerly 4D Virtual Space Ltd.)

Head office: 545 Granite Street, Sudbury, Ontario, Canada P3C2P4

Registered office: 2900 – 595 Burrard Street, Vancouver, B.C. V7X 1J5

The Company was originally incorporated as "Cuprum Coating Acquisition Corp." under the laws of British Columbia on September 19, 2013. The Company became a reporting issuer in British Columbia and Alberta pursuant to and on closing of a plan of arrangement with WebWatcher Systems Ltd. in March 2014. On December 11, 2014, the Company's name was changed to "Alibaba Innovations Corp."

In January 2015, the Company completed a business transaction whereby (i) Alibaba Graphite Corp. ("AGC") became a wholly-owned subsidiary of the Company, (ii) a forward stock split of the Company's then existing share capital was completed, and (iii) new shares were issued to the former shareholders of AGC; such that upon completion, there were an aggregate of 69,819,247 Common Shares issued and outstanding. On January 30, 2015 the Company's Shares were then listed on the CSE under the symbol "ABJ".

On June 26, 2015 the Company's name was changed to "4D Virtual Space Ltd." in anticipation of closing a potential acquisition. That purchase failed to complete; and on November 3, 2016 the Company's name was changed to "Supreme Metals Corp."

The Issuer is requalifying following a fundamental change, being the entering into the Property Option Agreement to acquire an interest in the Shotgun Property, closing of the Financing to raise $732,000, and appointing new directors. The Company now holds an option to acquire a 100% interest in the Shotgun Property, and will be looking to (i) explore and develop the Shotgun Property, and (ii) acquire and explore other mineral property interests.

3. GENERAL DEVELOPMENT OF THE BUSINESS

The Property Option Agreement

On August 8, 2016, AGC entered the Property Option Agreement with the Owners to acquire the Shotgun Property. Under the terms of the agreement, AGC may earn a 100% interest in the three mineral blocks comprising the Shotgun Property, subject to a 3% NSR Royalty, by making a cash payment of $10,000, issuing 10,200,000 common shares, and completing $1,000,000 in exploration work by May 31, 2020.

Payment of the $10,000 to the Owners has been made; and the Company has issued 10,200,000 Shares as 4,400,000 to George Tsafalas, 4,400,000 to Jonathan Lareau, 400,000 to Mr. Rishy-Maharaj, 400,000 to Mr. Christopher Ryan and 600,000 to Mr. Michael Adam Blady.

The $1,000,000 in exploration must be completed on or before the following dates:

Date Completed By:	Amount
May 31, 2017	$50,000
December 31, 2018	$100,000

December 31, 2019	$300,000
December 31, 2020	$550,000
Total	**$1,000,000**

Excess expenditures from one year are able to be applied to subsequent years, and in the case of any shortfall in exploration expenditures in a given year the option can be maintained in good standing through making a payment equivalent to the shortfall to the Owners. Should the Company fail to incur the minimum exploration expenditures (or cash payment in lieu thereof) the option will terminate and the Company will earn no interest in the Property.

The Owners will retain a 3% NSR Royalty on the Property, of which the Company will have the right to purchase one-third (1% NSR) for $1.0 million at any time prior to the commencement of commercial production. Beginning on May 31, 2020, and annually thereafter, the Company will be required to make an Annual Advance Minimum Royalty (AAMR) payment of $100,000. The AAMR and NSR buyout payments will be adjusted annually according to the CPI with a base of May 31, 2020. The AAMR payments are deductible from future NSR payments.

Private Placement

In conjunction with the Property Option Agreement, the Issuer completed the Financing of 14,640,000 units at $0.05 per unit, to raise $732,000. Each unit consisted of one Share and one Share purchase warrant exercisable at $0.05 for two years.

Business History

In January / February, 2014, the Company acquired an interest in 23 claim units in Avon Township, known as the Maverick Graphite Property, and 105 claim units in the Feagan Lake Area known as the Hearst Graphite Property, all located in the Porcupine Mining Division of Ontario, which properties were prospective for graphite. In consideration for the mineral claims the Company issued 17,060,002 Shares and granted a 1.5% NSR in favour of the vendors. In June 2015 an additional 100,000 Shares were issued to keep the option in good standing.

In June and September 2014 the Company granted options to Xmet to acquire certain interests in the Company's graphite properties. During the fiscal year ended December 31, 2015, as a result of unfavourable geophysical survey results, the Hearst claim option was returned to the original claimholders, and all contracts with Xmet were terminated. Subsequently, all other claims or interests held by the Company in these graphite properties were cancelled or returned to the original claimholders. The Company holds no continued interest in these properties.

In May 2015 the Company announced its intention to acquire a private company ("Privco") involved in the in the business of creating and developing a virtual space platform for use in the real estate development industry; and in anticipation of closing that transaction, the Company changed its name to 4D Virtual Space Ltd. That transaction ultimately failed to close; and the Company has no continued rights or obligations with respect thereto.

Recent Events and Current Status

As of the date of this Listing Statement, the Company's sole business interest is its option on the Shotgun Property as described above. In accordance with the Property Option Agreement, the Company has issued 10,200,000 Shares, paid $10,000, and agreed to undertake $1,000,000 of exploration work on the Shotgun Property.

As of the date of this Listing Statement, there are no significant acquisitions completed by the Company or any significant probable acquisitions proposed by the Company, for which financial statements would be required under National Instrument 41-101 - *General Prospectus Requirements* if this Listing Statement were a prospectus.

In conjunction with the option to earn an interest in the Shotgun Property, the Company recently:

(i) closed the Financing of 14,640,000 Units at $0.05 per Unit to raise $732,000. Each Unit consists of one Share and one Share purchase warrant exercisable for two years at $0.05 per Share. Funds were held in escrow pending the resumption of trading of the Company's Shares on the CSE; and

(ii) appointed Brendan Purdy and Cyrus Driver to the board.

4. NARRATIVE DESCRIPTION OF THE BUSINESS

The Company's business objectives that it expects to accomplish in the forthcoming 12 month period are (i) to undertake exploration of the Shotgun Property in accordance with the recommended work program set forth in the Technical Report; and (ii) to pursue other exploration properties of merit.

The Company intends to carry out the two phase recommended program as described in the Technical Report; the recommended budget for which is $183,700. The timing to complete this milestone is estimated as July, 2017 to complete Phase 1, and October, 2018 to complete Phase 2.

Funds Available

The Issuer has used or anticipates using the $732,000 raised under the Financing as follows:

Use of Proceeds	2016/2017	2017/2018	Totals
Working Capital Deficit	$187,167	n/a	$187,167
Costs Associated with Closing	$100,000	n/a	$100,000
Shotgun Option Payment	$10,000	n/a	$10,000
Work Program on Shotgun Property	$55,000[1]	$128,700[2]	$183,700
General & Administrative	$50,000	$50,000	$100,000
Unallocated Working Capital	$151,133	$151,133	$151,133
TOTALS			**$732,000**

1. Phase 1 of the work program recommended in the Technical Report.
2. Phase 2 of the work program recommended in the Technical Report. Phase 2 is contingent on successful results from Phase 1, and as such there is no guarantee the Issuer will complete Phase 2 in whole or at all.

Should the Issuer determine to further advance the Shotgun Property beyond the two phases noted herein, the Issuer will require additional financing, or enter into a sub-option or joint venture relationship with another mineral exploration company. There is no guarantee the Issuer will be successful in raising any such funds or finding a joint venture partner. The Issuer may also investigate other property acquisition opportunities in the resource sector with the long-term objective of adding to the inventory of properties under development and seeking to develop significant resources.

5. TECHNICAL REPORT – SHOTGUN PROPERTY

A summary of the Technical Report is set out in Schedule "A" to this Listing Statement. The complete Technical Report is available for review on SEDAR. The Technical Report concludes as follows:

"Based on the number and extent of anomalous samples taken on the Shotgun Property, it represents a viable target for further exploration, and additional work is warranted. The work conducted thus far in 2016 has resulted in the location of multiple mineralized outcrop and sub-crop zones along Anomaly Creek, with increasingly anomalous values obtained further up-stream. There is a reasonable chance that if the nature of the mineralization is structurally controlled, that there could be multiple of these zones present under the overburden. The origin of the mineralization has also yet to be determined.

A Phase 1 program involving detailed mapping and further geochemical sampling of the property is warranted, working towards understanding the nature of the mineralization, and in particular, determining whether the mineralization is dominantly structurally (fault or shear related veining) or lithologically (derived from a mineralized porphyry) controlled. Ideally a soil sample grid would be conducted, however due to the topography and difficulty in penetrating the ash layer in some locations, as well as the network of logging roads available, the sampling could initiate on and as extensions of the roads, and be followed up by infill sampling around anomalous zones where necessary. A motorized auger would be particularly useful in obtaining a deeper sample to penetrate through the ash layer in a shorter amount of time that would be required with a hand auger. The magnetic geophysics should also be extended along all the accessible logging roads and trails, as well as across as many drainages as possible. Emphasis should then be placed on comparing the detailed mapping and sampling with the geophysical anomalies, and evaluating whether there is any relationship to mineralization to help in predicting other mineralized zones.

A Phase 2 program is proposed to involve further mapping and sampling through trenching with an excavator, with a series of shallow drill holes to test target zones. These zones may be accessible from the present road network, or may require extension of these roads using the excavator to clear a path through the cut block.

Without the results from Phase 1 it is difficult to estimate how many meters would be sufficient to test the targets, however since there is surface mineralization present, it is estimated that 5-6 holes of 100 meters, initially oriented as shallowly as possible, would be sufficient to test 3 to 6 target zones.

Recommended Phase I Exploration Budget

Program: Geological mapping, rock, soil and silt sampling, extend geophysical grid

	Rate	Units	Totals
Program planning			$2,000
Field Crew (4)	$1800/day	14 days	$25,200
Geochemical Sampling	$30/sample	300 samples	$9,000
Equipment (Auger) Rental	$200/day	14 days	$2,800
Accommodation/Meals/Fuel	$400/day	14 days	$5,600
Geophysics - Magnetic Survey	$600/day	4 days	$2,400
Data interpretation and reporting			$3,000
Contingency – 10%			$5,000
		Total	**$55,000**

Recommended Phase II Exploration Budget
Program: Trench Sampling and Core Drilling

	Rate	Units	Totals
Program planning			$5,000
Field Crew (4)	$1800/day	20 days	$36,000
Excavator Rental	$1000/day	5 days	$5,000
Geochemical Sampling - Rock Trench	$30/sample	100 samples	$3,000
Drilling	$80/meter	600 meters	$48,000
Geochemical Sampling - Core	$30/sample	300 samples	$9,000
Sampling Equipment			$2,000
Accommodation/Meals/Fuel	$200/day	20 days	$4,000
Data interpretation and reporting			$5,000
Contingency - 15%			$11,700
		Total	**$128,700"**

6. SELECTED CONSOLIDATED FINANCIAL INFORMATION

Annual Information

The following table provides certain financial data as extracted from the Issuer's financial statements for the three fiscal years ended December 31, 2015, 2014 and 2013, and the nine months ended September 30, 2016:

	Nine Mos. Ended September 30/16	Year Ended Dec 31/15	Year Ended Dec 31/14	Year Ended Dec 31/13
Revenues	nil	nil	nil	nil
G&A Expenses	$119,078	$289,668	$123,706	nil
Exploration and Evaluation	nil	$9,500	$132,515	nil
Income/(loss)	($119,078)	($299,168)	($256,221)	nil
Loss per share	($0.002)	($0.004)	($0.007)	nil
Current Assets	$13,786	$26,176	$243,349	$100
Total Assets	$13,786	$26,176	$243,349	$100
Current Liabilities	$200,953	$94,265	$18,270	nil
Long-term liabilities	nil	nil	nil	nil
Shareholders' Equity	($187,167)	($68,089)	$225,079	$100

There were no factors affecting the comparability of the above data, including discontinued operations, changes in accounting policies, significant acquisitions or significant dispositions or major changes in the direction of the Issuer's business, other than:

1. The Company was incorporated on September 19, 2013, and as of December 31, 2013 it had not carried on any active business;
2. In January / February, 2014, the Company acquired the Maverick Graphite Property and the Hearst Graphite Property, and incurred exploration costs with respect thereto;
3. In fiscal 2015 the Company abandoned all of its mineral property interests; and incurred significant expenses towards the proposed acquisition of Privco.

Quarterly Information

The table below sets out information of the Issuer for the eight most recent quarters ended September 30, 2016:

	Q3 30-Sept-16	Q2 30-Jun-16	Q1 31-Mar-16	Q4 31-Dec-15	Q3 30-Sept-15	Q2 30-Jun-15	Q1 31-Mar-15	Q4 31-Dec-14
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Income (Loss)	($19,045)	($48,664)	($51,369)	($49,856)	($98,509)	(118,425)	(32,378)	($256,221)[1]
Income (Loss) per share	($0.0003)	($0.001)	($0.001)	($0.001)	($0.001)	($0.002)	($0.001)	($0.007)

1. Includes all expenses of AGC, as acquired in January 2015.

Dividends

There are no restrictions in the Company's constating documents on its ability to pay dividends. However, (i) the Company has never paid a dividend nor made a distribution on any of its securities, (ii) the Company has no history of income or sources of funds from which to pay dividends, and (iii) given the stage of the Company's development, it could be a long period of time before the Company could be in a position to pay dividends or make distributions to its shareholders.

The payment of any future dividends by the Company will be at the sole discretion of the Board. In this regard, the Company expects it will retain any earnings to finance further growth of the Company.

Foreign GAAP

Not applicable.

7. MANAGEMENT'S DISCUSSION AND ANALYSIS

Annual MD&A

The MD&A for the year ended December 31, 2015 was prepared as of April 29, 2016, and is attached as Schedule "D" hereto.

Liquidity: The Issuer's liquidity depends on its ability to raise equity or debt financing to finance its business and for general and administrative expenses. There is no assurance the Issuer will be successful in raising necessary funds on terms satisfactory to it, or at all.

Working Capital: The Issuer's working capital as of December 31, 2015 was a deficit of $68,089 (positive working capital of $225,079 at December 31, 2014). As of the date of this Listing Statement, the Issuer had consolidated working capital of approximately $544,833. See Item 3.1 above.

Committed Expenditures: The Issuer has no commitments for capital expenditures in the near future. The Issuer is committed to expending funds to implement the work program under the Technical Report. See Item 3 above for expected use of available funds.

Off-Balance Sheet Arrangements: The Issuer does not have any off-balance sheet arrangements.

Transactions with Related Parties In each of the last two fiscal years, the Issuer has not paid any amounts to related parties. The Issuer has granted incentive stock options to its officers and directors in the past, and anticipates granting further options in the future.

Fourth Quarter: There were no material fourth quarter events or items in the fourth quarter of the fiscal year ended December 31, 2015.

Proposed Transactions: There are no proposed asset or business acquisitions or dispositions which have been negotiated by the Issuer or AGC as of the date of this Listing Statement. It is the Issuer's intention to investigate other mineral property opportunities, however none are at a stage of agreement of understanding; and there is no assurance any opportunities will be identified or that negotiations will be finalized that lead to any acquisition.

Interim MD&A

The MD&A for the nine months ended September 30, 2016 was prepared as of November 29, 2016, and is attached as Schedule "D" hereto.

Description of Securities: As at September 30, 2016 the Issuer had the following securities issued and outstanding:

1. 69,919,247 Common Shares; and
2. 5,900,000 incentive options (exercisable at $0.05 per share until February 19, 2019).

As of the date of this Listing Statement, the Issuer has 95,259,247 Common Shares outstanding (reflecting the additional 10,200,000 Shares issued pursuant to the Property Option Agreement, 500,000 Shares as a Finder's Fee, and 14,640,000 Shares issued pursuant to the Financing), and 5,700,000 options outstanding (reflecting the cancellation of 200,000 options as held by a former consultant).

Negative Cash Flow: The Issuer has had negative cash flow since its inception. As at September 30, 2016 the Issuer had approximately $4 of available cash resources. Following entering into the Property Option Agreement, the closing of the Financing to raise $732,000, and making the initial $10,000 payment under the Property Option Agreement, the Issuer has $534,833 of net working capital; which the Issuer considers sufficient to pay for the initial phase of work as recommended in the Technical Report and to sustain its general and administrative expenses for at least 12 months. The milestones and anticipated costs are disclosed above.

8. MARKET FOR SECURITIES

The Issuer's Common Shares are listed and posted for trading on the CSE under the symbol: "ABJ".

9. CONSOLIDATED CAPITALIZATION

The Issuer is authorized to issue an unlimited number of Common Shares. The Issuer currently has 95,259,247 issued and outstanding Shares. There have been no changes in the Issuer's share capital since the most recently completed financial year save and except that the Issuer issued (i) 10,200,000 Shares pursuant to the Property Option Agreement, (ii) 500,000 Shares as a Finder's Fee, and (iii) 14,640,000 Shares and warrants pursuant to the Financing.

The following table is a summary of the changes in the issued and outstanding securities of the Issuer to date compared with the two most recently completed financial years:

	Date of Listing Statement	**December 31, 2015**	**December 31, 2014**
Common Shares	95,259,247[1]	69,919,247[2]	33,810,102
Stock options	5,700,000[4]	5,900,000[3]	6,100,000
Warrants	14,640,000[5]	nil	nil

1. Reflects 10,200,000 Shares issued pursuant to the Property Option Agreement, 500,000 as the Finder's Fee, and 14,640,000 Shares issued pursuant to the Financing.
2. Reflects the issuance of 36,009,145 Shares in connection with the acquisition of AGC.
3. Reflects the cancellation of 200,000 options.
4. Reflects the cancellation of an additional 200,000 options.
5. Reflects 14,640,000 warrants issued pursuant to the Financing.

