

# **Spur Ventures Inc.**

**Condensed Interim Financial Statements**  
**For the three and six months ended June 30, 2013 and 2012**  
**Unaudited**  
(expressed in U.S. dollars)

## **NOTICE**

The accompanying unaudited condensed interim financial statements of Spur Ventures Inc. ("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.

# Spur Ventures Inc.

## Condensed Interim Balance Sheets

(unaudited and expressed in U.S. dollars)

	June 30, 2013	December 31, 2012
<b>Assets</b>		
Current assets		
Cash and cash equivalents (Note 3)	\$ 9,701,045	\$ 10,924,296
Short term investments (Note 4)	18,363,620	19,324,740
Prepaid expenses	22,870	40,883
Receivables	45,202	20,685
Due from related parties (Note 7)	67,907	51,668
<b>Total Current Assets</b>	<b>28,200,644</b>	<b>30,362,272</b>
Office equipment and furniture	18,578	24,553
<b>TOTAL ASSETS</b>	<b>\$ 28,219,222</b>	<b>\$ 30,386,825</b>
<b>Liabilities</b>		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 78,346	\$ 75,139
Due to related parties (Note 7)	8,264	16,645
<b>TOTAL LIABILITIES</b>	<b>86,610</b>	<b>91,784</b>
<b>Shareholders' equity</b>		
Share capital (Note 6a)	41,386,379	41,386,379
Contributed surplus (Note 6b)	8,160,590	8,023,614
Accumulated other comprehensive income (loss)	(246,395)	1,378,980
Deficit	(21,167,962)	(20,493,932)
<b>Total Shareholders' Equity</b>	<b>28,132,612</b>	<b>30,295,041</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 28,219,222</b>	<b>\$ 30,386,825</b>

Commitments (Note 10)  
Subsequent event (Note 6c)

Approved by the Board:

_____ "Donald Siemens"	Director
_____ "Robert Atkinson"	Director

# Spur Ventures Inc.

## Condensed Interim Statements of Net Income (Loss) and Comprehensive Income (Loss) for the three and six months ended June 30,

(unaudited and expressed in U.S. dollars)

	Three months ended		Six months ended	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
<b>Continuing operations</b>				
<b>Expenses</b>				
Amortization	2,454	2,485	4,813	4,861
Corporate Development (Note 8)	108,860	70,347	313,407	105,605
Director fees	19,683	17,236	39,376	32,249
Management Fees, salaries and benefits	112,454	139,703	259,124	258,274
Office and general	15,520	17,815	32,093	45,178
Professional fees	20,414	108,381	30,828	156,061
Rent	23,319	20,051	46,894	40,898
Share-based payments (Note 6b)	78,846	85,039	136,976	255,037
Transfer agent and filing fees	1,560	4,666	18,413	81,216
Travel, meals and entertainment	3,690	2,242	4,365	3,088
<b>Net loss from operations</b>	<b>(386,800)</b>	<b>(467,965)</b>	<b>(886,289)</b>	<b>(982,467)</b>
<b>Other income</b>				
Interest income	106,446	97,379	212,259	188,062
<b>Loss for the period from continuing operations</b>	<b>(280,354)</b>	<b>(370,586)</b>	<b>(674,030)</b>	<b>(794,405)</b>
<b>Discontinued operations</b>				
Gain from sale of Spur BVI (Note 5)	-	-	-	3,873,015
Loss from discontinued operations	-	(5,494)	-	(139,613)
<b>Income (loss) from discontinued operations</b>	<b>-</b>	<b>(5,494)</b>	<b>-</b>	<b>3,733,402</b>
<b>Net income (loss) for the period</b>	<b>(280,354)</b>	<b>(376,080)</b>	<b>(674,030)</b>	<b>2,938,997</b>
<b>Other comprehensive income (loss), net of tax:</b>				
<b>Items that will not be reclassified to net income or loss</b>				
- Unrealized loss on translating financial statements from functional currency to reporting currency	(1,003,788)	(604,004)	(1,625,375)	(208,209)
<b>Other comprehensive income (loss) for the period, net of tax</b>	<b>(1,284,142)</b>	<b>(980,084)</b>	<b>(2,299,405)</b>	<b>2,730,788</b>

### Earnings (Loss) per share from continuing and discontinued operations attributable to the equity shareholders of the Company

