

## FORM 7

### **MONTHLY PROGRESS REPORT**

Name of Listed Issuer: SUPREME METALS CORP. (formerly 4D Virtual Space Ltd. and Alibaba Innovations Corp.) “Supreme” or the “Issuer” or the “Company”.

Trading Symbol: ABJ

Number of Outstanding Listed Securities: 178,824,532 common shares.

Date: Sept. 6, 2018 (for the month of August, 2018)

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

#### **General Instructions**

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term “Issuer” includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

## Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

During the month of **August 2018**, the Issuer continued its pursuit of natural resource acquisitions and consolidation of information on the properties acquired while undertaking its field exploration program. Several new lithium and cobalt properties were reviewed. The issuer undertook XRF training for key personnel and quotes were obtained for the planned exploration budget for 2018. In the meantime the field program on Bloom Lake East was initiated and the company set up a new transfer agent.

At the end of July the issuer acquired 3 newly staked properties comprising a total of approximately 4,900 hectares. A field crew undertook investigations on one of the properties (currently in a state of negotiations) in July. Further information will follow on these new acquisitions.

During the month of June, the Issuer continued its pursuit of natural resource acquisitions, particularly focused on its higher potential properties of lithium, cobalt, and gold along with the continued additional collection and consolidation of information on the properties acquired while undertaking its field exploration program. In August 2017 the Company decided to reduce the number of properties held in order to focus on those with the highest potential for exploration and development. The issuer reviewed additional potential property acquisitions and conducted a site visit on the Mt. Thom Property along with an examination and XRF (X-Ray Florescence) analysis on the core from the property. As a result of field work conducted in May, the Issuer submitted an assessment report on the Mount Thom Property and is currently being reviewed. An exploration permit application for a drone survey of the Bloom Lake East Property was approved. Notification of a property holder on a newly staked area was also undertaken.

In April the Issuer entered into two separate option agreements (the "Agreements") with American Cobalt Corp., a wholly owned subsidiary of International Cobalt Corp., for its Foster Marshall Project and Mount Thom Project (collectively known as the "Projects"). Pursuant to the Agreements, American Cobalt can acquire up to an 80% interest in each Project by making an initial payment of \$87,500 and reaching certain development milestones. American Cobalt will have the option to earn an initial sixty percent (60%) interest in any of the Projects by funding exploration to reach an NI 43-101 compliant resource estimate, based on no less than \$100,000 of exploration expenditure by American, within sixty (60) months of signing of the Agreements. American Cobalt will have the right to earn a further twenty percent (20%) interest in any of the Projects by completing a Preliminary Economic Assessment (PEA) within twenty-four (24) months of completing the initial resources estimate. Each of the Projects is subject to a 1.5% NSR in favour of a third party.

2. Provide a general overview and discussion of the activities of management.

During the month of August 2018, management continued its consideration of natural resource acquisitions along with the collection and consolidation of information on the properties acquired while undertaking its field exploration program. This included:

- review of available properties and locations with undeveloped lithium and cobalt potential in Canada;
- arranged for technical training for staff and selected contractors
- attendance at the PDAC to review the current exploration trends and review of current lithium and cobalt properties as well as attendance at several workshops;
- negotiate an extension of the term of the Bloom Lake East Property and assessment of potential transaction with an unrelated third party;
- negotiated two property deals on the Mount Thom and the Foster Marshall Property;
- continued negotiations on future acquisitions and joint venture/option opportunities; and
- preparation of permits, grant applications, budgets and contracts for exploration on acquired properties.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

In August the issuer initiated a geophysical field program on Bloom Lake East.

At the end of July the issuer acquired 3 newly staked properties comprising a total of approximately 4,900 hectares. A field crew undertook investigations on one of the properties in July. Further information will follow on these new acquisitions.

During the preceding twenty one months, the Issuer has acquired the following properties:

### **Helfrick Property – Now returned to the original property holder**

The Helfrick Property consists of 8 mining patents and 2 claims, totaling 360 hectares, located approximately 27 kilometres from the town of Thessalon Ontario. The property includes the historic occurrences of the old Kerr Property which has had a historic 3.7 ton bulk sample produced averaging 14.7% Cobalt, 9.2% Nickel and 9 oz per ton silver. The property also hosts the Beaudoin Copper-Gold Occurrence. A site visit was undertaken on the old Kerr Property on July 3, 2017, locating the east shaft location of the historic 3.7 ton bulk sample. All samples assayed from the east shaft showed significant gold and bismuth values as discussed in recent press releases. Further field investigations in September resulted in further sampling and locating two additional quartz veins previously shown on the old sketch maps. On March 1, 2018, the Helfrick Property patents were returned to the original owner and the title on the two claims on the property was removed. This action alleviated further required expenditures by the Issuer on the property.

### **Shotgun Property – now returned to the original claimholder**

The Shotgun Property consists of 24 claims in three mineral titles, totaling 492.73 hectares, located approximately 60 km northwest of the town of Pemberton, British Columbia. An 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 has been commissioned, received, and is now filed on SEDAR. After a more detailed review management has decided to return this property to the original claimholders on May 2017.