For further details about the Issuer's outstanding securities, see Section 11 – Prior Sales.

10. OPTIONS TO PURCHASE SECURITIES

The Issuer adopted a new stock option plan (the "Plan") on June 16, 2015. The following is a brief description of the principal terms of the Issuer's Plan:

Number of Shares Reserved. The maximum number of shares which may be issued pursuant to options granted under the Plan shall not exceed 10% of the issued and outstanding shares from time to time as at the date of grant.

Maximum Term of Options. The term of any options granted under the Plan is fixed by the board of directors and may not exceed 10 years from the date of grant. The options are non-assignable and non-transferable.

Exercise Price. The exercise price of options granted under the Plan is determined by the board of directors, provided that the exercise price is not less than the price permitted by the CSE or, if the Issuer's shares are no longer listed on the CSE, then such other exchange or quotation system on which the Issuer's shares are listed or quoted for trading.

Amendment. The terms of an option may not be amended once issued. If an option is cancelled prior to the expiry date, the Issuer shall not grant new options to the same person until 30 days have elapsed from the date of cancellation.

Vesting. Vesting, if any, and other terms and conditions relating to such options, shall be determined by the board of directors of the Issuer in accordance with CSE requirements.

Termination. Any options granted pursuant to the Plan will terminate generally within 90 days of the option holder ceasing to act as a director, officer, employee, management company or consultant of the Issuer or any of its affiliates, and generally within 30 days of the option holder ceasing to act as an employee engaged in investor relations activities, unless such cessation is on account of death. If such cessation is on account of death, the options terminate on the first anniversary of such cessation. If such cessation is on account of cause, or terminated by regulatory sanction or by reason of judicial order, the options terminate immediately.

Administration. The Plan is administered by the board of directors of the Issuer, or if the board of the Issuer so elects, by a committee, which committee consists of at least two board members.

Board Discretion. The Plan provides that, generally, the number of Shares subject to each option, the exercise price, the expiry time, the extent to which such option is exercisable, including vesting provisions, and other terms and conditions relating to such options shall be determined by the board of directors of the Issuer, all in accordance with CSE requirements.

General. Options that have been cancelled or that have expired without having been exercised shall continue to be issuable under the Plan. The Plan also provides for adjustments to outstanding options in the event of any consolidation, subdivision or exchange of the Issuer's shares.

There are 5,700,000 stock options outstanding as of the date of this Listing Statement, all exercisable at $0.05 per share until February 19, 2019, held by the following holders:

Name of Optionee	Position of Optionee	No. of Optioned Shares
Robert Komarechka	CEO	2,000,000
Vicki Rosenthal	Secretary	100,000
Tom Poupore	Consultant	1,500,000
Fer De Lance Capital Corporation	Consultant	1,500,000
Binh Vu	Consultant	500,000
Vicki Rosenthal	Secretary	100,000
Jay Currie	Consultant	100,000
Total		**5,700,000**

11. DESCRIPTION OF THE SECURITIES

Authorized Capital

The Issuer is authorized to issue an unlimited number of Common Shares.

Each holder of a Common Share is entitled to: (i) one vote at all meetings of shareholders;(ii) a pro rata share of any dividends or other distributions declared payable by the Board; and (iii) a pro rata share of any distribution of the Issuer's assets on any winding up or dissolution of the Issuer. There are no pre-emptive rights; conversion or exchange rights; redemption, retraction, purchase for cancellation or surrender provisions; sinking or purchase fund provisions; provisions permitting or restricting the issuance of additional securities; or any other material restrictions provisions requiring a security holder to contribute additional capital, which are applicable to the Issuer's Common Shares.

The Issuer may, if authorized by its directors, purchase, redeem or otherwise acquire any of its issued and outstanding Shares at such price and upon such terms as determined by the Board.

Prior Sales

The Issuer currently has 95,259,247 Common Shares, 5,700,000 options, and 14,640,000 warrants outstanding. The table below sets out the prior sales of the Issuer's securities since inception to the date of this Listing Statement:

Date of issuance	Security Issued	No. of Securities Issued	Price per security ($)	Value received ($)	Type of transaction
January 29, 2014	Shares	17,060,002	0.005	85,300	Cash
February 28, 2014	Shares	16,250,000	0.02	325,000	Cash
November 13, 2014	Shares	500,000	0.10	50,000	Cash
January 30, 2015	Shares	36,009,245	-	-	Amalgamation[1]
February 19, 2015	Options	6,100,000	0.05	20,900[2]	Grant of Options
June 22, 2015	Shares	100,000	0.05	5,000	Mineral Claim[3]
December, 2015	Options	(200,000)	0.05	-	Cancel Options
October, 2016	Options	(200,000)	0.05	-	Cancel Options
November 29, 2016	Shares[5]	10,200,000	0.05	510,000	Mineral Claim[4]
November 29, 2016	Shares[5]	500,000	0.05	25,000	Finder's Fee
November 29, 2016	Shares[5]	12,240,000	0.05	612,000	Private Placement
November 29, 2016	Warrants[5]	12,240,000	0.05	-	Private Placement
December 7, 2016	Shares[5]	2,400,000	0.05	120,000	Private Placement
December 7, 2016	Warrants[5]	2,400,000	0.05	-	Private Placement

1. *Shares issued to the shareholders of Web Watcher Systems Limited on a pro rata basis, pursuant to the Amalgamation.*
2. *Black Scholes value.*
3. *Shares issued pursuant to the mineral claim renewal of the WestZen option for an additional year.*
4. *Shares issued under the Property Option Agreement pertaining to the Shotgun Property.*
5. *These securities are subject to resale restrictions expiring four months and a day following the date of issue.*

Stock Exchange Price

The Company's Shares were listed on the CSE on January 30, 2015. A summary of the share trading price and volume is listed in the following table. In May 2015 the Issuer announced a proposed fundamental transaction (being the proposed acquisition of Privco (see "Business History" under item 2 above)), at which time trading in the Company's Shares was halted. Trading has remained halted since that date.

Period	High ($)	Low ($)	Close ($)	Volume
January 2015	-	-	-	Nil
February 2015	0.10	0.10	0.10	75,000
March 2015	0.09	0.09	0.09	25,000
April 2015	0.10	0.05	0.05	7,000
May 2015	0.06	0.06	0.06	5,000
June 2015 to Present	n/a	n/a	n/a	No trading

12. ESCROWED SECURITIES

The Company is a party to an escrow agreement with CST Trust Company and Robert Komarechka whereby 2,000,000 Shares held by Mr. Komarechka were placed in escrow, to be released over a period of 36 months from the effective date of the Company's acquisition of AGC on the following terms: 10% of the escrowed shares were released from escrow on January 30, 2015, the date the Company's Common Shares were listed on the CSE, and an additional 15% every six months thereafter, subject to acceleration provisions provided for in National Policy 46-201 – Escrow for Initial Public Offerings. As of the date of this Listing Statement there are an aggregate of 900,000 Shares remaining subject to escrow.

13. PRINCIPAL SHAREHOLDERS

To the knowledge of the Issuer, as of the date of this Listing Statement, (i) no persons beneficially own or exercise control or direction over Shares of the Issuer carrying more than 10% of the votes attached to the Issuer's Shares, (ii) no Shares are held, or are to be held, subject to any voting trust or other similar agreement; and (iii) no persons act jointly or in concert in connection with the voting or direction of their Shares.

14. DIRECTORS AND OFFICERS

The below table lists the name and municipality of residence of each director and executive officer of the Issuer, and indicates their respective positions and offices held with the Issuer, the period or periods during which each director has served as a director, and their respective principal occupations within the five preceding years:

Name, Municipality of Residence and Offices Held	Date Appointed[1]	Principal Occupation
Bob Komarechka *CEO and Director* Sudbury, Ontario	January, 2015	CEO of the Issuer. President of Bedrock Research Corp.

Name, Municipality of Residence and Offices Held	Date Appointed[1]	Principal Occupation
Brendan Purdy *Director* Toronto, Ontario	Dec. 8, 2016	Securities lawyer.
Cyrus Driver *CFO and Director* Vancouver, B.C.	Dec. 8, 2016	Chartered Professional Accountant. CFO of several publicly listed companies.

The directors and officers of the Issuer as a group, beneficially own, directly or indirectly, or exercise control or direction over a total of 2,000,000 Common Shares, representing approximately 2.22% of the total votes attached to the Issuer's issued and outstanding Common Shares.

The Board has one committee, being the Audit Committee which is comprised of Cyrus Driver (chair), Brendan Purdy and Bob Komarechka. The Company has also appointed an Advisory Committee, consisting of each of Messrs. Dev Rishy-Maharaj, Christopher Ryan and Michael Adam Blady (the Owners). The role of the Advisory Committee is to provide recommendations to the Issuer regarding work programs to be undertaken on the Shotgun Property or the implementation of work programs adopted by the Issuer (including those recommended under the Technical Report).

No director of officer of the Company:

(a) is, as at the date of this Listing Statement, or has been, within 10 years before the date of this Listing Statement, a director or executive officer of any company that, while that person was acting in that capacity

   (i) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;

   (ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or

   (iii) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the ten years before the date of this Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or

(c) has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority. No director has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment.

None of our shareholders, or a personal holding company of any such persons, holds sufficient securities to affect materially the control of the Company.

Conflicts of Interest

The Issuer's directors and officers may serve as directors or officers of other companies or have significant shareholdings in other companies and, to the extent that such other companies may participate in a venture in which the Issuer may participate, the directors of the Issuer may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Issuer's directors, a director who has such a conflict will abstain from voting for or against approval of such participation or such terms. The directors of the Issuer are required to act honestly in good faith and in the best interests of the Issuer.

The directors and officers of the Issuer are aware of the existence of laws governing the accountability of directors and officers for corporate opportunity and requiring disclosures by the directors of conflicts of interest and the Issuer will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors and officers. All such conflicts will be disclosed by such directors or officers in accordance with applicable laws and shall govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law. The directors and officers of the Issuer are not aware of any such conflicts of interest.

Management

Further information on the business experience and professional qualifications of our directors, officers and promoters is set forth below:

Bob Komarechka

Mr. Komarechka holds a B.Sc. in Geology from Laurentian University and has over 30 years' experience in the mining and mineral exploration industry as well as in the oil and gas exploration industry in Western Canada. He also is a registered professional geologist in both Alberta and Ontario as well as a registered Gemologist with the Canadian Gemological Association. His work as current president of Bedrock Research Corp., and earlier, Bedrock Consulting, has encompassed a wide variety of commodities. This ranged from gold exploration in northern Ontario, British Columbia, Idaho, Arizona and Mexico; diamond exploration in Ontario, Quebec and Kentucky; base metal exploration in Ontario; and numerous industrial mineral studies across Canada & USA including garnet, talc, calcium carbonate, silica, dimension stone, aggregate and graphite. Mr. Komarechka's geological accomplishments have included the discovery of a new Cardium gas field in northern Alberta, the discovery of the Roseval silica mine that produced 99.99% silica for the production of silicon metal and the acquisition and sale of one of Northern Ontario's largest non-alkaline high strength aggregate sites. Mr. Komarechka is also a past president of the Sudbury Prospectors and Developers Association, past member of the Mining Act Advisory Committee, and a former founding director of the Ontario Prospectors Association.

Brendan Purdy

Mr. Purdy, J.D., is a practicing securities lawyer focused on technology and resource issuers. In his private practice, he has developed extensive experience with respect to public companies, capital markets, reverse takeovers and other facets fundamental to the natural resources sector. Prior to receiving his J.D. from the common-law section at the University of Ottawa, Mr. Purdy completed a bachelor of management and organizational studies degree from the University of Western Ontario, majoring in finance and administration.

Mr. Purdy currently sits as a director on the boards of Natan Resources Ltd. on the TSX-V and Boomerang Oil, Inc. on the CSE. Additionally, Mr. Purdy has previously acted as Chief Executive Officer of Natan Resources Ltd. and Seaway Energy Services Inc., both TSX-V listed mining issuers.

Mr. Cyrus H. Driver, CA

Mr. Driver has been a partner of Davidson & Company LLP, Chartered Professional Accountants since January 2002. He has over 25 years of accounting experience with public companies. He was a Founding Partner of Driver Anderson, Chartered Accounts from February 1982 to March 2002. Mr. Driver serves or has served as the Chief Financial Officer for many publicly listed companies over the years. He is currently the CFO of each of Mezzi Holdings Inc., OK2 Minerals Ltd., Tesoro Minerals Corp., Far Resources Ltd., Serrano Resources Ltd., Aldrin Resource Corp., Superior Mining International Corporation, Cobra Venture Corp., and Nevada Exploration, Inc.

None of the Individuals above has entered into a non-competition or non-disclosure agreement with us as of the date of this Listing Statement.

Advisory Committee

The three Owners have been appointed to the Company's Advisory Committee. Additional members may be appointed from time to time, and members may cease to act at their sole discretion. The role of the Advisory Committee is to provide recommendations to the Issuer regarding work programs to be undertaken on the Shotgun Property or the implementation of work programs adopted by the Issuer (including those recommended under the Technical Report). The Advisory Committee members are not directors of the Issuer, and do not have decision making authority. The Issuer has engaged the Owners to be Advisory Committee members given their long history of work on, and in-depth knowledge of, the Shotgun Property.

Mike Blady, BSc.

Mike is an entrepreneur and holds a BSc. degree from Simon Fraser University. Mike has been involved in the public markets over the last 10 years where he has graduated from business development and corporate finance roles to executive level management in multiple private and public companies. Mike studied geology from Simon Fraser University and is able to combine his knowledge of mineral deposits and his strong background in economics to properly evaluate the economic viability of mining projects. As a result, Mike understands what is required for a mineral deposit to become an economically viable orebody.

Chris Paul, BSc, GIT

Chris has been actively involved in mineral exploration since 2008. He has worked on a number of precious and base metal projects throughout the Philippines, British Columbia, and the Yukon. His work has focussed on intrusion-related gold, VMS and porphyry copper systems. He is well experienced with implementing and executing exploration field programs. He specializes in exploration geochemistry and GIS. He has planned and conducted successful soil and biogeochemical surveys that have resulted in significant new mineral discoveries. Chris holds a geology degree from Simon Fraser University and is a registered GIT with APEGBC.

Dev Rishy-Maharaj

Dev is a practicing exploration geologist working to develop mineral properties throughout Canada. Dev also runs DRM Exploration Consulting, a services company which performs pre-field planning, data collection, and post-field productions / reports. He has experience using ArcGIS, Surfer, QGIS, and Adobe software platforms to produce professional quality end deliverables. He has been actively practicing in the mineral exploration industry since 2011.

15. CAPITALIZATION

The following tables provide information about our capitalization as of the date of this Listing Statement, and refer to our outstanding Common Shares:

Issued Capital	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non-diluted)	% of Issued (fully diluted)
Public Float				
Total outstanding (A)	95,259,247	115,599,247(1)	100.0%	100.0%
Held by Related Persons(2) (B)	7,000,000	9,100,000	7.35%	7.87%
Total Public Float (A-B)	88,259,247	106,499,000	92.65%	92.13%
Freely-Tradeable Float				
Number of outstanding securities subject to resale restrictions(3)(C)	26,240,000	26,240,000	27.55%	22.70%
Total Tradeable Float (A-C)	69,019,247	89,359,000	72.45%	77.30%

(1) Includes 5,700,000 options and 14,640,000 warrants.

(2) Related Persons or employees of the Issuer, or persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held). See below.

(3) Includes restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders. In this instance, means 25,340,000 Shares subject to four month resale restrictions and 900,000 Shares subject to escrow (see Item 12, "Escrowed Securities" above).

The following securities are held by Related Persons:

Name	Common Shares	Options
Bob Komarechka[1]	2,000,000	2,000,000
David Stadnyk[2]	5,000,000	nil
Brendan Purdy	nil	nil
Cyrus Driver	nil	nil
Vicki Rosenthal	nil	100,000
Totals	**7,000,000**	**2,100,000**

1. Officer and Director of the Issuer.
2. Holder of more than 5% of the Issuer's outstanding Common Shares.

Public Securityholders (Registered) (as provided by the Transfer Agent)

In this table, "public securityholders" are registered shareholders, excluding those persons enumerated in section (B) of the previous chart.

Size of Holding	Number of holders	Total number of securities
1 – 99 securities	3	132
100 – 499 securities	4	1,318
500 – 999 securities	8	6,003
1,000 – 1,999 securities	65	68,575
2,000 – 2,999 securities	-	-
3,000 – 3,999 securities	6	20,832
4,000 – 4,999 securities	2	9,277
5,000 or more securities	54	86,153,110
	123	**88,259,247**

Public Securityholders (Beneficial)

The following table includes (i) beneficial holders holding securities in their own name as registered shareholders; and (ii) beneficial holders holding securities through an intermediary where the Issuer has been given written confirmation of shareholdings. For those intermediaries that have not provided details of beneficial holders, the aggregate position of all such intermediaries is in the last line.