Basic weighted average number of shares outstanding	60,407,187	60,407,187	60,407,187	60,407,187
<b>Earnings (Loss) per share, basic</b>	<b>\$ (0.00)</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>	<b>\$ 0.05</b>
From continuing operations	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.01)
From discontinued operations	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ 0.06
Diluted weighted average number of shares outstanding	60,407,187	60,407,187	60,407,187	60,607,187
<b>Earnings (Loss) per share, diluted</b>	<b>\$ (0.00)</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>	<b>\$ 0.05</b>
From continuing operations	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.01)
From discontinued operations	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ 0.06

# Spur Ventures Inc.

## Condensed Interim Statements of Changes in Equity for the six months ended June 30, 2013 and 2012

(unaudited and expressed in U.S. dollars)

	Share capital			Accumulated other comprehensive income	Deficit	Subtotal	Non-controlling interest	Total equity
	Number of shares	Amount	Contributed surplus					
<b>Balance - January 1, 2013</b>	<b>60,407,187</b>	<b>\$ 41,386,379</b>	<b>\$ 8,023,614</b>	<b>\$ 1,378,980</b>	<b>\$ (20,493,932)</b>	<b>\$ 30,295,041</b>	<b>\$ -</b>	<b>\$ 30,295,041</b>
Share-based payments	-	-	136,976	-	-	136,976	-	136,976
Currency translation adjustment	-	-	-	(1,625,375)	-	(1,625,375)	-	(1,625,375)
Net loss for the period	-	-	-	-	(674,030)	(674,030)	-	(674,030)
<b>Balance - June 30, 2013</b>	<b>60,407,187</b>	<b>\$ 41,386,379</b>	<b>\$ 8,160,590</b>	<b>\$ (246,395)</b>	<b>\$ (21,167,962)</b>	<b>\$ 28,132,612</b>	<b>\$ -</b>	<b>\$ 28,132,612</b>

	Share capital			Accumulated other comprehensive income	Deficit	Subtotal	Non-controlling interest	Total equity
	Number of shares	Amount	Contributed surplus					
<b>Balance - January 1, 2012</b>	<b>60,407,187</b>	<b>\$ 41,386,379</b>	<b>\$ 7,610,418</b>	<b>\$ 855,606</b>	<b>\$ (22,850,460)</b>	<b>\$ 27,001,943</b>	<b>\$ (128,444)</b>	<b>\$ 26,873,499</b>
Share-based payments	-	-	255,037	-	-	255,037	-	255,037
Currency translation adjustment	-	-	-	(208,209)	-	(208,209)	-	(208,209)
Effect from sale of Spur BVI	-	-	-	-	-	-	128,444	128,444
Net loss for the period	-	-	-	-	2,938,997	2,938,997	-	2,938,997
<b>Balance - June 30, 2012</b>	<b>60,407,187</b>	<b>\$ 41,386,379</b>	<b>\$ 7,865,455</b>	<b>\$ 647,397</b>	<b>\$ (19,911,463)</b>	<b>\$ 29,987,768</b>	<b>\$ -</b>	<b>\$ 29,987,768</b>

# Spur Ventures Inc.

## Condensed Interim Statements of Cash Flows for the three and six months ended June 30,

(unaudited and expressed in U.S. dollars)

	Three months ended		Six months ended	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
<b>Cash provided by (used in) continuing operating activities</b>				
Net loss for the period	\$ (280,354)	(370,586)	\$ (674,030)	(794,405)
Adjustments for:				
Amortization	2,454	2,485	4,813	4,861
Share-based payments	78,846	85,039	136,976	255,037
Interest income	(106,446)	(97,379)	(212,259)	(188,062)
Net changes in non-cash working capital balances:				
Receivables	9,377	(910)	6,684	(19,593)
Due from related parties	4,664	(213)	(16,239)	(4,444)
Prepaid expenses	9,494	8,540	18,013	25,013
Accounts payable and accrued liabilities	(36,411)	(41,880)	3,208	(27,361)
Due to related parties	(15,984)	(638)	(8,381)	25,991
Net cash used in operating activities - continuing operations	(334,360)	(415,542)	(741,215)	(722,963)
Cash used in operating activities - discontinued operations	-	(5,494)	-	(71,938)
<b>Investing activities</b>				
Interest received	82,684	1,657	238,134	19,681
Proceeds from disposal of short-term investments	133,907	306,779	10,487,669	2,004,911
Purchase of short-term investments	-	(9,896)	(10,610,066)	(10,378,343)
Net cash used in investing activities - continuing operations	216,591	298,540	115,737	(8,353,751)
Proceeds from sale of Spur BVI (Note 5)	-	-	-	9,253,701
Less: non-cash item included in gain from sale of Spur BVI	-	-	-	(128,444)
Cash provided by investing activities - discontinued operations	-	-	-	9,125,257
Effect of exchange rate changes	(373,398)	(870)	(597,773)	(568)
Change in cash and cash equivalents during the period	(491,167)	(123,366)	(1,223,251)	(23,963)
Cash and cash equivalents, beginning of period	10,192,212	195,623	10,924,296	96,220
<b>Cash and cash equivalents, end of period</b>	<b>\$ 9,701,045</b>	<b>\$ 72,257</b>	<b>\$ 9,701,045</b>	<b>\$ 72,257</b>
<b>Supplemental cash flow information</b>				
Interest paid	\$ -	\$ -	\$ -	\$ -
Income taxes paid	\$ -	\$ -	\$ -	\$ -

