4D Virtual Space Ltd.

(Formerly Alibaba Innovations Corp.)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIODS ENDED

MARCH 31, 2016 AND MARCH 31, 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	March 31 2016 $	December 31 2015 $
ASSETS			
Current			
Cash		**1,679**	7,475
Accounts receivable	**5**	**13,697**	17,693
Prepaid expenses	**5**	**-**	1,008
		15,376	26,176
LIABILITIES			
Current			
Accounts payable and accrued liabilities		**134,834**	94,265
Shareholders' Deficit			
Share Capital	**7**	**466,400**	466,400
Share based payments reserve	**7**	**20,900**	20,900
Deficit		**(606,758)**	(555,389)
		(119,458)	(68,089)
Total liabilities and equity		**15,376**	26,176

Nature of operations and continuance of business **1**

Approved on behalf of the Board

Signed : " Robert Komarechka"
Director

Signed : " "Binh Vu"
Director

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 month periods ended March 31	
	2016	**2015**
Note		
	$	**$**
EXPENSES		
Professional fees	16,367	14,724
Video preparation, website development and programming	14,960	-
Consulting fees	12,000	840
Transfer agent and filing fees	3,140	13,012
Insurance	3,031	1,008
Bank charges and interest	1,871	446
Travel and investor relations	-	2,348
Total Expenses	51,369	32,378
Net loss and comprehensive loss for the period	(51,369)	(32,378)
Weighted average number of outstanding common shares	69,919,247	58,216,200
Net Loss per common share - basic and diluted	(0.001)	(0.001)

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				
	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	-	-	-	-
Loss for the period	-	-	-	(32,378)	(32,378)
Balance at March 31, 2015	69,819,247	460,400	20,900	(288,599)	192,701
Exploration and evaluation assets	100,000	6,000	-	-	6,000
Loss for the period	-	-	-	(266,790)	(266,790)
Balance at December 31, 2015	69,919,247	466,400	20,900	(555,389)	(68,089)
Loss for the period	-	-	-	(51,369)	(51,369)
Balance at March 31, 2016	**69,919,247**	**466,400**	**20,900**	**(606,758)**	**(119,458)**

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)

	Three month periods ended March 31	
	2016	**2015**
CASH (USED IN) PROVIDED BY :		
Operating activities		
Net loss for the period	(51,369)	(32,378)
Net change in non-cash working capital		
Changes in operating assets and operating liabilities:		
(Increase)decrease in prepaid expenses	1,008	(11,088)
Decrease in accounts receivable	3,996	1,800
Increase(decrease) in accounts payable and accrued liabilities	40,569	(1,362)
Net cash used in operating activities	(5,796)	(43,028)
Investing activities		
Shares issued		-
Net cash provided by investing activities	-	-
Increase(decrease) in cash	(5,796)	(43,028)
Cash, beginning of period	7,475	191,745
Cash, end of period	1,679	148,717
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.

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 March 31, 2016 of $119,458 (December 31, 2015-$68,089) and an accumulated deficit of $606,758 (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 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 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.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These interim 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 May 30th, 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 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).

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 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.

(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 March 31, 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 March 31, 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 March 31, 2016 totalled $(606,758), (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 March 31, 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 March 31, 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 March 31, 2016, the Company had cash of $1,679 (December 31, 2015-$7,475) to settle trade accounts payable and accrued liabilities of $134,834 (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 March 31, 2016 $	As at December 31, 2015 $
Accounts receivable	10,000	10,000
Prepaid expenses	-	1,008
Sales tax recoverable	3,697	7,693
	13,697	18,701

6. EXPLORATION AND EVALUATION EXPENDITURES

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 March 31, 2016 the Company holds no mining claims.

7. SHARE CAPITAL

(a) Authorized:

Unlimited number of common shares

(b) Issued: common shares

	Note	Number of shares	Amount
		#	$
Balance at January 31, 2015		33,810,102	460,400
Shares issued on amalgamation	(i)	36,009,145	-
Balance at March 31, 2015		69,819,247	460,400
Exploration and evaluation assets	(ii)	100,000	6,000
Balance at December 31, 2015		69,919,247	466,400
Balance at March 31, 2016		69,919,247	466,400

(i) Amalgamation Shares

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

(ii) Option Maintenance

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

7. SHARE CAPITAL (continued)

(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.

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

	As at March 31, 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

7. SHARE CAPITAL (continued)

(c) Stock Options (continued)

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	$	#	$	
2.875	20,900	5,900,000	0.05	19-Feb-19

8. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Key management personnel include executive officers and non-executive directors. At this time executive officers are not paid a salary but participate in the Company's stock option program. The executive officers include the Chief Executive Officer, and the Chief Financial Officer. Non-executive directors also participate in the Company's stock option program. To this end the Company issued stock options in 2014 valued at $20,900. As of March 31, 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.

9. NET LOSS PER COMMON SHARE

The calculation of basic and diluted loss per share for the three month period ended March 31, 2016 was based on the loss attributable to common shareholders of $32,378 (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.

10. 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.

11. 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.

11. INCOME TAXES (continued)

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