Size of Holding	Number of holders	Total number of securities
1 – 99 securities	4	207
100 – 499 securities	5	1,698
500 – 999 securities	15	11,303
1,000 – 1,999 securities	74	82,359
2,000 – 2,999 securities	2	4,924
3,000 – 3,999 securities	16	565,885
4,000 – 4,999 securities	4	18,367
5,000 or more securities	110	86,741,902
Unable to confirm		832,602
Totals	**230**	**83,119,247**

Non-Public Securityholders (Registered)

The following table includes only "non-public securityholders", being those Related Persons enumerated in section (B) of the issued capital chart.

Size of Holding	Number of holders	Total number of securities
1 – 99 securities	-	-
100 – 499 securities	-	-
500 – 999 securities	-	-
1,000 – 1,999 securities	-	-
2,000 – 2,999 securities	-	-
3,000 – 3,999 securities	-	-
4,000 – 4,999 securities	-	-
5,000 or more securities	2	7,000,000
	2	**7,000,000**

The following table details securities convertible or exchangeable into Common Shares.

Description of Security (include conversion / exercise terms, including conversion / exercise price)	Number of convertible / exchangeable securities outstanding	Number of Common Shares upon conversion / exercise
Options (exercisable at $0.05 per Share until Feb. 19, 2019)	5,700,000	5,700,000
Warrants (exercisable at $0.05 per Share[1])	14,640,000	14,640,000

1. The Shares and warrants issued pursuant to the Financing were issued in tranches, such that 12,240,000 warrants expire November 29, 2018, and 2,400,000 warrants expire December 7, 2018.

There are no other Shares reserved for issuance other than as described above.

16. EXECUTIVE COMPENSATION

See "Statement of Executive Compensation" in Appendix B hereto.

17. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No officer, director, employees or former officer, director or employee of the Issuer (i) has been indebted to the Issuer at any time during the most recently completed financial year or is currently indebted to the Issuer for any purpose, or (ii) is the subject of a guarantee, support agreement (including, but is not limited to, an agreement to provide assistance in the maintenance or servicing of any indebtedness and an agreement to provide compensation for the purpose of maintaining or servicing any indebtedness of the borrower), letter of credit or other similar arrangement or understanding.

18. RISK FACTORS

The Issuer's business, operating results and financial condition could be adversely affected by any of the risks outlined below. These risks and uncertainties are not the only ones facing the Issuer. Additional risks and uncertainties not currently known to the Issuer, or that the Issuer currently deems immaterial, may also impair the operations of the Issuer. If any such risks actually occur, the financial condition, liquidity and results of operations of the Issuer could be materially adversely affected and the ability of the Issuer to implement its growth plans could be adversely affected.

An investment in the Issuer's Shares is speculative and will be subject to certain material risks and investors should not invest in securities of the Issuer unless they can afford to lose their entire investment.

Risks Concerning the Business of AGC

Limited History of Operations

The Issuer has limited history of mineral exploration, as operated through AGC, and has no history of production, cash flow, revenue, or profitability. There are no known commercial quantities of mineral reserves on the Issuer's properties. There is no assurance that the Issuer will ever discover any economic quantities of mineral reserves.

Specific Risks Associated With the Properties

As of the date of the Technical Report, all work proposed in the Technical Report may be undertaken as long as the claims and option are held in good standing. Depending on the type of exploration, permits may be required. Contact with the holders of the timber rights is recommended prior to the stripping and trail construction. Fees may be required for lost timber values. Work restrictions may also prevent activities at various times due to high forest fire risk. Contact with the local First Nations should be established prior to undertaking any exploration work. At this time no formal Impacts and Benefits Agreement with the local First Nations is in effect. Failure to do any of the above may result in the Issuer being unable to commence or continue exploration work on its properties.

Public Market

An active trading market of the Issuer's Shares may not develop or, if it does develop, may not be sustained. The lack of an active market may

(i) impair shareholders' ability to sell their Shares at the time they wish to sell them or at a price that they consider reasonable;

(ii) reduce the fair market value and increase the volatility of the Shares; and

(iii) impair the Company's ability to raise capital by selling Shares and to acquire other exploration properties or interests by using Shares as consideration.

Volatility of Share Prices

Share prices are subject to changes because of numerous factors beyond the the Issuer's control, including reports of new information, changes in our financial situation, the sale of Shares in the market, failure to achieve financial results in line with the expectations of analysts, or announcements concerning results. There is no guarantee that the market price of the Shares will be protected from any such fluctuations in the future.

In the past, companies have experienced volatility in their share value and have been the subject of securities class action litigation. The Issuer might become involved in securities class action litigation in the future. Such litigation often results in substantial costs and diversion of management's attention and resources and could have a negative effect on business and results of operation.

Requirement for Further Financing

The Issuer will need to raise additional funds to carry out exploration activities on its properties. There is no assurance it will be able to raise additional funds or will be able to raise additional funds on terms acceptable to the Issuer. If the exploration programs are successful and favorable exploration results are obtained, the properties may be developed into commercial production. The Issuer will require significant additional funds to place any property into production. The only sources of future funds presently available are the sale of equity capital, debt or offering of interests in the properties to be earned by another party or parties by carrying out development work. There is no assurance that any such funds will be available to the Issuer or be available on terms acceptable to it. If funds are available, there is no assurance that such funds will be sufficient to bring any property to commercial production. Failure to obtain additional financing on a timely basis could have a material adverse effect on the Issuer, and could cause it to forfeit its interest in some or all of its properties and reduce or terminate its operations.

Exploration

At present, there are no bodies of ore, known or inferred, on any properties in which the Issuer holds an interest. There is no assurance that any mineral exploration activities will result in any discoveries of commercial bodies of ore on any property. The business of exploration for precious metals involves a high degree of risk. Few exploration properties are ultimately developed into producing properties. Our properties are at the exploration stage.

Title to Properties

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to the mineral properties and the area surrounding the properties may be disputed. Although the Issuer has investigated title to the properties for which it holds an interest, no assurance can be given that title to the properties will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful third party claim could cause loss of the Issuer's rights to a property, perhaps without compensation for prior expenditures relating thereto.

Any of the Issuer's properties may now or in the future be the subject of First Nations land claims. The legal nature of aboriginal land claims is a matter of considerable complexity and uncertainty. The impact of any such claim on the Issuer's ownership interest cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of aboriginal rights in the areas in which the properties are located, by way of a negotiated settlement or judicial pronouncement, would not have an adverse effect on the Issuer's activities. Even in the absence of such recognition, the Issuer may at some point be required to negotiate with First Nations in order to facilitate exploration and development work on the properties.

Management

The Issuer's success is largely dependent upon the performance of its management. The loss of the services of these persons may have a material adverse effect on the Issuer's business and prospects. There is no assurance that it can maintain the service of its management or other qualified personnel required to operate its business.

Requirement for Permits and Licenses

The Issuer will be applying for all necessary licenses and permits under applicable laws and regulations to carry on the exploration activities which it is currently planning in respect of the properties. However, such licenses and permits are subject to changes in regulations and in various operational circumstances.

A substantial number of additional permits and licenses will be required should the Issuer proceed beyond exploration. There can be no guarantee that any or all such licenses and permits will be obtained in a timely manner, or at all.

Environmental Risks and other Regulatory Requirements

The Issuer's current or future operations, including the exploration activities and commencement of production on the properties, will require permits from various federal and local governmental authorities, and such operations are and will be governed by laws and regulations governing exploration, development, production, taxes, labor standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety, and other matters. There can be no assurance that all permits required for facilities and conduct of exploration and development operations will be obtainable on reasonable terms or that such laws and regulations would not have a material adverse effect on any exploration and development project which the Issuer might undertake.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. The Issuer may be required to compensate those suffering loss or damage by reason of the Issuer's exploration and development activities and may have civil or criminal fines or penalties imposed upon it for violation of applicable laws or regulations.

Amendments to current laws, regulations, and permits governing the operations and activities of mineral companies, or more stringent enforcement thereof, could have a material adverse impact on the Issuer and cause increases in capital expenditure or exploration and development costs or reduction in levels of production at producing properties or require abandonment or delays in development of new properties.

Uninsurable Risks

Exploration of mineral properties involves numerous risks, including unexpected or unusual geological conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences, and political and social instability. It is not always possible to obtain insurance against all such risks and the Issuer may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of the securities of the Company. The Issuer does not currently maintain insurance against environmental risks.

Competition

Significant and increasing competition exists for mineral opportunities. There are a number of large established mineral exploration companies with substantial capabilities and greater financial and technical resources than the Issuer. The Issuer may be unable to acquire additional mineral properties or acquire such properties on terms considered acceptable.

Conflicts of Interest

The Issuer's directors may, from time to time, serve as directors of, or participate in ventures with other companies involved in natural resource development. As a result, there may be situations that involve a conflict of interest for such directors. Each director will attempt not only to avoid dealing with such other companies in situations where conflicts might arise but will also disclose all such conflicts in accordance with the *Business Corporations Act (British Columbia)* and will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

No Cash Dividends are Expected to be Paid in the Foreseeable Future.

The Issuer has not declared any cash dividends to date. The Issuer intends to retain any future earnings to finance its business operations and any future growth. As such, the Issuer does not anticipate declaring any cash dividends in the foreseeable future.

Ore Reserves and Reserve Estimates

The Issuer's business relies upon the ability to determine whether a given property has commercial quantities of recoverable minerals. No assurance can be given that any discovered mineral reserves and resources will be recovered or that they will be recovered at the rates estimated. Mineral reserve and resource estimates are based on limited sampling and, consequently, are uncertain because the samples may not be representative. Mineral reserve and resource estimates may require revision (either up or down) based on actual production experience.

19. PROMOTER CONSIDERATION

No person or company is, or has been within the two years immediately preceding the date of this Listing Statement, a promoter of the Issuer or of a subsidiary thereof.

20. LEGAL PROCEEDINGS

As of the date of this Listing Statement, the Issuer is not a party to any legal proceedings or any regulatory actions. No legal proceedings are contemplated by the Issuer, and the Issuer is not aware of any material legal proceedings being contemplated against it.

21. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director or executive officer of the Issuer, no person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than ten percent of any class or series of the Issuer's outstanding Shares, and no associate or affiliate of any of such persons or companies, has had any interest in any transaction within the three years before the date of this Listing Statement, or in any proposed transaction, that has materially affected or will materially affect the Issuer or a subsidiary of the Issuer.

22. AUDITORS, TRANSFER AGENTS AND REGISTRARS

Auditor

The auditors of the Issuer are Stern & Lovrics LLP, Chartered Professional Accountants, of 1210 Sheppard Avenue East, Suite 302, Toronto, Ontario M2K 1E3.

Transfer Agent and Registrar

The Issuer's register and transfer agent is CST Trust Company of 1600-1066 W Hastings St, Vancouver, BC V6E 3X1.

23. MATERIAL CONTRACTS

During the two years preceding the date of this Listing Statement, other than contracts entered into in the ordinary course of business or the agreements described elsewhere in this Listing Statement, the Issuer has not entered into any other material agreements except:

- Property Option Agreement pertaining to the Issuer's option to acquire the Shotgun Property.
- Stock Option Plan (effective June 16, 2014).

24. INTEREST OF EXPERTS

No direct or indirect interest in any property of the Issuer or of a Related Person of the Issuer has been received or is to be received by a person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Listing Statement or prepared or certified a report or valuation described or included in this Listing Statement.

25. OTHER MATERIAL FACTS

There are no other material facts that are not disclosed under the preceding items and that are necessary in order for this Listing Statement to contain full, true and plain disclosure of all material facts relating to the Issuer and its securities.

26. FINANCIAL STATEMENTS

Attached hereto as Schedule A are the Issuer's audited financial statements for the fiscal years ended December 31, 2015, 2014 and 2013; together with the Issuer's unaudited interim financial statements for the nine months ended September 30, 2016.

Additional historical financial statements for the Issuer can be found under the Issuer's profile on SEDAR.

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, **Supreme Metals Corp.** (the "Issuer") hereby applies for the listing of its common shares on the CSE. The foregoing contains full, true and plain disclosure of all material information relating to the Issuer. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at TORONTO, this 19th day of December, 2016.

Bob Komarechka, CEO

Cyrus Driver

Brendan Purdy

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, **Supreme Metals Corp.** (the "Issuer") hereby applies for the listing of its common shares on the CSE. The foregoing contains full, true and plain disclosure of all material information relating to the Issuer. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at TORONTO, this 19th day of December, 2016.

Bob Komarechka, CEO	Cyrus Driver
Brendan Purdy	

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Dated at Toronto, this 19 day of December, 2016.

Bob Komarechka, CEO

Cyrus Driver

Brendan Purdy

SCHEDULE "A"

Summary of the Technical Report

The following is a summary of the technical report of the Shotgun Property entitled "NI 43-101 Technical Report - Shotgun Property" dated July 31, 2016 and prepared by David Hladky, P.Geol.

Property Location, Access and Tenure

Location and Access

The Shotgun Property consists of 24 claims in 3 mineral titles, totaling 492.73 hectares located approximately 60 km North-West by road from the town of Pemberton, B.C. which is approximately 153 km north of the city of Vancouver. The property is on the south side of the Pemberton Meadows Valley, beneath Mt. Morrison, and across the valley from Face Mountain.

The Shotgun Property is accessible from Vancouver, B.C. via paved Highway 99 (The Sea-To-Sky Highway) to Pemberton, B.C. (153.4 kms), followed for 60 kms by the Pemberton Farm Road and the South Lillooet River Forest Service Road. The Pemberton Farm Road is a paved road serving a number of rural residences, which leads into a well-maintained gravel Forest Service road leading to the Mount Meager massif. At the 11.8 km point, a turn off to the south leads up to the Property. Continued logging in the area has meant the service road is well maintained, and assures continuous access to the northern margin of the property. On the property, a network of de-activated spur roads are accessible by 4 x 4 vehicle, and lead up the mountain to cover parts of the central parts of the claims block. Additionally a few overgrown skidder roads are also present and allow walking access for exploration crews.

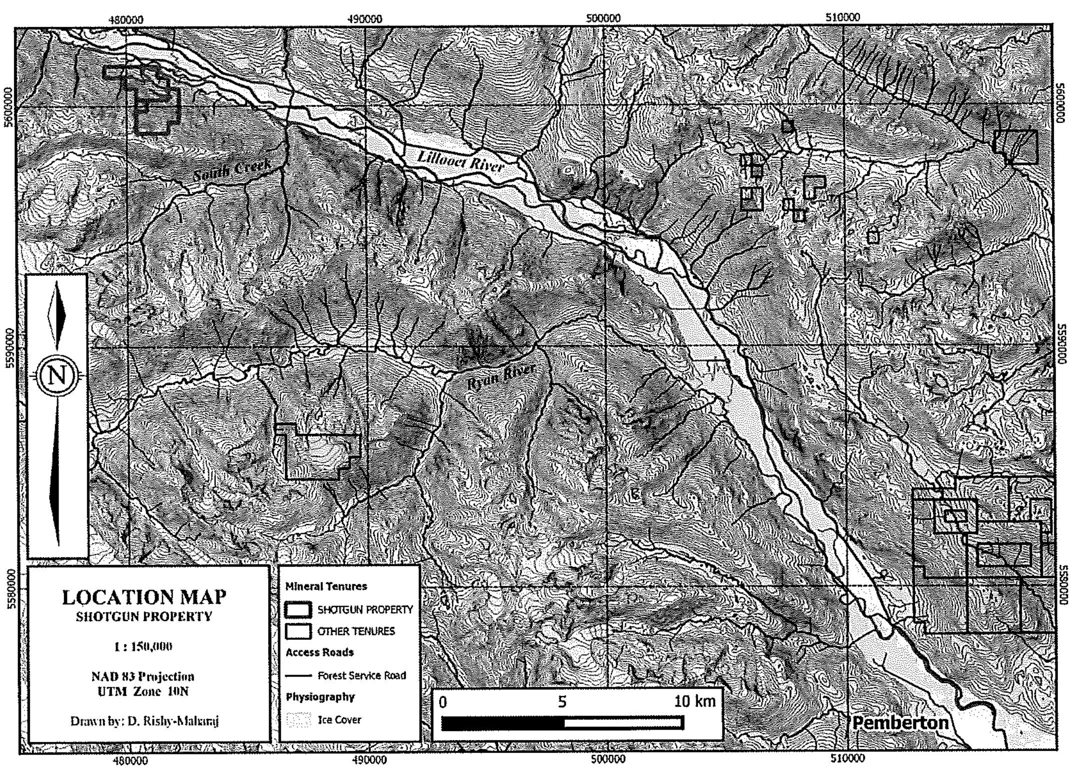

Figure 2: Location Map of Shotgun Property, Pemberton (1:150,000; Drawn by D. Rishy-Maharaj)

Shotgun Claim Tenure

The information posted on the MTO website indicates that ownership of the three claims listed in Table 1 is divided equally between three people: 34% by Mr. Dev Rishy-Maharaj (Free Miners Certificate No. 281925); 33% by Mr. Christopher Ryan Paul (Free Miners Certificate No. 269478); and 33% by Michael Adam Blady (Free Miners Certificate No. 278776).

Table 1: List of Mineral Tenures for the Shotgun Property, B.C.