# Spur Ventures Inc.

## Notes to Condensed Interim Financial Statements

For the six months ended June 30, 2013

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(unaudited and expressed in U.S. dollars )

### 1 Nature of Operations

Spur Ventures Inc. ("Spur" or the "Company") is a company listed on the TSX Venture Exchange with a registered office at Suite 3083, Three Bentall Centre, 595 Burrard Street, Vancouver, B.C. Canada.

On February 13, 2012, the Company completed the sale of its 100% owned subsidiary, Spur Chemicals (BVI) Inc. ("Spur BVI"). Spur BVI held its fertilizer interests through two sino-foreign joint ventures ("JV") in China, Yichang Maple Leaf Chemicals Ltd. ("YMC") and Yichang Spur Chemicals Ltd. ("YSC"). Spur's Chinese partner in both JVs was Hubei Yichang Phosphorus Chemical Co. Ltd ("YPCC"), a state owned enterprise of Yichang City, Hubei Province, China.

After the sale of Spur BVI, the statements as at and for the three and six months ended June 30, 2013 and the balance sheet of the Company at December 31, 2012 do not include the accounts of any other entity. The statements of income (loss) and comprehensive income (loss), changes in equity and cash flows for the six months ended June 30, 2012 includes the operations and cash flows of the Company for the six months ended June 30, 2012 and its former subsidiary only to February 13, 2012, the date of its disposition (see Note 5).

Following its exit from China, the Company is now focused on acquisitions or other corporate transactions in gold, base metals or other mineral-related assets or businesses.

### 2 Significant Accounting Policies

These condensed financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) applicable to the preparation of interim financial statements, including, International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). These condensed interim financial statements do not include all disclosures required for annual audited financial statements. Accordingly, they should be read in conjunction with the notes to the Company's audited consolidated financial statements for the year ended December 31, 2012. The Company has used the same accounting policies as disclosed in the audited financial statements for the year ended December 31, 2012, except for certain items being reclassified and adoption of new standards as described below.

The preparation of the condensed interim financial statements in compliance with IFRS requires management to make estimates and assumptions. These estimates affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the condensed interim financial statements and the reported amounts of revenues and expenses during the periods. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities include: no gain is recorded for the CDN \$4.75 million Canadian dollars contingent payment from the sale of Spur BVI as there is a significant amount of uncertainty that the conditions required to receive the contingent payment will be met (see Note 5). There has been no change in this estimate from December 31, 2012. While management believes these estimates and assumptions to be reasonable actual results could differ. These condensed interim financial statements were approved for issue by the Company's Board of Directors on August 27, 2013.

# Spur Ventures Inc.

## Notes to Condensed Interim Financial Statements

For the six months ended June 30, 2013

(unaudited and expressed in U.S. dollars )

### 2 Significant Accounting Policies (continued)

#### New and revised International Financial Reporting Standards

As of January 1, 2013, the Company adopted several new and amended IFRS pronouncements in accordance with the transitional provisions outlined in the respective standards as listed in note 2 of the unaudited condensed interim financial statements for the three months ended March 31, 2013 and 2012.