### **Bloom Lake East Project**

The Bloom Lake East Project consists of 84 mineral claim cells covering three prospect areas hosting both cobalt and iron prospects located in Newfoundland & Labrador, and is situated alongside the Quebec-Labrador border. The project is prospective for both cobalt and iron mineralization and much of the tenure comprising the Bloom Lake East Project part of which was held in past under License by Rio Tinto Exploration Canada, Inc. and Consolidated Thomson Iron Mines Ltd. Exposed cobaltite has been discovered immediately west of Bloom Lake at the Walsh Cobalt Prospect which contains high-grade historic grab samples of 6.0% cobalt and 6.5% cobalt respectively. Recently it was announced in July 16, 2017, that an adjacent property owner, Champion Iron Limited secured US\$180 Million Debt financing for its subsidiary Quebec Iron Ore Inc. to partially fund the cost of resuming the operations at Bloom Lake Iron project. On March 27, 2018 Quebec Iron Ore Inc., a subsidiary of Champion Iron Ore Limited, announced the first shipment of Bloom Lake Iron Ore to Asia. Additional research undertaken on this property in September revealed a layered manganese occurrence that is currently being investigated. In August, the issuer

sent out a field crew on site and is now undertaking a geophysical study over the area. An opportunity for the Issuer to extend the term of the Bloom Lake East Property was undertaken along with an application to the Newfoundland Government for an exploration grant. Subsequently and interest on the property was expressed by an unrelated party. An exploration permit to undertake the airborne magnetic drone survey over the property has been approved by the Newfoundland Labrador Department of Natural Resources. In July, approval of a JEA grant for up to \$45,000 was confirmed and the first down payment on the drone survey has been made.

### **Mount Thom Project – Under option to North American Cobalt**

The Mount Thom property covers a historic copper deposit discovered in the early 1970's by Imperial Oil. The deposit is now recognized as having affinities to IOCG-style deposits. Assays of up to 1.66% copper over 15.5 feet were reported by Imperial Oil. IOCG deposits were essentially unknown at the time of the discovery of Mount Thom and Imperial Oil did not accordingly have benefit of this model to guide their exploration. Subsequent to Imperial Oil, the mineralization was found to contain high concentrations of cobalt assaying up to 0.57% Cobalt. At the time of discovery, Imperial Oil drilled 49 largely shallow diamond-drill holes at the project for a total of 3,185 metres (see also Nova Scotia Minerals Update, "Does the Mt. Thom Cu-Co-Au prospect Have an Igneous Parent? Fall 2011"). A non-43-101 compliant historic resource of 300,000 tonnes of copper grading 1.5% was estimated from the past drilling. In December, the issuer carried out an examination of the core from the site conducted a site visit, and consulted with a geological group to assess the associated cobalt mineralization on the property. An option deal on this property was agreed to on April 13, 2018 between the Issuer and American Cobalt Corp. In early May a geological survey was undertaken in concert with American Cobalt Corp. on the property and has been submitted for assessment approval.

### **Foster Marshall Property – Under option to North American Cobalt**

The Foster Marshall cobalt-silver property (the "FM Property") is located in northeast Ingram Township, Ontario, approximately 126 km east of the town of Englehart. Access to the property is via Highway 659, east from Highway 11, to the Sherriff Lake road, then northeast past Sherriff Lake to the Marshall farm. The main showings are located at the southwest end of Mallard Lake, on the west side of Ingram Creek. The FM property straddles the contact between Proterozoic-aged Nipissing diabase to the south and sediments of the lower part of the Cobalt Group, also of Proterozoic age, to the north. The FM property is underlain by diabase that carries mineralization on fractures, cross fractures, sheared planes and veins. A cross fracture 1 to 6 inches wide is reported to show mineralization along its length for 900 feet. A 3 day field examination of the property was undertaken in early August. Samples were collected from the

Galena Pit and have been sent out for assays. Assay results received this month have indicated significant galena, chalcopyrite and sphalerite from these samples. Correlation with a possible underlying VMS has not yet been determined. An additional 6 unit claim was also staked over several untested EM anomalies during this field visit. This claim, now recorded, is contiguous to the west of the Foster Marshall Property. An option deal on this property was agreed to on April 13, 2018 between Supreme Metals Corp. and American Cobalt Corp.

#### **Silver Dawn – now returned to the original claimholder**

The Silver Dawn project (“Silver Dawn”) lies along the northwest flank of the Clayton Valley basin. Clayton Valley is an interior drainage basin in which brines have been concentrated during the Pleistocene Era to form the Lithium-rich brines that are being processed at Albemarle’s facility. Volcanic ash deposits, thermal springs and weathering have contributed lithium to the basin brines over the millennia. Brines pumped from several subsurface aquifers in the basin have supplied the Albemarle processing facility since 1967. A result from recent drilling by Pure Energy confirms that these aquifers extended across a large area of the basin and have been demonstrated to contain high levels of lithium. The claims are adjacent to the west of Lithium-X’s south block and 5 km west of Pure Energy’s property holdings from which was reported an Inferred Resource of 816,000 tons lithium carbonate equivalent in a recently published National Instrument 43-101 approximately 3,000 acres to the southwest of the Silver Peak mine and adjacent to Lithium X Energy Corp. On August 11, 2017, the agent of this property was notified to inform the original claimholder that Supreme Metals Corp. has withdrawn from the property and the property was free to be dealt by them to others.