Title No.	Claim Name	Owners	Title Type	Issue Date	Good To Date	Status	Area (ha)
1042883	SHOTGUN	281925 (34%); 269478 (33%); 278776 (33%)	Mineral	2016/mar/16	2017/Mar/16	GOOD	246.33
1045114	SHOTGUN2016A	281925 (34%); 269478 (33%); 278776 (33%)	Mineral	2016/jul/03	2017/Jul/03	GOOD	20.53
1045682	SHOTGUN2016B	281925 (34%); 269478 (33%); 278776 (33%)	Mineral	2016/jul/30	2017/Jul/30	GOOD	225.86
							492.73

The original Shotgun claim was staked was as a result of anomalous stream sediment samples in what became known as "Anomaly Creek". This was followed by Shotgun2016A to cover the northern extension of the anomalous zone as outlined by preliminary soil and rock sampling, and by Shotgun2016B to further cover the anomalous zone upstream to the southwest, as outlined by further soil sampling.

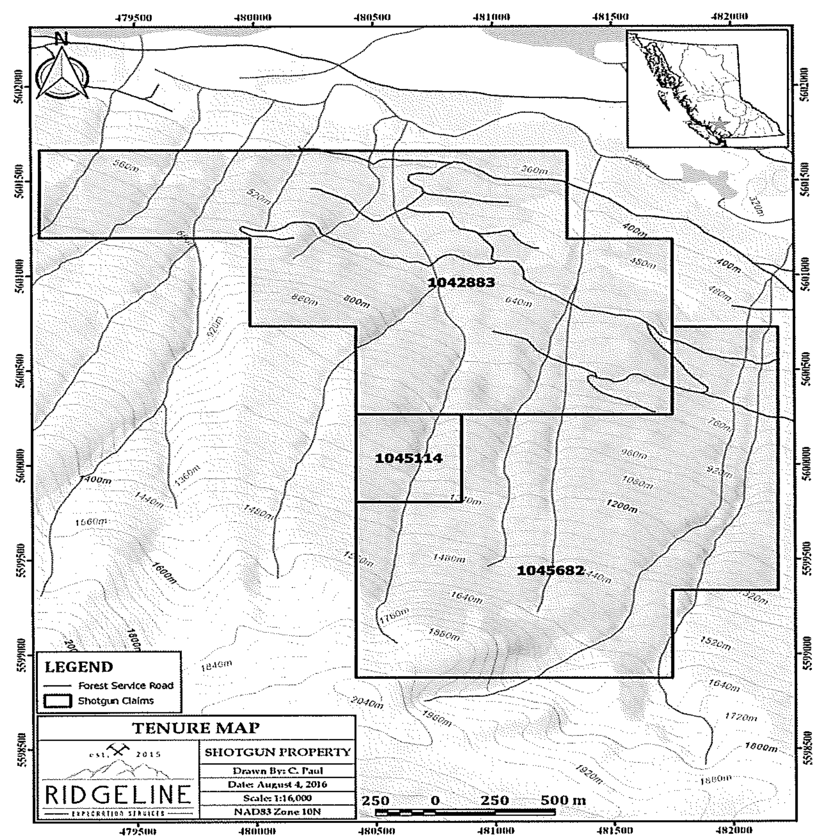

Figure 3: Map of the Mineral Tenures for the Shotgun Property, B.C.
(Scale 1:16,000; Drawn by C. Paul, 2016)

Mineral Tenure Acquisition and Work Requirements in British Columbia

In British Columbia the Mineral Tenures Online (MTO) database system is managed by the B.C. Ministry of Energy, Mines and Petroleum Resources. This system allows access to mineral tenures acquired electronically on-line using a grid cell selection system.

Mineral and Placer Claims in British Columbia can be acquired and maintained using the MTO online system. The initial fee for a selected cell is $1.75 CDN per hectare for the registration, and results in a tenure number for the registered claim, and a commencement date ("Date of Issue") coincident with the date the claim was registered, and is good until the "Expiry Date" that is one year.

To maintain a claim beyond the expiry date, an amount of exploration and development or cash-in-lieu must be performed on and registered on or before the expiry date for the claim. Failure to maintain a claim in good standing results in the forfeiture of the claim at the end of the day noted as the expiry date.

The costs required to maintain a claim in good standing for one year are detailed below:

<u>Mineral Claim – Work Requirement</u>

- $5 per hectare for anniversary years 1 and 2;
- $10 per hectare for anniversary years 3 and 4;
- $15 per hectare for anniversary years 5 and 6;
- $20 per hectare for subsequent anniversary years

<u>Mineral Claim – Cash-in-lieu of work</u>

- $10 per hectare for anniversary year 2;
- $20 per hectare for anniversary years 3 and 4;
- $30 per hectare for anniversary years 5 and 6;
- $40 per hectare for subsequent anniversary years

(c) The property is free from any liens or charges and subject to an NSR Royalty of 3% in favour of the optionors of the property.

(d) The author of the technical report has stated that he is not aware of any environmental studies, permitting or social or community impact assessments having been conducted on the Shotgun property, nor is the Author aware of any potential implications during these stages of exploration activities.

(e) No mineral reserve or mineral resource estimates have been calculated on this property by the author of the technical report.

(f) Aside from the standard rights of way that may exist with existing roads on the Shotgun Property, standard native right considerations, forest operations on crown lands and development constraints along waterways and the standard permit requirements and notifications as required under the Mines Act, the author of this Form 2A is not aware of any other constraints on the proposed mineral exploration program on the Shotgun Property as of the date of this Form 2a listing statement.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The terrain on the property is steep, and consists of northward facing slopes leading to the Lillooet River. The elevation is 360 meters ASL closest to the river at the north end, to 1980 meters ASL at the southern-most extent of the claims approaching the uppermost ridgelines. There are several incised drainage canyons leading to the river, making contouring east-west difficult, and locally some steeper slopes and bluffs would require mountaineering equipment to safely access. While the winters are mild, due to the high amount of precipitation the mountains in the form of snow fall, melting in the spring can be hazardous due to the increased meltwater in the drainages.

The Pemberton Valley is a unique weather system, and is typically warmer than the surrounding centers such as Whistler. The total average annual precipitation is 954 mm, with the average precipitation in the summer months (July – September) of 210 mm and in the winter months (November through March) of 550 mm. The average high/low temperature in July is 20 deg Celsius, and in January of -3.3 deg Celsius. The average annual snowfall is 169 mm. (Farmzone Website, July, 2016).

Multiple generations of tree harvesting on the Property have led to a variable forest density, with thick regrowth present in some areas, and old-growth cedar forest cover in others. There is evidence of large landslides and winter avalanches with fresh failure surfaces, boulder fields, fallen trees and large debris-flow deposits visible throughout the Lillooet River Valley.

The central area of the Property consists of a fault-controlled bedrock-confined creek, containing mixed gravels of fluvial and colluvial sediments in a thin to several meters cover over the bedrock. The steeply banked slopes of the creek zone funnel rain water and winter melt water carrying rock and sediments from above into the central drainage, and evidence of locally catastrophic amounts of material coming down are evident by striations in the mud and rock well above the creek bottom.

In between the central canyonized zones the topography is less steep, and covered with variably thick, well-developed colluvial soils with significant ash beds and lamillae believed to have derived from the active Mount Meager volcanic complex ~19 km to the west. Ash deposited has been observed up to 50 cm (0.5 m) in thickness on the property, and has complicated the acquisition of soil samples in some areas.

The Town of Pemberton, B.C., located approximately 60 km south west or one hour drive from the Property, has a year round population of ~2,500 though is located on the Highway 99 and a popular tourist location in the summer and winter in association with nearby Whistler. As such, there is available year-round lodging and full service fuel, food, labour and supplies. High tension power lines run all along the Pemberton Meadows Road to within 21 km from the Property boundary. Charter helicopter services are available in Whistler, with an estimated flight time of half an hour. Telephone and internet reception are not presently available on the Property. Exploration and drilling are limited by winter weather conditions, with the ideal periods between mid-June to late-October.

History

There has been no documented exploration on the property. The nearest MINFILE/ARIS reports (AR04664, AR08220, AR09712, AR10905, AR11410) are plotted approximately 20 kms to the southeast in the Ryan River drainage system, detailing a possibly comparable intrusive-hosted Cu-Mo-Au-Ag Porphyry System.

Reconnaissance stream sediment sampling in late 2015 identified surface oxidation and altered granitic float boulders occurring over a zone within and adjacent to the main creek on the property. Silt (stream sediment) sampling returned values of 807 ppm Cu and follow up work resulting in the discovery of mineralized outcrop containing up to 0.77 % Copper and 0.22 g/t Au within the main creek zone. The initial claims covering the anomalous creek were staked in March 2016 in addition to further follow up sampling detailed in the section on Exploration.

Geological Setting and Mineralization

There are no detailed geological maps of this area, and there is only basic coverage by government geological maps, as detailed below.

Regional Geology

The Shotgun property lies within the Coast Plutonic Complex (CPC), a long narrow belt of plutonic and metamorphic rocks extending from northern Washington through the Coast Mountains of western B.C. into southeast Alaska and the Yukon Territory (Woodsworth and Roddick, 1977). Closer to the Property, the CPC is described by Woodsworth (1977) and Cairnes (1925) as of Mesozoic age, and consisting largely of plutonic rocks of granitic composition, including predominantly granodiorite, quartz monzonite and quartz diorite. The plutonic rocks enclose north-west trending pendants of varying sizes, composed of older metavolcanic and metasedimentary rocks partially attributed to the Gambier Group of the lower Cretaceous. Numerous exposures of unmetamorphosed volcanic rock may be remnants of a formerly extensive volcanic cover (Roddick, J. A. And Woodsworth, G.J., 1974). The most proximal age date reported from the CPC in this area is from a Hornblende Diorite in Callaghan Creek, located approximately 20 km south-west of Pemberton, which gave an age of 128 +/- 8 Ma (K-Ar, Hb) (Cui and Russell, 1995).

Lower Cretaceous aged, highly deformed and stratified rocks are common, with metavolcanics predominating over meta-sedimentary strata. The volcanic rocks are mainly pyroclastic and comprised of greenish tuffs and breccias, reddish brown to maroon breccias-conglomerates, and purplish breccias.

The dominant structural trend is north-westerly, and foliation in plutonic rocks are generally steeply dipping and oriented to the north-west. Schistosity and fracturing in the pendants is usually parallel or sub-parallel to the contacts. Deformation, found locally as fault and/or shear zones, may be concentrated in narrow north-west trending zones and are revealed in drainages, with the transitional zones relatively well preserved with original textures, suggesting that the deformation may be controlled by deeper structural features.

Due to multiple deformational events, the relationship and origin of rock types can be difficult to determine, as most of the rocks are schistose and tightly compressed in complex repetitive folds, obscuring rock type differences, bedding and facies changes. As well, local variation in intensity of hydrothermal alteration adds silicification and intense quartz veining in some areas.

Property Geology

At the Shotgun Property medium-grained, variably equigranular biotite-granodiorite of likely late Jurassic to early Cretaceous age belonging to the Coast Plutonic Complex (CPC) predominates. This is seen intruding into an older schistose to gneissic intermediate rock also of the CPC. Composed predominantly of foliated and deformed quartz, feldspar, biotite and magnetite with relict igneous textures, and is likely an uplifted block of the older deformed basement of the CPC.

A traverse along "Anomaly Creek", the main drainage in the center of the Property, revealed several younger and unaltered meter-scale dikes of varying lithology, oriented at ~140 deg, and dipping steeply to the south. These were oriented parallel to the orientation of the creek, and likely represent a significant structural break on the property. Similarly, mineralization in the form of elevated oxidation and alteration were noted to be oriented in the same direction.

The intrusive rock units considered part of the Coast Plutonic Complex are the dominant lithologies on property. These include 1) A medium grained and equigranular biotite granodiorite, occasionally containing pink potassium(k)-feldspar crystals. This is unfoliated, unaltered and locally with trace pyrite and hairline veinlets of magnetite with pink k-feldspar selvages.; 2) A Biotite Schist, the most common rock type observed on the property, is magnetic with abundant light colored pyrite and dark chlorite. Chalcopyrite can be found locally as disseminations and in vein hosted mineralization; 3) A Leucocratic Granodiorite, which is foliated and well silicified and has a low mafic content (chlorite). This unit is the most common host to mineralization with disseminated and bleb chalcopyrite and pyrite. Malachite is locally found on the fractures, with oxide minerals such as hematite and limonite; 4) A very coarse grained quartz-muscovite-k-feldspar dike was located with a gossanous zone at the south end of the property within Anomaly Creek. At this time only one exposure occurs, and neither a timing relationship or extent of this lithology could not be established, though no mineralization was observed.

A weakly skarnified limestone was located within Anomaly Creek, and occurred as a highly altered, light-brown colored and foliated calcareous rock composed of calcite, quartz, ankerite and siderite with trace pyrite. This unit is locally cross-cut by thin (sub-centimeter) quartz-carbonate-limonite stockwork veinlets, with associated light green sericite alteration.

A number of dikes have been observed on the property, including: 1) a Porphyritic andesite with abundant mm-scale hornblende phyric diorite (?) with a dark grey-brown aphanitic matrix. These appear to occur as north-west striking, planar, undeformed dikes generally 1 to 5+ meters in width and intruding both the Biotite-Schist and the Leucocratic Granodiorite. These are moderately magnetic, and no alteration or mineralization has been observed; 2) Andesite with mm-scale light green feldspar phenocrysts. These are also magnetic with trace disseminated pale pyrite and saussuritization of feldspars as well as weak pervasive chlorite and silica alteration. These similarly occur as north-west orientated dikes up to several meters thick; 3) Dark grey-black, aphanitic basalt. This occurs as planar, undeformed dikes up to a few meters in width, with north-west jointing developed similarly to the orientation of the strikes of the dikes. Intensely magnetic, no alteration or mineralization has been observed; 5) Aplite dikes were observed cross cutting all lithologies in the creek. These were a felsic, sugary-textured rock occurring as 1-3 meters dikes oriented parallel to the shearing observed in the creek.

Mineralization

Pyrite is common throughout the Property as disseminated grains, with the degree of content varying with the lithology. Unaltered tuffs and intrusive may contain trace + pyrite, though the more siliceous intrusives and in particular the granodiorite and diorites may contain a few percent Pyrite. Significant mineralization consists of disseminated to blebs of pyrite+/-chalcopyrite+/-chalcocite within quartz veins and silicified zones of granodiorite. Locally malachite is present on fracture surfaces adjacent to the presence of copper-bearing minerals within the rock. Locally alteration minerals consist of hematite and locally limonite. Magnetite is also commonly present.

Deposit Types

Based on the information gathered thus far, the deposit type is considered to be porphyry-related, veining and re-mobilization of mineralization due to shearing and faulting, with the potential for a Porphyry Cu-Mo-Au-Ag style deposit. It is possible that economically important veins can occur in both the plutonic rock and pendants, where the sulphide mineralogy of the veins consists simply as pyrite with chalcopyrite, sphalerite (Woodsworth and Roddick, 1977).

Porphyry deposits are not common in this under-explored part of the CDC, however the potential for copper-molybdenite deposits is noted, with the plutonic rocks, predominantly granodiorite and quartz diorite bearing the highest potential for mineralization (Woodsworth and Roddick, 1977). Similar deposit types are being explored to the north-west, as outlined in the section on Adjacent Properties.

Additionally, due to presence of a limestone unit on the Property, there is the potential for skarn type mineralization to occur at least locally at the contacts with younger intrusives. The most likely location for sulphide-bearing skarns would be near northwest trending lineaments, presumed to represent faults along the many contacts between the pendants and the plutons (Woodsworth and Ruddick, 1977).

Exploration

Historical exploration programs are described under the History section above, and the planned exploration programs are described under the Recommendations section below.

AGC has not undertaken any work on this property since it optioned the project however the recent work undertaken recently by the optionors is described below.

Geochemical Sampling

All of the documented exploration on the Property has occurred between late 2015 and mid 2016 by Ridgeline Exploration. The prospect was located through a reconnaissance stream sediment sampling program in late 2015, which resulted in four samples taken from the property, resulting in the identification of a copper anomaly on what has become known as "Anomaly Creek", a large drainage of a north-facing slope adjacent to the Lillooet River and six kilometers west of South Creek.