#### **Silver Shadow Property – now returned to the original claimholder**

The Silver Shadow Property consists of approximately 1,600 acres located in northwest part of the Clayton Valley, Nevada. It is situated near the northwest flank of Rockwood Lithium’s Silver Peak mine, the only lithium producer in North America. On August 11, 2017, the agent of this property was notified to inform the original claimholder that Supreme Metals Corp. has withdrawn from the property and the property was free to be dealt by them to others.

#### **Columbus Property – now returned to the original claimholder**

The Columbus Property covers approximately 1,920 acres, located within the Columbus Salt Marsh, near Coaldale and wet of ground controlled by Ultra Lithium. The principal target at the Columbus Project is a large circular gravity low anomaly which is interpreted as an in-filled basin which may contain lithium rich brine. The Big Smokey Valley was preliminarily drilled in 1979 by the United States Geological Survey and anomalous lithium values were encountered in the



basin sediments. On August 11, 2017, the agent of this property was notified to inform the original claimholder that Supreme Metals Corp., has withdrawn from the property and the property was free to be dealt by them to others.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

In August 2018 the company initiated a geophysical exploration program on the Bloom Lake East Property.

On March 1, 2018, the Issuer returned the Helfrick Patents to the original owner and title on the two claims on the property was removed in order to alleviate the Issuer's expenditure obligations.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

Not applicable to the Issuer during the month of August 2018.

On April 13, 2018 the Issuer entered into an Option Agreement with American Cobalt Corp. on the Foster-Marshall Property and the Mount Thom Property.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

Not applicable to the Issuer during the month of August 2018.

In February 2018, the Issuer notified the initial claimholder of its intent to allow the Bloom Lake East Claims to expire. As of February 16, 2018, the Bloom Lake East Claims lapsed; however, the Issuer was able to obtain an extension of the term of the claims.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

Not applicable to the Issuer during the month of August 2018.

See items 1 and 5 above.

8. Describe the acquisition of new customers or loss of customers.  
Not applicable to the Issuer during the month of **August 2018**.
9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.  
Not applicable to the Issuer during the month of **August 2018**.
10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.  
Not applicable to the Issuer during the month of **August 2018**.
11. Report on any labour disputes and resolutions of those disputes if applicable.  
Not applicable to the Issuer during the month of **August 2018**.
12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.  
Not applicable to the Issuer during the month of **August 2018**.
13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.  
Not applicable to the Issuer during the month of **August 2018**.
14. Provide details of any securities issued and options or warrants granted.  
Not applicable to the Issuer during the month of **August 2018**.  
On March 28, 2018, the Issuer closed the first tranche of its previously announced \$2 million non-brokered private placement (the “First Tranche”). Pursuant to the First Tranche, a total of 24,000,000 units (the “Units”) were issued at a price of \$0.05 per Unit for gross proceeds of \$1,200,000. Each Unit is comprised of one common share of the Issuer (each a “Common Share”) and one Common Share purchase warrant (each a “Warrant”). Each Warrant shall entitle the holder thereof to purchase one additional Common Share at an exercise price of \$0.075 for a period of 24 months following the closing of the Offering.  
On April 17, 2018, the Issuer announced that it has closed the second and final tranche (the “Second Tranche”) of the private placement. Pursuant to the Second Tranche, a total of 16,000,000 Units were issued at a price of \$0.05 per Unit for gross proceeds of \$800,000. Following the close of the Second Tranche, the Company closed the private placement fully subscribed for aggregate gross proceeds of \$2 million.
15. Provide details of any loans to or by Related Persons.  
Not applicable to the Issuer during the month of **August 2018**.



16. Provide details of any changes in directors, officers or committee members.

The audit committee now consists of Brendan Purdy (director), Maciej Lise (independent director) and Vicki Rosenthal (CFO).

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

Not applicable to the Issuer during the month of **August 2018**.

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## Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: September 6, 2018

Bob Komarechka

Name of Director or Senior  
Officer

"Bob Komarechka"

Signature

Chief Executive Officer

Official Capacity

<b>Issuer Details</b> Name of Issuer  <u>SUPREME METALS CORP.</u>	For Month End  <u>August 2018</u>	Date of Report YY/MM/DD  <u>2018/09/06</u>
Issuer Address <u>545 Granite Street</u>		
City/Province/Postal Code  <u>Sudbury, Ontario P3C 2P4</u>	Issuer Fax No.  <u>(705) 673-0873</u>	Issuer Telephone No.  <u>(705) 690-8118</u>
Contact Name  <u>Bob Komarechka</u>	Contact Position  <u>CEO</u>	Contact Telephone No.  <u>(705) 690-8118</u>
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