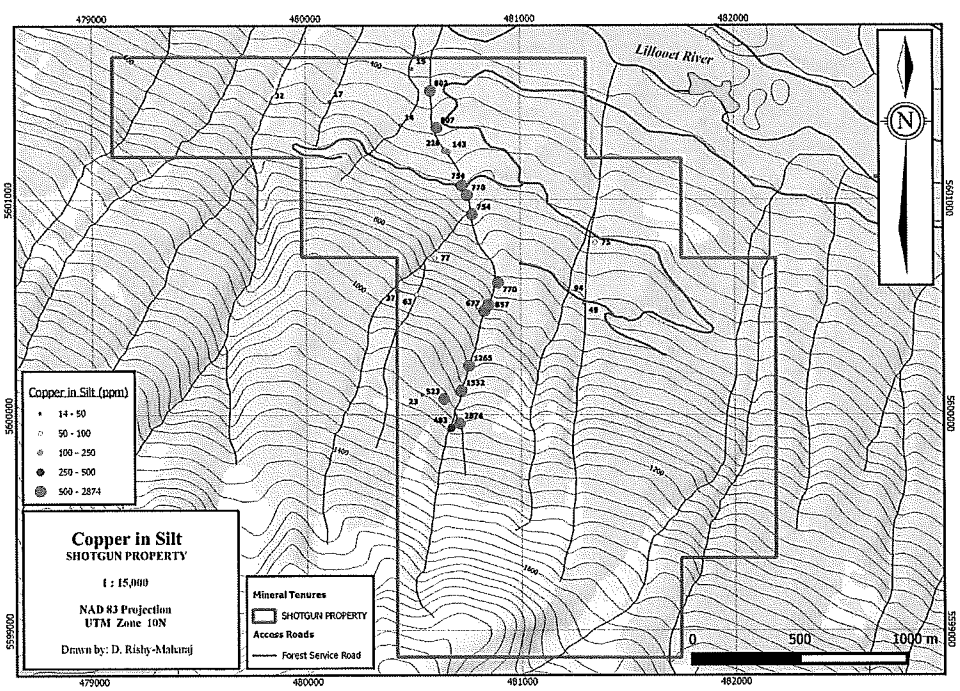

Figure 4: Copper in Silt (Stream Sediment) Samples, Shotgun Property (1:15,000; Drawn by D. Rishy-Maharaj, 2016)

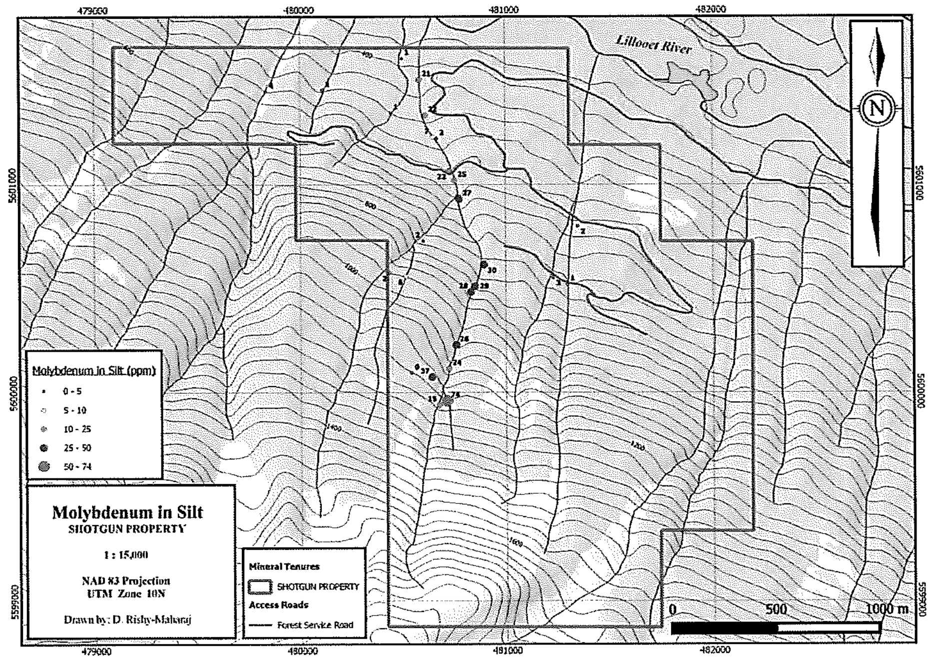

Figure 5: Molybdenum in Silt (Stream Sediment) Samples, Shotgun Property (1:15,000; Drawn by D. Rishy-Maharaj, 2016)

The property was subsequently staked in March of 2016 and followed up with a further 26 stream sediment samples covering the upper tributaries of the drainage. These results included up to 2874 ppm copper, and extended the copper-in-silt anomaly up the creek by approximately 1.8 km up Anomaly Creek. Preliminary rock sampling within the creek returned values ranging up to 0.77 % copper, 3.93 g/t silver and 0.22 g/t gold.

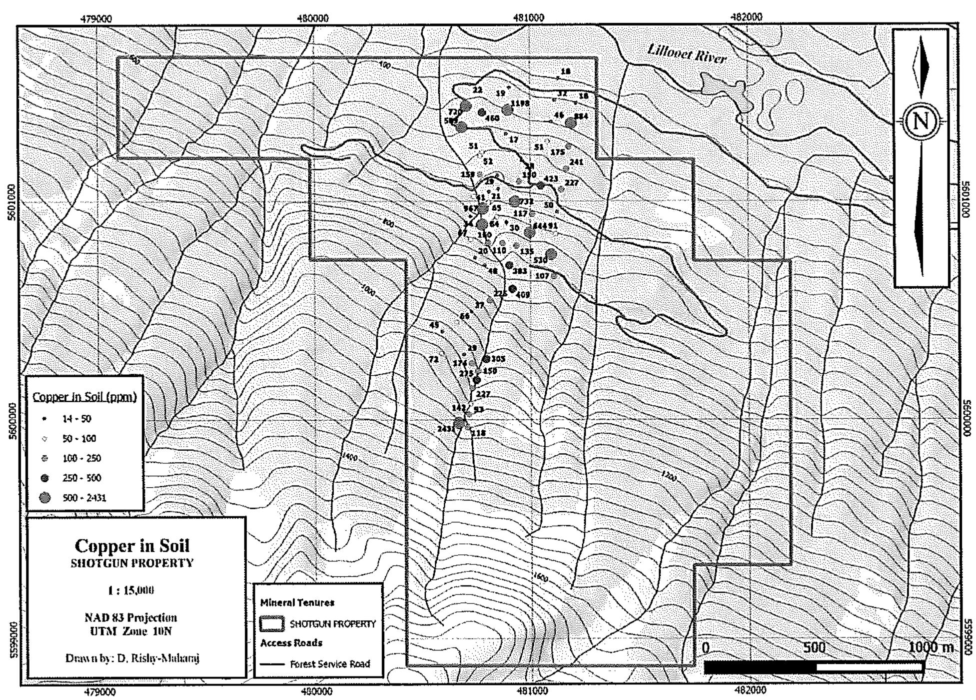

Figure 6: Copper in Soil Samples, Shotgun Property (1:15,000; Drawn by D. Rishy-Maharaj, 2016)

In July, 2016, both a 65 sample soil grid as well as an 8 km magnetic survey was conducted to cover the Anomaly Creek drainage. During this month the Author also visited the property and traversed up Anomaly Creek, taking a total of 7 rock chip-grab samples of various outcrops to sub-crops of mineralization.

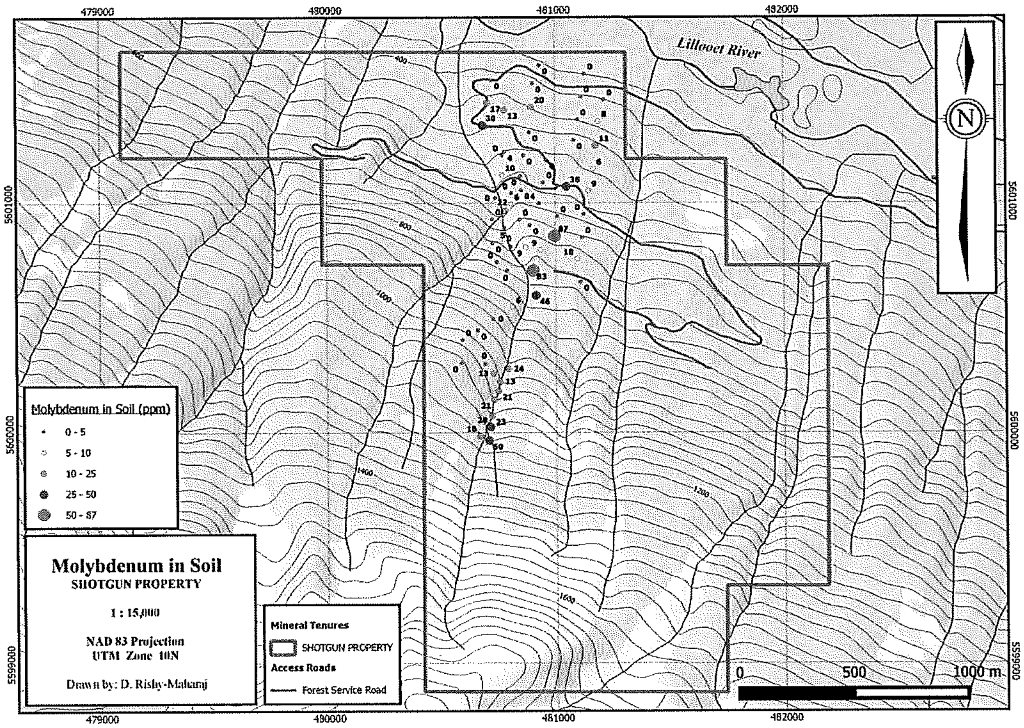

Figure 7: Molybdenum in Soil Samples, Shotgun Property (1:15,000; Drawn by D. Rishy-Maharaj, 2016)

Geophysics

A ground magnetometer survey was completed on the property at the end of July, 2016. This was along 100 and 150 meter spaced lines following the geochemical grid, using a GSM-19W Overhauser "Walking" magnetometer as a rover unit, with a sampling frequency of 1 measurement per second (1 Hertz). A second GSM-19 Overhauser "base" unit was set up near the corner of the grid (see Figure 8), to take readings every 5 seconds of the diurnal variation to allow for correction of the rover values. This brush and terrain issues caused some variation from the intended grid, so additional readings were taken along the forest service roads to improve the coverage. A total of 8 line-kilometers of magnetic surveying was completed.

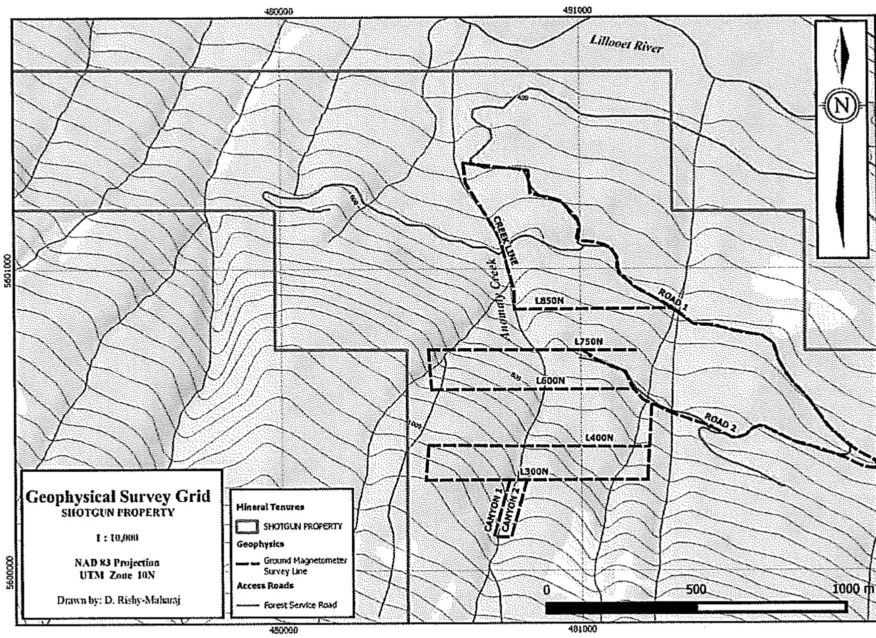

Figure 8: Geophysical Survey Grid of the Shotgun Property (1:10,000; Drawn by D. Rishy-Maharaj, 2016)

Coordinates for the rover unit were obtained using a handheld GPS, and all field data was corrected using GemLink software to remove any diurnal variation to define the Total Magnetic Intensity (TMI) for each sample location. The positioning data and magnetometer readings were combined and the data was gridded using a minimum-curvature method using Surfer 13 mapping software, and plotted into a colour-coded TMI map.

Drilling

No drilling has occurred on the property.

Sampling and Analysis

A variety of sample preparation, analyses and approaches have been used by Ridgeline Resources in their preliminary exploration of the property. These include X-Ray Fluorescence (XRF) technology for analysis of Soil and Silt samples, and Certified Laboratory geochemical analysis for a percentage of these soils as well as all rock samples.

A total of 26 Stream Sediment Samples, or silt samples, were taken using a "Prospector Pro" shovel. These were taken as close to the center of the streams as possible, along low energy segments with pockets of fine sediment. The sample was not sieved in the field, though care was taken to avoid organic material, coarse clasts and other debris. The sample was placed into Kraft paper bags, hand squeezed to drain excess water and then placed into plastic sample bags for transportation to Vancouver. Sample locations were marked with flagging and the UTM coordinates recorded along with notes regarding the sample and stream details.

A total of 65 Soil Samples were taken using a handheld "Dutch" soil auger, at 100 meter spacing on north-south lines spaced 100 meters apart. Effort was made to auger completely through the light colored volcanic ash horizon to collect samples from the C-horizon. Sample depth varied as the ash horizon was thin (several centimeters) on steep slopes, though grew quite thick (greater than 1 meters in locations) on flatter slopes. Where the ash was thickest it was the most difficult to achieve a quality sample not containing ash, and in some cases, due to time, a poorer quality sample or no sample at all was taken. The samples were placed into Kraft soil sample bags, and each location was marked with flagging and sample details and location were recorded. Following completion of the field work, the soil samples were transported to Burnaby, B.C. and dried on drying racks in a secure facility, to remove any further moisture.

A total of 15 Rock Samples have been taken on the property, including the 7 samples taken by the Author. Chip samples were taken of outcrop and sub-cropping exposures generally along the main Anomaly Creek. The samples were collected and sealed in plastic sample bags, the location was flagged, and the details of the sample location and lithology were noted.

Samples were then transported back to Langley, B.C. where they were either prepped for XRF analysis or taken to Met-Solve Laboratories for analytical analysis.

Xray Flourescent Analysis

Soil and Stream Sediment samples were sieved to -80 mesh, compacted into soil cups, and analyzed for 21 elements with a Niton XL3T GOLDD+ handheld XRF. A number of the XRF samples were also sent to Met-Solve Laboratories for analysis (detailed below), the results which compared very well, such that the XRF methodology applied here can be considered a valid exploration tool for future soil and silt sampling.

Certified Laboratory Geochemical Analyses.

All of the samples taken before May 13th, 2016, were sent to Met-Solve Laboratories Inc., an ISO 9001:2008 certified lab in Langley, B.C. The analytical package consisted of a sample split of 15 g for multi-element, aqua regia digestion and 51-element ICP-AES/MS finish at the ultra trace level. All subsequent soil and stream sediment samples were initially sampled by handheld XRF (as above), and 9 of these soil samples were sent to Met-Solve Laboratories for confirmation analysis by the analytical process detailed above.

The author collected 7 rock samples during the field visit, and these were sent to ISO 9001:2008 certified Bureau Veritas Mineral Laboratories (formerly ACMELabs) of Vancouver B.C., Canada. These samples were personally delivered, and the analytical package consisted of initially being crushed to >70% passing 2mm, followed by a 250 g split pulverized to >85% passing 75 um (analytical code PRP70-250). This was followed by a sample split of 15 g for aqua regia digestion and 36 element ICP-ES/MS finish (analytical code AQ201). No fire assaying for gold was performed.

Data Verification

On July 21, 2016 the author and a representative of Ridgeline made a day trip to the Shotgun property. The author collected 7 samples from outcrop and sub-crop showings in the creek, a number of which were to duplicate past sampling by Ridgeline, as well as to investigate outcrops of mineralization not yet tested by the company. The samples were chip-grab samples of quartz veining and silicification in dioritic to granodioritic lenzoidal or pod-shaped zones in or adjacent to the creek, containing variable amounts of pyrite+/-chalcopyrite+/-chalcocite+/-malachite mineralization. Commonly these zones exhibited weak to moderate surface oxides such as limonite and hematite. Silica was present as clear to grey quartz veins and/or silicification. The rocks were also commonly magnetic, and it is inferred that this was due to magnetite as no pyrrhotite was observed.

The 7 rocks samples were submitted with 1 multi-element pulp standard and 1 blank standard and were taken directly to Bureau Veritas Mineral Laboratories (formerly ACME Labs) for analysis. The QAQC samples compared well to the certified values, and showed anomalous Copper up to 1402.5 ppm, with most between 300 – 600 ppm. There was no significant Mo-Au-Ag. While these results were less than expected based on the mineralization observed in the field, the sampling and analysis did show that anomalous Copper mineralization is present.

Mineral Resource and Mineral Reserve Estimates

No mineral processing or metallurgical testing has been undertaken on any material from this Property by AGC or previous parties.

Mining Operations

All properties are currently in the exploration phase.

Adjacent Properties

There are no properties directly adjacent to the Shotgun property. The nearest mines are gold-quartz vein systems of the historic Bralorne and Minto Gold mines, located approximately 45 kms to the north east, and held by Avino Silver and Gold Mines Ltd. The Bralorne mine has been operating under trial production status since 2010, and though producing an estimated 3,482 ounces in fiscal 2014, is considered to still be in the exploration and evaluation stage. Historically, Bralorne produced more gold than anywhere else in Canadian Cordillera, at 4.15 M oz's at 163 g/t (Avino Website).The Minto property was reported to have last been in production between 1934 and 1940 (according to Infomine.com's property database) and the last reported exploration was conducted in 2006 (Avino Website).

To the north-east approximately 65 to 85 kms, a cluster of Porphyry Cu-Au-Ag-Mo and Porphyry related projects are currently being explored. These include; Carube Copper's Salal Project and Mackenzie Project; Cresval Capital Corp.'s MIKE Project; and Amarc/Thompson Creek's IKE Project.

The closest of these is Carube Copper's Salal Project where they are investigating the potential of a low-fluorine type, Porphyry-Mo deposit, consisting of stockworks of Mo-bearing quartz veinlets and fractures in the intermediate to felsic intrusive rocks and associated country rocks. Work to date has received surface sampling results for the Mud Lake target area of up to 1.155 % Mo and 2.11 ppm Ag (Carube Copper Corp. Website)

Also of Carube Copper, the Mackenzie Project is focused on delineating a mineralized environment associated with the Miocene Age Bridge River Pluton, to date several mineralized areas have been discovered, including: the Breccia Trend, a deeply weathered, silicified, series of gossanous breccias with values up to 0.211 % Cu; the Tillworth Trend of quartz-chalcopyrite+/-bornite+/-molybdenite veins and stringers up to 30 cm wide along strike to the northwest and southeast, and spatially associated with younger, fine-grained granodioritic and dioritic rocks. Grab samples have received results up to 17 % Cu, 1.46 g/t Au and 78 g/t Ag; and the Bornite Trend which consists of scattered quartz-bornite-chalcocite-magnetite+/-chalcopyrite+/-tetrahedrite veins and stringers up to 20 cm wide. Results from grab samples have copper values in excess of 0.25% Cu with a maximum of 4.34 % Cu, with up to 0.445 g/t Au and 4,170 g/t Ag (Carube Copper Corp. Website).

Immediately to northwest of Carube Copper is Cresval Capital Corp.'s MIKE Project (formerly the Bridge River/Copper claims) where exploration is for a bulk-mineable, Cu-Mo-Au deposit. A number of showings, hosted by the granitic Bridge River Pluton have revealed significant results, including: the

Nichol showing, a 600 x 400 m zone with copper bearing quartz-sulphide and sulphide veins, pods and fracture fillings and disseminations hosted by phyllic and locally potassic altered granite. Results include 4.74% Cu, 32.8 g/t Ag, 0.16% Au and 0.015% Mo over 1 m from Vein (Cresval Website); and the Russnor Breccia Intrusive Body, where sampling of historic underground exploration work has revealed economic grades, such as an average of 1.38 % Cu over the inner 30.5 m of the adit. Recent (2011) drilling intersected 0.043 % Cu over 189 m from the southern extension of the zone (Cresval Capital Corp.Website; Pautler, 2012).

Directly north of Carube Copper is Amarc/Thompson Creek's IKE Project, a bulk-tonnage porphyry copper (+/- Au +/- Mo +/- Ag) target where recent drilling within a large barren cirque has intercepted up to 591.5 m of 0.44 CuEQ (2014/2015 Drilling). Mineralization is disseminated throughout the intrusion with lesser amounts associated with fractures and veins. Airborne magnetic and ground induced polarization geophysical surveys are currently being integrated with the geology to outline further target zones (Amarc Website)

The nearest MINFILE data comes from the Ryan River area, approximately 20 kms to the south-east of the Property, by Great Western Petroleum Corporation in the early 1980's (Eccles, 1980; Caira, 1981; Eccles, 1982). These detail mapping and surface geochemical sampling in a number of occurrences including: copper and sphalerite in what was believed to be a roof pendant of metasedimentary and/or metavolcanic rocks; molybdenite and chalcopyrite with quartz in highly altered and silicified zones; and a Au-Ag gossanous shear zone, locally anomalous with copper and molybdenum. An Airborne VLF-EM and Magnetometer Survey was conducted over the gossan (Pezzot and White, 1983), though no distinctive magnetic anomaly appeared to correlate with the zone, numerous magnetic features were identified and believed to represent volcanic roof pendants surrounded by dioritic pluton or batholith. Strong variations within the magnetic anomalies were interpreted to represent areas of increased chemical activity or alteration, having a higher concentration high magnetic susceptibility materials. No significant VLF-EM anomalies were observed.

Other Relevant Data and Information

The author has reviewed all available information concerning the property. Unfortunately there is little information available concerning the detailed geology, and while the adjacent properties discussed are within the CPC, they provide only distal mineralogical or deposit analogies. The writer is not aware of any additional sources of information that might significantly change the conclusions presented in this report.

Interpretation and Conclusions

The Shotgun property is an excellent example of grassroots prospecting locating a new mineral showing. Through geochemical sampling, exploration to date has revealed anomalous copper mineralization within and continuing up the main "Anomaly Creek". This appears to be fault related copper bearing (+/- molybdenum+/-gold+/-silver) quartz veining and silicification. It appears that the mineralization is structurally controlled, though may be found to be related to a Copper-bearing Porphyry (+/- Mo-Au-Ag) with further exploration.

The samples taken by the Author contained significant amounts of pyrite-chalcopyrite mineralization (~5%) mineralization, however upon assaying were only found to be anomalous in Copper, with the highest grade sample containing 1402.5 ppm. None of the sample contained significant amounts of Molybdenum (highest 12.4 ppm), Silver (highest 0.4 ppm) or Au (highest 35.4 ppb, though fire assaying was not conducted).

Sampling to date is limited, though does show an anomalous zone over an area of approximately 660 meters along the slope in the north-west to south-east direction, and approximately 1,500 meters from the lowermost anomaly to the uppermost anomaly in "Anomaly Creek" (see Figures 11 and 12). The mineralized zones within this are lenzoidal or pod-like in shape, with variable amounts of Pyrite-Chalcopyrite-Molybdenite, with surface oxides and locally malachite. These zones were observed to be up to approximately 15 meters long and 3 meters wide, an orientation of ~140 degrees, similar to the number of intrusive units observed, fracturing in the host rock as well as the orientation of the creek. Further up Anomaly Creek, the orientation of the creek as well as the anomalous samples taken within and adjacent to it, is observed to shift to an orientation of ~10 degrees. The nature of the incised gullies here indicates that this could be related to a change in the fault direction, and more work is warranted to evaluate the structural nature and relationship to mineralization.

Recommendations

It is in the Author's opinion that based on the number and extent of anomalous samples taken on the Shotgun Property the property represents a viable target for further exploration and additional work is warranted. The work conducted thus far in 2016 has resulted in the location of multiple mineralized outcrop and sub-crop zones along Anomaly Creek, with increasingly anomalous values obtained further up-stream. There is a reasonable chance that if the nature of the mineralization is structurally controlled, that there could be multiple of these zones present under the overburden. The origin of the mineralization has also yet to be determined.

A Phase 1 program involving detailed mapping and further geochemical sampling of the property is warranted, working towards understanding the nature of the mineralization, and in particular, determining whether the mineralization is dominantly structurally (fault or shear related veining) or lithologically (derived from a mineralized porphyry) controlled. Ideally soil sample grid would be conducted, however due to the topography and difficulty in penetrating the ash layer in some locations, as well as the network of logging roads available, the sampling could initiate on and as extensions of the roads, and be followed up by infill sampling around anomalous zones where necessary. A motorized auger would be particularly useful in obtaining a deeper sample to penetrate through the ash layer in a shorter amount of time that would be required with a hand auger. The magnetic geophysics should also be extended along all the accessible logging roads and trails, as well as across as many drainages as possible. Emphasis should then be placed on comparing the detailed mapping and sampling with the geophysical anomalies, and evaluating whether there is any relationship to mineralization to help in predicting other mineralized zones.

A Phase 2 program is proposed to involve further mapping and sampling through trenching with an excavator, with a series of shallow drill holes to test target zones. These zones may be accessible from the present road network, or may require extension of these roads using the excavator to clear a path through the cut block.

Without the results from Phase 1 it is difficult to estimate how many meters would be sufficient to test the targets, however since there is surface mineralization present, it is estimated that 5-6 holes of 100 meters, initially oriented as shallowly as possible, would be sufficient to test 3 to 6 target zones.

Recommended Phase I Exploration Budget
Program: Geological mapping, rock, soil and silt sampling, extend geophysical grid

	Rate	Units	Totals
Program planning			$2,000
Field Crew (4)	$1800/day	14 days	$25,200
Geochemical Sampling	$30/sample	300 samples	$9,000
Equipment (Auger) Rental	$200/day	14 days	$2,800
Accommodation/Meals/Fuel	$400/day	14 days	$5,600
Geophysics - Magnetic Survey	$600/day	4 days	$2,400
Data interpretation and reporting			$3,000
Contingency – 10%			$5,000
		Total	**$55,000**

Recommended Phase II Exploration Budget
Program: Trench Sampling and Core Drilling

	Rate	Units	Totals
Program planning			$5,000
Field Crew (4)	$1800/day	20 days	$36,000
Excavator Rental	$1000/day	5 days	$5,000
Geochemical Sampling - Rock Trench	$30/sample	100 samples	$3,000
Drilling	$80/meter	600 meters	$48,000
Geochemical Sampling - Core	$30/sample	300 samples	$9,000
Sampling Equipment			$2,000
Accommodation/Meals/Fuel	$200/day	20 days	$4,000
Data interpretation and reporting			$5,000
Contingency - 15%			$11,700
		Total	**$128,700**

SCHEDULE "B"
STATEMENT OF EXECUTIVE COMPENSATION

This Appendix sets forth the compensation paid by the Issuer to its Named Executive Officers and directors during the past two fiscal years.

In this Appendix "Named Executive Officers" or "NEOs" mean (a) the Chief Executive Officer (or an individual who acted in a similar capacity), (b) the Chief Financial Officer (or an individual who acted in a similar capacity), (c) the other most highly compensated executive officer whose total salary and bonus exceeded $150,000, and (d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact that the individual was not an executive officer, and was not acting in a similar capacity, at the end of the applicable fiscal period.

Executive Compensation

Executive compensation was based upon the need to provide a compensation package that would allow the Issuer to attract and retain qualified and experienced executives, balanced with a pay-for-performance philosophy and recognition of the Issuer's limited financial resources. Compensation has historically been based upon a negotiated fee, with stock options and bonuses potentially being issued or paid as an incentive for performance. The Issuer did not have a Compensation Committee; rather all decisions were made at the board level.

During the year ended December 31, 2015, the Issuer did not have any agreements in place with its NEOs.

Director and NEO Compensation, Excluding Compensation Securities

The following table sets forth all annual and long-term compensation for services paid to or earned by the Issuer's NEOs and directors for the two fiscal years ended December 31, 2015 and 2014:

Table of compensation excluding compensation securities							
Name and position	**Year**	**Salary, consulting fee, retainer, commission ($)**	**Bonus ($)**	**Committee or meeting fees ($)**	**Value of perquisites ($)**	**Value of all other compen-sation ($)**	**Total compen-sation ($)**
Bob Komarechka *CEO and Director*	2015 2014	nil nil	nil nil	nil nil	nil nil	nil nil	nil nil
Binh Vu *Director*	2015 2014	nil nil	nil nil	nil nil	nil nil	nil nil	nil nil

Stock Options and Other Compensation Securities

There were no compensation securities granted or issued to any NEO or director by the Issuer during the financial year ended December 31, 2015 for services provided or to be provided, directly or indirectly, to the Issuer.

There were no compensation securities exercised by any director or NEO during the most recently completed financial year ended December 31, 2015.

As at December 31, 2015, the directors and NEOs of the Issuer held the following incentive stock options: Bob Komarechka – 2,000,000 options; and Binh Vu – 500,000 options.

During the fiscal year ended December 31, 2015, no stock options were re-priced, cancelled and replaced, had their term extended or were otherwise materially modified.

None of the stock options held by the directors and NEOs as listed above were subject to any vesting provisions or any restrictions or conditions for converting, exercising or exchanging the options.

Stock Option Plans and Other Incentive Plans

The only stock option plan or other incentive plan the Issuer has in place is a 10% "rolling" stock option plan (the "Plan") as described in section 8 of the Listing Statement. The underlying purpose of the Plan is to attract and motivate the directors, officers, employees and consultants of the Issuer and to advance the interests of the Issuer by affording such persons with the opportunity to acquire an equity interest in the Issuer through rights granted under the Plan.

The Issuer has no other plan providing for the grant of stock appreciation rights, deferred share units or restricted stock units or any other incentive plan or portion of a plan under which awards are granted.

As of the end of the fiscal year on December 31, 2015, there were 5,900,000 options outstanding.

The following table sets forth information with respect to the Issuer's stock option plan as at the fiscal year ended December 31, 2015:

Plan category	**Number of securities to be issued upon exercise of outstanding options** **(a)**	**Weighted-average exercise price of outstanding options** **(b)**	**Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))** **(c)**
Equity compensation plans approved by securityholders	5,900,000	$0.05	1,091,924
Equity compensation plans not approved by securityholders	n/a	n/a	n/a
Total	5,900,000		1,091,924

1. Calculated as the total number of shares authorized for issuance under the Issuer's stock option plan as December 31, 2015 (being 10% of 69,919,247 outstanding shares, or 6,991,924 options), less the number of stock options outstanding as at such date.

Employment, Consulting and Management Agreements

There were no agreements or arrangements in place under which compensation was provided during the most recently completed financial year or is payable in respect of services provided to the Issuer that were:

(a) performed by a director or named executive officer, or

(b) performed by any other party but are services typically provided by a director or a named executive officer,

other than the grant of options under the Plan, and the reimbursement of expenses any director or NEO may have incurred on behalf of the Issuer.

Pension disclosure

The Issuer did not provide any form of pension to any of its directors or Named Executive Officers.

Other than as disclosed herein, the Issuer does not have any pension or retirement plan which is applicable to the NEOs. The Issuer has not provided compensation, monetary or otherwise, to any person who now or previously has acted as an NEO of the Issuer, in connection with or related to the retirement, termination or resignation of such person, and the Issuer has provided no compensation to any such person as a result of a change of control of the Issuer.

SCHEDULE "C"

UNAUDITED FINANCIAL STATEMENTS OF THE ISSUER FOR THE NINE MONTHS ENDING SEPTEMBER 30, 2016

[inserted as pages following]

4D Virtual Space Ltd.

(Formerly Alibaba Innovations Corp.)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTH PERIODS ENDED

SEPTEMBER 30, 2016 AND SEPTEMBER 30, 2015

(UNAUDITED)

(EXPRESSED IN CANADIAN DOLLARS)

NOTICE TO READER

REVIEW OF INTERIM FINANCIAL STATEMENTS

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

4D Virtual Space Ltd.
(Formerly Alibaba Innovations Corp.)
Interim Consolidated Statements of Financial Position
(UNAUDITED)

(Expressed in Canadian Dollars)

As at	Note	September 30 2016 $	December 31 2015 $
ASSETS			
Current			
Cash		**4**	7,475
Accounts receivable	5	**100**	17,693
Deposit on mining property	6	**10,000**	-
Prepaid expenses	5	**3,682**	1,008
		13,786	26,176
LIABILITIES			
Current			
Loans payable	7	**21,147**	-
Accounts payable and accrued liabilities		**179,806**	94,265
		200,953	94,265
Shareholders' Deficit			
Share Capital	8	**466,400**	466,400
Share based payments reserve	8	**20,900**	20,900
Deficit		**(674,467)**	(555,389)
		(187,167)	(68,089)
Total liabilities and equity		**13,786**	26,176
Nature of operations and continuance of business	1		

Approved on behalf of the Board

The accompanying notes are integral to these interim consolidated financial statements

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

(UNAUDITED)

	Three months ended		Nine months ended	
	September 30 2016	September 30 2015	September 30 2016	September 30 2015
	$	$	$	$
EXPENSES				
Acquisition costs	-	-	-	50,000
Exploration and evaluation expenditures	-	-	-	9,500
Professional fees	5,312	59,036	26,993	119,249
Video preparation, website development and programming	-	13,750	25,340	13,750
Consulting fees	9,000	15,000	46,333	15,840
Transfer agent and filing fees	2,743	2,865	8,938	27,309
Insurance	1,840	6,048	6,712	8,064
Iinterest	103	-	4,401	-
Office and general	45	1,496	359	2,707
Travel and investor relations	-	313	-	2,892
Total Expenses	19,045	98,508	119,078	249,311
Net loss and comprehensive loss for the period	(19,045)	(98,508)	(119,078)	(249,311)
Weighted average number of outstanding common shares	69,919,247	69,835,822	69,919,247	69,835,822
Net Loss per common share - basic and diluted	(0.0003)	(0.001)	(0.002)	(0.004)

The accompanying notes are integral to these interim consolidated financial statements

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

(UNAUDITED)

		Reserves Shares issued and subscribed				
	Note	Number of shares	Amount	Share-based payments reserve	Deficit	Total
		#	$	$	$	$
Balance at January 31, 2015		33,810,102	460,400	20,900	(256,221)	225,079
Shares issued:						
Shares issued on amalgamation		36,009,145	-	-	-	-
Exploration and evaluation assets		100,000	6,000	-	-	6,000
Loss for the period		-	-	-	(249,311)	(249,311)
Balance at September 30, 2015		69,919,247	466,400	20,900	(505,532)	(18,232)
Loss for the period		-	-	-	(49,857)	(49,857)
Balance at December 31, 2015		69,919,247	466,400	20,900	(555,389)	(68,089)
Loss for the period		-	-	-	(119,078)	(119,078)
Balance at September 30, 2016		**69,919,247**	**466,400**	**20,900**	**(674,467)**	**(187,167)**

The accompanying notes are integral to these interim consolidated financial statements

4D Virtual Space Ltd.
(Formerly Alibaba Innovations Corp.)
Interim Consolidated Statement of Cash Flows

(Expressed in Canadian Dollars)
(UNAUDITED)

	Nine months ended September 30	
	2016	**2015**
CASH (USED IN) PROVIDED BY :		
Operating activities		
Net loss for the period	(119,078)	(249,311)
Adjustment for:		
Exploration and evaluation expenditures	-	6,000
	(119,078)	(243,311)
Net change in non-cash working capital		
Changes in operating assets and operating liabilities:		
(Increase)decrease in prepaid expenses	(2,674)	(4,032)
Decrease in accounts receivable	17,593	1,162
Increase(decrease) in accounts payable and accrued liabilities	85,541	72,151
Net cash used in operating activities	(18,618)	(174,030)
Investing activities		
Deposit on mining property	(10,000)	-
	(10,000)	-
Financing activities		
Loans payable	21,147	-
	21,147	-
Decrease in cash	(7,471)	(174,030)
Cash, beginning of period	7,475	191,745
Cash, end of period	4	17,715
NON-CASH INVESTING AND FINANCING ACTIVITIES :		
Shares issued for exploration and evaluation assets	-	6,000

The accompanying notes are integral to these interim 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. ("AIC") to 4D Virtual Space Ltd.("4DVS") 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. The agreement with Privco has been terminated and the company is now resuming its pursuit of natural resource properties.

These financial statements reflect the operations of 4DVS and AGC on an interim 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 September 30, 2016 of $187,167 (December 31, 2015-$68,089) and an accumulated deficit of $674,467 (December 31, 2015-$555,389).

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.

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. As these costs are non-refundable, they were recorded in the statement of operations for the year ended December 31, 2015.

1. NATURE OF OPERATIONS AND GOING CONCERN (continued)

INVESTMENT IN WHOLLY OWNED SUBSIDIARY (continued)

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 Company on the earlier of:

- (a) September 30, 2015 or
- (b) the Company 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. Most recently, 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. The completion of this agreement is subject to regulatory approval.

At this time 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.

The above agreement has been terminated.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as applicable to interim financial reports including International Accounting Standard 34 'Interim Financial Reporting'. These condensed consolidated interim financial statements do not include all the information and note disclosures required by IFRS for annual financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2015, which have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB") and included in Part 1 of the Handbook of the Chartered Professional Accountants of Canada.

(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 interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

In the preparation of these interim 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 interim 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).

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Basis of Consolidation

The interim 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 interim 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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Non-derivative financial assets (continued)

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 Company 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.

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 incurred. 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 September 30, 2016 and December 31, 2015.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(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 September 30, 2016 the Company 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 September 30, 2016 totalled $(674,467), (December 31, 2015, totalled $(555,389)).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 period.

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.

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 September 30, 2016 and December 31, 2015, 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 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 September 30, 2016. 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 September 30, 2016, the Company had cash of $4 (December 31, 2015-$7,475) to settle trade accounts payable and accrued liabilities of $200,953 (December 31, 2015 - $94,265), 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.

4. FINANCIAL RISK MANAGEMENT

Financial risk (continued)

(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.

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 September 30, 2016	**As at December 31, 2015**
	$	**$**
Accounts receivable	**100**	**10,000**
Prepaid expenses	**3,682**	**1,008**
Sales tax recoverable	**-**	**7,693**
	3,782	**18,701**

6. EXPLORATION AND EVALUATION EXPENDITURES

(i) Option on the Maverick and Hearst 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.

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. 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. 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. On February 9, 2016 the 4 remaining claims of the Maverick Property were allowed to expire. As at September 30, 2016 the Company holds none of these mining claims.

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION EXPENDITURES (continued)

(ii) Option on The Shotgun Property

On August 8, 2016, Alibaba Graphite Corp. ("AGC") entered the Property Option Agreement with the Owners of the Property to acquire the Shotgun Property, a copper and gold porphyry property. Under the terms of the agreement, AGC may earn a 100% interest in the three mineral blocks comprising the Shotgun Property, subject to a 3% NSR Royalty, by making a cash payment of $10,000, issuing 10,200,000 common shares(see Subsequent Event Note 13), and completing $1,000,000 in exploration work by May 31, 2020.

Payment of the $10,000 to the Owners has been made by an arms-length party. (See Subsequent event - note 12)

The $1,000,000 in exploration must be completed on or before the following dates:

Date Completed By	Amount
May 31, 2017	$50,000
December 31, 2018	$100,000
December 31, 2019	$300,000
December 31, 2020	$550,000
Total	**$1,000,000**

Excess expenditures from one year are able to be applied to subsequent years, and in the case of any shortfall in exploration expenditures in a given year the option can be maintained in good standing through making a payment equivalent to the shortfall to the Owners. Should the Company fail to incur the minimum exploration expenditures (or cash payment in lieu thereof) the option will terminate and the Company will earn no interest in the Property.

The Owners will retain a 3% NSR Royalty on the Property, of which the Company will have the right to purchase one-third (1% NSR) for $1.0 million at any time prior to the commencement of commercial production. Beginning on May 31, 2020, and annually thereafter, the Company will be required to make an Annual Advance Minimum Royalty (AAMR) payment of $100,000. The AAMR and NSR buyout payments will be adjusted annually according to the CPI with a base of May 31, 2020. The AAMR payments are deductible from future NSR payments.

7. LOANS PAYABLE

Loans payable amount to $21,137 and are due on demand with no specific terms of repayment.

8. SHARE CAPITAL

(a) Authorized:

Unlimited number of common shares

(b) Issued: common shares

	Note	#	$
Opening balance at, January 1, 2015		33,810,102	460,400
Issued on amalgamation	(i)	36,009,145	-
Option maintenance shares issued	(ii)	100,000	6,000
Balance ,December 31, 2015		69,919,247	466,400
Balance at September 30, 2016		69,919,247	466,400

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (continued)

(i) Amalgamation Shares

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

(ii) Option Maintenance

In June 2015, 100,000 common shares with a value of $6,000 were issued in order to maintain its WestZen mining claim option for an additional year, this option was, subsequently, allowed to expire.

(iii) 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 Company and one-half of one common share purchase warrant (each, a "Warrant"). Each whole Warrant would 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 Company was to pay a finder's fee in connection with the Offering of up to 8% of the gross proceeds received by the Company 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 Company 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 were to be subject to a four-month hold period. The Offering was subject to receipt of all applicable regulatory approvals. This private placement is no longer being pursued. See subsequent event – Note 13.

(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

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.

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (continued)

(c) Stock Options (continued)

The following table summarizes information about stock options outstanding and exercisable at September 30, 2016 and December 31, 2015:

	As at September 30, 2016		As at December 31, 2015	
	Number of options outstanding	Weighted average exercise price	Number of options outstanding	Weighted average exercise price
	#	$	#	$
Outstanding, beginning of the period	5,900,000	0.05	6,100,000	0.05
Granted during the period	-	-	-	-
Cancelled during the period	-	0.05	(200,000)	0.05
Outstanding, end of the period	5,900,000	0.05	5,900,000	0.05

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	$	#	$	
2.375	20,900	5,900,000	0.05	19-Feb-19

9. 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, 2016, 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.

10. NET LOSS PER COMMON SHARE

The calculation of basic and diluted loss per share for the three month period ended September 30, 2016 was based on the loss attributable to common shareholders of $119,078 (year ended December 31, 2015 - loss of $299,168) and the weighted average number of common shares outstanding of 69,919,247 (year ended December 31, 2015 - 69,835,822). Diluted loss per share did not include the effect of the stock options and warrants as they are anti-dilutive.

11. SEGMENTED INFORMATION

The Company's operations in the prior year comprised a single reporting operating segment engaged mainly in mineral exploration in Canada. As the operations were transitioning away from mineral exploration in that 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.

(Expressed in Canadian Dollars)

12. INCOME TAXES

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)
	-	-

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

13. SUBSEQUENT EVENTS

(a) Name Change

On November 3, 2016 the Company's name was changed to "Supreme Metals Corp."

(b) Requalification

The Company is requalifying on the CSE following a fundamental change, being the entering into the Property Option Agreement to acquire an interest in the Shotgun Property.

(c) Private Placement

The Company is completing a financing with a minimum of 10,000,000 units at $0.05 per unit, to raise a minimum $500,000. Each unit consists of one Common Share and one Share purchase warrant exercisable at $0.05 for two years. Up to November 29, 2016, $712,000 has been raised. Further, the Company is to pay a finder's fee in connection with the Offering of up to 8% of the gross proceeds received by the Company 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 Company 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 are to be subject to a four-month hold period. The Offering is subject to receipt of all applicable regulatory approvals.

13. SUBSEQUENT EVENTS (continued)

(d) The Shotgun Property

A finder's fee is to be paid by the Company to an arms-length party of 500,000 common shares at $0.05 per share as consideration for the finder introducing the Company to the Owners and the Shotgun Property, and for assisting in negotiating and settling the Property Option Agreement.

Pursuant to the option agreement, 10,200,000 common shares at $0.05 per share are to be issued at the end of November 2016.

SCHEDULE "D"

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE UNAUDITED FINANCIAL STATEMENTS OF THE ISSUER FOR THE NINE MONTHS ENDING SEPTEMBER 30, 2016

[inserted as pages following]

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

Management's Discussion and Analysis
For the nine month period ended September 30, 2016
As at November 29, 2016

545 Granite Street
Sudbury, Ontario, P3C 2P4
Tel: 705-673-0873
Website: www.alibabagraphite.com

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 three and nine month periods interim consolidated unaudited financial statements of the Company for the period ended September 30, 2016 including other pertinent events subsequent to that date up to and including November 29, 2016. The following information should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2015, which have been prepared in accordance with International Financial Reporting Standards ("IFRS), consistently applied.

All figures are in Canadian dollars unless otherwise stated. Additional information relating to the Company can be found on SEDAR at www.sedar.com . The shares of 4DVS are listed on the Canadian Stock Exchange (the "CSE") under the symbol "ABJ".

FORWARD-LOOKING INFORMATION

This document is required by securities legislation to contain and does contain forward-looking statements, opinions about future events and comments regarding risks and opportunities, which reflect the Company's current expectations regarding future events. To the extent that any statements in this document contain information that is not historic, the statements are essentially forward-looking and are often identified by words such as, but not limited to, "anticipate", "expect", "estimate", "intend", "project", "plan" "might", "could" and "believe". In the interest of providing shareholders and potential investors with information regarding 4DVS, including management's assessment of future plans and future operations, certain statements in this MD&A are forward-looking and are subject to the risks, uncertainties and other important factors that could cause the Company's actual performance to differ materially from that expressed in or implied by such statements. Such factors include, but are not limited to volatility and sensitivity to market metal prices, impact of change in foreign currency exchange rates and interest rates, imprecision in reserve estimates, environmental risks including increased regulatory burdens, unexpected geological conditions, adverse mining conditions, changes in government regulations and policies, including laws and policies; and failure to obtain necessary permits and approvals from government authorities, and other development and operating risks.

Although the Company believes that the expectations conveyed by the forward-looking statements are based upon information available on the date that such statements were made, there can be no assurance that such expectations will prove to be correct. The reader is cautioned not to rely on these forward-looking statements. The Company disclaims any obligation to update these forward-looking statements unless required to do so by applicable Securities laws. All subsequent forward-looking statements, whether written or orally attributable to the Corporation or persons acting on its behalf, are expressly qualified in their entirety by these cautionary statements.

DESCRIPTION OF BUSINESS

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. ("AIC") to 4D Virtual Space Ltd.("4DVS") 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.

The agreement with Privco has been terminated.

On November 3, 2016 the Company's name was changed to "Supreme Metals Corp." to reflect the change in the direction of the Company back to a resource company, the name of the Company is being changed to be more indicative of that change.

In order to effect the return to a resource company an option on The Shotgun Property has been entered into as follows:

On August 8, 2016, Alibaba Graphite Corp. ("AGC") entered the Property Option Agreement with the Owners of the Property to acquire the Shotgun Property, a copper and gold porphyry property. Under the terms of the agreement, AGC may earn a 100% interest in the three mineral blocks comprising the Shotgun Property, subject to a 3% NSR Royalty, by making a cash payment of $10,000, issuing 10,200,000 common shares, and completing $1,000,000 in exploration work by May 31, 2020.

Payment of the $10,000 to the Owners was made by an arms-length party.

The $1,000,000 in exploration must be completed on or before the following dates:

Date Completed By	**Amount**
May 31, 2017	$50,000
December 31, 2018	$100,000
December 31, 2019	$300,000
December 31, 2020	$550,000
Total	**$1,000,000**

Excess expenditures from one year are able to be applied to subsequent years, and in the case of any shortfall in exploration expenditures in a given year the option can be maintained in good standing through making a payment equivalent to the shortfall to the Owners. Should the Company fail to incur the minimum exploration expenditures (or cash payment in lieu thereof) the option will terminate and the Company will earn no interest in the Property.

The Owners will retain a 3% NSR Royalty on the Property, of which the Company will have the right to purchase one-third (1% NSR) for $1.0 million at any time prior to the commencement of commercial production. Beginning on May 31, 2020, and annually thereafter, the Company will be required to make an Annual Advance Minimum Royalty (AAMR) payment of $100,000. The AAMR and NSR buyout payments will be adjusted annually according to the CPI with a base of May 31, 2020. The AAMR payments are deductible from future NSR payments.

These financial statements reflect the operations of 4DVS and AGC on an interim 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.

Funds have been advanced of $ 21,137 from arm's length parties, to enable the Company to move forward. These loans have no specific terms of repayment. This amount includes the $10,000 paid on the Shotgun option.

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 September 30, 2016 of $187,167 (December 31, 2015-$68,089) and an accumulated deficit of $674,467 (December 31, 2015-$555,389).

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.

Due to the change in business back to a resource company, an application has been filed with the Canadian Stock Exchange ("The CSE") to be relisted. The application is currently being reviewed by the CSE. With the expectation of the relisting being approved a private placement consisting 10,000,000 units at $0.05 per unit in order, to raise $500,000 has been put in place. Each unit consists of one Common Share and one Share purchase warrant exercisable at $0.05 for two years. To the date of this MD&A $712,000 has been raised. These funds remain in escrow up until the re-listing has been approved.

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. As these costs are non-refundable, they were recorded in the statement of operations for the year ended December 31, 2015.

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 had also been extended to December 31, 2015. Most recently, 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. The completion of this agreement is subject to regulatory approval.

At this time 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.

The agreement with Privco has been terminated.

EXPLORATION AND EVALUATION EXPENDITURES

As a result of the amalgamation with AGC, Alibaba Innovations Corp. acquired or had 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, had been optioned to Xmet Inc., who had 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 was the Maverick Graphite Property located north of the town of Cochrane.

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. In addition the joint venture agreement with Xmet Inc. on these claims has been terminated.

Option on The Shotgun Property

On August 8, 2016, Alibaba Graphite Corp. ("AGC") entered the Property Option Agreement with the Owners of the Property to acquire the Shotgun Property. Under the terms of the agreement, AGC may earn a 100% interest in the three mineral blocks comprising the Shotgun Property, subject to a 3% NSR Royalty, by making a cash payment of $10,000, issuing 10,200,000 common shares, and completing $1,000,000 in exploration work by May 31, 2020.

Payment of the $10,000 to the Owners has been made by an arms-length party.

The $1,000,000 in exploration must be completed on or before the following dates:

Date Completed By	Amount
May 31, 2017	$50,000
December 31, 2018	$100,000
December 31, 2019	$300,000
December 31, 2020	$550,000
Total	**$1,000,000**

Excess expenditures from one year are able to be applied to subsequent years, and in the case of any shortfall in exploration expenditures in a given year the option can be maintained in good standing through making a payment equivalent to the shortfall to the Owners. Should the Company fail to incur the minimum exploration expenditures (or cash payment in lieu thereof) the option will terminate and the Company will earn no interest in the Property.

The Owners will retain a 3% NSR Royalty on the Property, of which the Company will have the right to purchase one-third (1% NSR) for $1.0 million at any time prior to the commencement of commercial production. Beginning on May 31, 2020, and annually thereafter, the Company will be required to make an Annual Advance Minimum Royalty (AAMR) payment of $100,000. The AAMR and NSR buyout payments will be adjusted annually according to the CPI with a base of May 31, 2020. The AAMR payments are deductible from future NSR payments.

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 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.

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. 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. On February 9, 2016 the 4 remaining claims of the Maverick Property were allowed to expire.

Option on the Shotgun Property

On August 8, 2016, Alibaba Graphite Corp. ("AGC") entered the Property Option Agreement with the Owners of the Property to acquire the Shotgun Property. Under the terms of the agreement, AGC may earn a 100% interest in the

three mineral blocks comprising the Shotgun Property, subject to a 3% NSR Royalty, by making a cash payment of $10,000, issuing 10,200,000 common shares, and completing $1,000,000 in exploration work by May 31, 2020.

Payment of the $10,000 to the Owners has been made by an arms-length party.

The $1,000,000 in exploration must be completed on or before the following dates:

Date Completed By	Amount
May 31, 2017	$50,000
December 31, 2018	$100,000
December 31, 2019	$300,000
December 31, 2020	$550,000
Total	**$1,000,000**

Excess expenditures from one year are able to be applied to subsequent years, and in the case of any shortfall in exploration expenditures in a given year the option can be maintained in good standing through making a payment equivalent to the shortfall to the Owners. Should the Company fail to incur the minimum exploration expenditures (or cash payment in lieu thereof) the option will terminate and the Company will earn no interest in the Property.

The Owners will retain a 3% NSR Royalty on the Property, of which the Company will have the right to purchase one-third (1% NSR) for $1.0 million at any time prior to the commencement of commercial production. Beginning on May 31, 2020, and annually thereafter, the Company will be required to make an Annual Advance Minimum Royalty (AAMR) payment of $100,000. The AAMR and NSR buyout payments will be adjusted annually according to the CPI with a base of May 31, 2020. The AAMR payments are deductible from future NSR payments.

A finder's fee is to be paid by the Company to an arms-length party of 500,000 common shares at $0.05 per share as consideration for the finder introducing the Company to the Owners and the Shotgun Property, and for assisting in negotiating and settling the Property Option Agreement.

Pursuant to the option agreement, 10,200,000 common shares at $0.05 per share are to be issued at the end of November 2016.

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.

This fund raising effort is no longer being pursued. The Company is currently completing a financing of a minimum 10,000,000 units at $0.05 per unit, to raise a minimum of $500,000. Each unit consists of one Common Share and one Share purchase warrant exercisable at $0.05 for two years. To the date of this report, $712,000 has been raised. These funds remain in escrow until the Company is re-approved for listing on the CSE. Further, the Company is to pay a finder's fee in connection with the Offering of up to 8% of the gross proceeds received by the Company 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 Company 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 are to be subject to a four-month hold period. The Offering is subject to receipt of all applicable regulatory approvals.

Funds have been advanced of $ 21,137 from arm's length parties, to enable the Company to move forward. These loans have no specific terms of repayment. This amount includes the $10,000 paid on the Shotgun option.

SELECTED QUARTERLY INFORMATION

The financial information below reflects the consolidated figures of both 4D Virtual Space Ltd. and AGC.

		Net Loss and Comprehensive Loss						
Quarter ended	Total revenue	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)	Total assets	Total long-term liabilities	Working Capital/(Deficit)
		$	$	$	$	$	$	$
Sept 30,2016		(48,664)	-	(48,664)	(0.001)	13,786	-	(187,167)
June 30, 2016		(51,369)	-	(51,369)	(0.001)	8,200	-	(187,167)
March 31,2016	-	(19,045)	-	(19,045)	(0.001)	15,376	-	(119,458)
Dec 31,2015	-	(49,857)	-	(49,857)	(0.001)	26,176	-	(68,089)
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

(i) On a non-diluted basis

Factors Affecting Quarterly Results:

The main categories of three and nine month period to September 30, 2016 expenses are legal fees incurred to relist the Company, the technical fees paid to create the website, programming and video preparation, and consulting fees to continue the advancement of the entity into the marketplace by setting the ground work for when the Company is re-listed. In addition are ongoing regulatory and administrative costs.

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 three and nine months ended September 30, 2016, the Company incurred a net loss of $19,045 and $119,078 respectively compared to a net loss of $98,508 and $249,311 for the same period in 2015.

The main components of the Company's loss were:

		Three months ended September 30		Nine months ended September 30	
	Note	2016	2015	2016	2015
		$	$	$	$
Consulting fees	(a)	9,000	-	46,333	840
Video preparation, website development and programming	(b)	-	-	25,340	-
Professional fees	(c)	5,312	45,489	26,993	60,213
Filing fees		2,743	11,432	8,938	24,444
Insurance		1,840	6,048	6,712	8,064
Acquisition costs		-	50,000	-	50,000
Exploration and evaluation expenditures		-	9,500	-	9,500
		18,896	122,469	114,317	153,061

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 challenge 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 looking for new projects under the mining umbrella.

Analysis of third quarter and year-to-date expenses

(a) Professional fees consist mainly of legal fees -$13,603 incurred to complete the documents to relist the company. Accounting and audit fees account for the balance of $13,390 to a total amount of $26,993 for the nine month period.
(b) Video preparation, website development and programming costs of $25,340 represented the ongoing costs of writing the programs and preparing the website to prepare for the activation of the platform. These costs will no longer be incurred due to the cancellation of the agreement and the decision not to move forward with this platform.
(c) Consulting fees of $9,000 for the three month and $46,333 for the nine month periods, were for investor relation services in preparation for the re-listing of the Company by the end of the year, and for consultants who have been involved in finding new mining properties to effect the change back to a full junior exploration stage mining company; since the agreement with Privco for the virtual space platform for use in the real estate development has been terminated.

MINERAL PROPERTY EXPENDITURES

All claims held previously by the Company had been terminated by December 31, 2015.

Additional new projects are being researched and have resulted in, initially, the acquisition of the Shotgun Property.

Shotgun Property

On August 8, 2016, Alibaba Graphite Corp. ("AGC") entered the Property Option Agreement with the Owners of the Property to acquire the Shotgun Property. Under the terms of the agreement, AGC may earn a 100% interest in the three mineral blocks comprising the Shotgun Property, subject to a 3% NSR Royalty, by making a cash payment of $10,000, issuing 10,200,000 common shares, and completing $1,000,000 in exploration work by May 31, 2020.

Payment of the $10,000 to the Owners has been made by an arms-length party.

The $1,000,000 in exploration must be completed on or before the following dates:

Date Completed By	Amount
May 31, 2017	$50,000
December 31, 2018	$100,000
December 31, 2019	$300,000
December 31, 2020	$550,000
Total	**$1,000,000**

Excess expenditures from one year are able to be applied to subsequent years, and in the case of any shortfall in exploration expenditures in a given year the option can be maintained in good standing through making a payment equivalent to the shortfall to the Owners. Should the Company fail to incur the minimum exploration expenditures (or cash payment in lieu thereof) the option will terminate and the Company will earn no interest in the Property.

The Owners will retain a 3% NSR Royalty on the Property, of which the Company will have the right to purchase one-third (1% NSR) for $1.0 million at any time prior to the commencement of commercial production. Beginning on May 31, 2020, and annually thereafter, the Company will be required to make an Annual Advance Minimum Royalty (AAMR) payment of $100,000. The AAMR and NSR buyout payments will be adjusted annually according to the CPI with a base of May 31, 2020. The AAMR payments are deductible from future NSR payments.

A finder's fee is to be paid by the Company to an arms-length party of 500,000 common shares at $0.05 per share as consideration for the finder introducing the Company to the Owners and the Shotgun Property, and for assisting in negotiating and settling the Property Option Agreement.

Pursuant to the option agreement, 10,200,000 common shares at $0.05 per share are to be issued at the end of November 2016.

LIQUIDITY AND CAPITAL RESOURCES

In February, 2015 $5,000 was received from subscriptions receivable from the previous non-brokered private placement. In the period up to the date of this report the remaining balance of subscriptions of $10,000 was received.

As of September 30 2016 4DVS had a cash balance of $4.

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 was to 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 would 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 was to 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 were to be subject to a four-month hold period. The Offering is subject to receipt of all applicable regulatory approvals. This private placement is no longer being pursued.

A new private placement has been announced whereby funds are to be raised of a minimum of 10,000,000 units at $0.05 per unit, to raise a minimum $500,000. Each unit consists of one Common Share and one Share purchase warrant exercisable at $0.05 for two years. Up to November 29, 2016, $712,000 has been raised. These funds are being held in escrow until the re-listing of the company has been completed.

Currently the Company has a non-capital loss carried forward of $337,610 which expires in 2035, 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, 2016:

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, 2016, 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 audited 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 period ended December 31, 2015.

The unaudited consolidated interim financial statements for the period ended September 30, 2016 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 interim unaudited consolidated financial statements are based on IFRS issued and outstanding as of November 29, 2016, the date the Board of Directors approved the financial statements. The interim unaudited 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.

2. SIGNIFICANT ACCOUNTING POLICIES

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., and subsequently to 4D Virtual Space Ltd. ("4DVS"). 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.

The trading in the shares of the Company has been halted pending regulatory approval for the change of business back to a junior mining exploration company 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 4DVS and AGC on a consolidated basis. AGC is a mineral exploration company which was 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 in mineral exploration through its subsidiary, AGC. The prior business of creating and developing a virtual space platform for use in the real estate development industry through Privco has been terminated. 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.

(a) Statement of compliance

These consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as applicable to interim financial reports including International Accounting Standard 34 'Interim Financial Reporting'. These condensed consolidated interim financial statements do not include all the information and note disclosures required by IFRS for annual financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2015, which have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB") and included in Part 1 of the Handbook of the Chartered Professional Accountants of Canada.

(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 interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

In the preparation of these interim 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 interim 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 (e).

(c) Basis of Consolidation

The interim 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 interim 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.

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.

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.

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 incurred. 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.

(i) 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 September 30, 2016 and December 31, 2015.

(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.

(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 September 30, 2016 the Company has no material restoration, rehabilitation and environmental costs as the disturbance to date is minimal.

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, 2016 totaled negative $187,167 (December 31, 2015 –$68,089). 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, 2016.

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 dependent upon the development of the virtual reality platform and any additional mineral properties that may be acquired in the future. 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 $100 due from the founding shareholders. 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 September30, 2016 the Company had cash and cash equivalents of $4 (December 31, 2015-$7,475) to settle current liabilities of $200,953 (December 31, 2015-$94,265). 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, 2016 if interest rates had decreased/increased by 1% with all other variables held constant, the loss for the nine months ended September 30, 2016 would have been not affected as a result of lower/higher interest income from cash equivalents. Similarly, as at September 30, 2016, reported shareholders' deficit would have not affected 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, 2016 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.

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

Since capital markets in Canada appear to be improving in regards to being able to raise funding, the Company has decided to return to being an exploration stage junior mining company. As always the Company is dependent on obtaining the acquisition of mineral properties and any new projects. The Company needs to secure funding in order to continue operating. Management is currently exploring various financing alternatives in order to fund its planned activities. Given the current market in which junior exploration mining companies find themselves, this has been an incredibly difficult task. Funds are being raised by the Company amounting to $712,000 to the date of this MD&A, although there is no assurance that further financing will be available when required, or under favourable terms for the Company operations. To reflect the change in operations, the Company has changed its name to Supreme Metals Corp.

SCHEDULE "E"

AUDITED FINANCIAL STATEMENTS OF THE ISSUER FOR THE YEARS ENDING DECEMBER 31, 2015, 2014 and 2013

[inserted as pages following]

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

1210 Sheppard Avenue East, Suite 302, Toronto, Ontario M2K 1E3 Tel: (416) 499-8848 Fax: (416) 491-5301

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

Signed : " "Binh Vu"
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)

	Reserves Shares issued and subscribed				
	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	Year ended December 31 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.

SCHEDULE "F"

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE AUDITED FINANCIAL STATEMENTS OF THE ISSUER FOR THE YEAR ENDING DECEMBER 31, 2015

[inserted as pages following]

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and twelve months ended
December 31, 2015 and 2014
(Year-end and Fourth Quarter, 2015)
As at April 29, 2016

545 Granite Street
Sudbury, Ontario, P3C 2P4
Tel: 705-673-0873

INTRODUCTION

This management's discussion and analysis ("MD&A") of 4D Virtual Space Ltd., ("4DVS") or the "Company"), follows rule 51-102 of the Canadian Securities Administrators regarding continuous disclosure.

The following MD&A is a narrative explanation, through the eyes of the management of 4DVS, on how the Company performed during the three and twelve months ended December 31, 2015 and the comparable three and twelve months ended December 31, 2014 and a review of the Company's financial condition as at December 31, 2015.

This MD&A complements the audited financial statements for the years ended December 31, 2015 and 2014. The MD&A helps the reader understand and assess the significant trends, and the risks and uncertainties related to the results of operations. The MD&A should be read in conjunction with the more fulsome disclosures of the audited financial statements with its accompanying audit report and notes to the financial statements for the years ended December 31, 2015 and 2014.

The audited financial statements for the years ended December 31, 2015 and 2014 have been prepared in accordance with IAS 1, Presentation of Financial Statements.

All figures are in Canadian dollars unless otherwise stated. Additional information relating to the Company can be found on SEDAR at www.sedar.com . The shares of 4DVS are listed on the Canadian Stock Exchange (the "CSE") under the symbol "ABJ".

This MD&A was prepared with the information available as at April 29, 2016.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This document is required by securities legislation to contain and does contain forward-looking statements, opinions about future events and comments regarding risks and opportunities, which reflect the Company's current expectations regarding future events. To the extent that any statements in this document contain information that is not historic, the statements are essentially forward-looking and are often identified by words such as, but not limited to, "anticipate", "expect", "estimate", "intend", "project", "plan" "might", "could" and "believe". In the interest of providing shareholders and potential investors with information regarding 4DVS, including management's assessment of future plans and future operations, certain statements in this MD&A are forward-looking and are subject to the risks, uncertainties and other important factors that could cause the Company's actual performance to differ materially from that expressed in or implied by such statements. Such factors include, but are not limited to volatility and sensitivity to market metal prices, impact of change in foreign currency exchange rates and interest rates, imprecision in reserve estimates, environmental risks including increased regulatory burdens, unexpected geological conditions, adverse mining conditions, changes in government regulations and policies, including laws and policies; and failure to obtain necessary permits and approvals from government authorities, and other development and operating risks.

Although the Company believes that the expectations conveyed by the forward-looking statements are based upon information available on the date that such statements were made, there can be no assurance that such expectations will prove to be correct. The reader is cautioned not to rely on these forward-looking statements. The Company disclaims any obligation to update these forward-looking statements unless required to do so by applicable Securities laws. All subsequent forward-looking statements, whether written or orally attributable to the Corporation or persons acting on its behalf, are expressly qualified in their entirety by these cautionary statements.

Approval of financial statements

On April 28, 2016, the Board of Directors, on the recommendation of the audit committee, approved 4DVS' audited Financial Statements for the years ended December 31, 2015 and 2014 and this MD&A.

DESCRIPTION OF BUSINESS

The Company was initially, 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. 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. Privco is in the business of creating and developing a virtual space platform for use in the real estate development industry. After a series of agreements, the most previous terminating on December 13, 2015, the Company entered into a new agreement to acquire Privco, dated January 14, 2016. This transaction is subject to regulatory approval to complete the acquisition. The Company will continue to investigate 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 pursuant to a three-cornered amalgamation 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. On Nov.9, 2015, the 2 unit Maverick claim 4267292 was allowed to expire. 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 AGC 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 at its maximum configuration is shown in the following table. As of Dec. 30, 2015 many of these claims were expired.

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. Most recently, 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. 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 CSE 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.

		Net Loss and Comprehensive Loss						
Quarter ended	Total revenue	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)	Total assets	Total long-term liabilities	Working Capital/(Deficit)
		$	$	$	$	$	$	$
Dec 31,2015	-	(49,857)	-	(49,857)	(0.001)	26,176	-	(68,089)
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 first quarter of 2015 (first quarter of 2014 - $Nil), the main factors affecting the second and 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 twelve months ended December 31, 2015, the Company's net loss and comprehensive loss was $299,168 compared to a net loss of $256,221 for the twelve month period ended December 31, 2014.The net loss for the three months ended December 31, 2015 was $49,857 compared to $18,2005 in the same period in 2014.

The main components of the Company's loss were:

	Year ended December 31 2015	2014
	$	$
Professional fees	122,104	19,000
Transaction costs	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	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**

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 decision to change the direction for the business 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 ability to consider exceptional opportunities under the mining umbrella.

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

In 2015, professional fees were paid of $122,104, 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".

In addition $39,250 has been incurred for programming and video production costs for the development of the virtual space platform.

The Company was unable to realize on its note receivable when it became due.

The balance of the costs were for year end 2015 audit and accounting fees. Approval is pending from the CSE for re-listing.

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 December 31, 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 December 31, 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 the $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 claims on this property have been allowed to lapse with no obligations remaining on the property.

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. Due to the limited size of the mineralization, the association with sulphur rich minerals, its proximity to a dammed lake with shoreline restrictions and its location, no further work was done on this property.

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 December 31, 2015 4DVS had a cash balance of $7,475.

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 losses carried forward of $337,610 of which $126,920 expires in 2034, and $210,690 expires in 2035, and are 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 December 31, 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. To minimize shareholder dilution no participation in the company's stock position was undertaken by the executive officers in 2015. 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.

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 audited financial statements for the year ended December 31, 2015 and December 31 , 2014 were been prepared in 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, 2015.

Basis of presentation

The policies applied in the consolidated financial statements are based on IFRS issued and outstanding as of April 28, 2016, 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

4DVS' 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. 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 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 transaction.

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 CSE which requires a new listing application to be approved.

These financial statements reflect the operations of 4DVS and AGC on a consolidated basis. AGC is a mineral exploration company, as of December 31, 2015, 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.

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.

(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.

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.

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.

(i) 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.

(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.

(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, totaled $(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.

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.

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.

i) *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

(j) 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.

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 December 31, 2015, totaled negative $68,089 (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 December 31, 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 of $7,693 and subscriptions receivable of $10,000. Sundry receivables of $17,693 are in good standing as of December 31, 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 December 31, 2015, the Company had cash of $7,475 (December 31, 2014 - $191,745) to settle current liabilities of $94,265 (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.

As at December 31, 2015, if interest rates had decreased/increased by 1% with all other variables held constant, the 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 December 31, 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 mineral properties and any new projects. The Company needs to secure funding in order to continue acquiring, developing and maintaining 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. The current involvement with creating and developing a virtual space platform for use in the real estate development industry offers an opportunity to diversify the Company's business.