### 3 Cash and cash equivalents

Details of cash and cash equivalents are as follows:

	<b>June 30, 2013</b>	<b>December 31, 2012</b>
Canadian Dollar deposits in Canada \$	<b>9,700,583</b>	\$ 10,923,789
U.S. Dollar deposits in Canada	<b>462</b>	507
Total \$	<b>9,701,045</b>	\$ 10,924,296

Interest rates per annum	<b>up to 1.4%</b>	up to 1.35%
Maturity Date	<b>N/A</b>	N/A

### 4 Short term investments

Short-term deposits include Canadian Dollar Guaranteed Investment Certificates (GICs) in Canada, with maturities at inception over 90 days but less than one year. Details of the GICs are as follows:

	<b>June 30, 2013</b>	<b>December 31, 2012</b>
Canadian Dollar GICs in Canada	<b>\$18,363,620</b>	\$19,324,740
Interest rates per annum	<b>up to 1.55%</b>	up to 1.6%
Maturity Date	<b>up to March 2014</b>	up to November 2013



# Spur Ventures Inc.

## Notes to Condensed Interim Financial Statements

For the six months ended June 30, 2013

(unaudited and expressed in U.S. dollars )

### 5 Sale of Spur BVI and Discontinued Operations

On February 13, 2012, the Company completed the sale of 100% of Spur BVI to Hong Tang Vision Limited ("HTVL"). Under the terms of the agreement, HTVL agreed to acquire and assume all of the assets and liabilities of Spur BVI, including the Company's interests in YMC and YSC (the Company's discontinued China operations) for cash consideration of CDN \$9.25 million Canadian dollars (\$9,253,701) plus a contingent payment of CDN \$4.75 million Canadian dollars if in the future the relevant Chinese authorities removed YMC's current obligation to produce phosphate fertilizers and allowed YMC to simply be a phosphate mining company.

An accounting gain of \$3,873,015 was recorded for the sale of Spur BVI and no gain is recorded for the CDN \$4.75 million Canadian dollars contingent payment as it is uncertain that the contingent payment will be received.

The loss and comprehensive income (loss) from continuing and discontinued operations for the three and six months ended June 30, 2013 and 2012 are presented as follows:

	<b>3 Months Ended June 30, 2013</b>	3 Months Ended June 30, 2012	<b>6 Months Ended June 30, 2013</b>	6 Months Ended June 30, 2012
	\$	\$	\$	\$
Loss - continuing operations	(280,354)	(370,586)	(674,030)	(794,405)
Net Income (Loss) - discontinued operations	-	(5,494)	-	3,733,402
Net Income (Loss) - continuing and discontinued operations	<b>(280,354)</b>	<b>(376,080)</b>	<b>(674,030)</b>	<b>2,938,997</b>

  

	<b>3 Months Ended June 30, 2013</b>	3 Months Ended June 30, 2012	<b>6 Months Ended June 30, 2013</b>	6 Months Ended June 30, 2012
	\$	\$	\$	\$
Comprehensive loss - continuing operations	(1,284,142)	(974,590)	(2,299,405)	(1,002,614)
Comprehensive income (loss) - discontinued operations	-	(5,494)	-	3,733,402
Comprehensive income (Loss) - continuing and discontinued operations	<b>(1,284,142)</b>	<b>(980,084)</b>	<b>(2,299,405)</b>	<b>2,730,788</b>

# Spur Ventures Inc.

## Notes to Condensed Interim Financial Statements

For the six months ended June 30, 2013

(unaudited and expressed in U.S. dollars )

### 6 Equity

#### a) Authorized share capital

Unlimited common shares without par value

Unlimited number of preferred shares without par value, issuable in series and with special rights and restrictions to be determined on issuance

#### b) Contributed surplus

	June 30, 2013	December 31, 2012
	\$	\$
Balance - beginning of the year	8,023,614	7,610,418
Share-based payment expense	136,976	413,196
Balance - end of the period	8,160,590	8,023,614

#### c) Stock options

The Company values the stock options granted using the indirect method because it cannot reliably estimate the value of the services received for the options granted. The Company uses the Black Scholes option pricing model to determine the fair value of options granted and makes assumptions about future volatility based on observed volatility in the past.

	Options	Weighted average exercise price \$CAD
Options outstanding - January 1, 2012	3,100,000	\$ 0.51
Granted	2,350,000	0.40
Expired	(220,000)	0.63
<b>Options outstanding - December 31, 2012</b>	<b>5,230,000</b>	<b>\$ 0.46</b>
Expired	(630,000)	\$ 0.90
<b>Options outstanding - June 30, 2013</b>	<b>4,600,000</b>	<b>\$ 0.38</b>
<b>Options exercisable - June 30, 2013</b>	<b>3,406,250</b>	<b>\$ 0.37</b>

The weighted average exercise price at June 30, 2013 was CDN \$0.38 (December 31, 2012 – CDN \$0.46). The weighted average grant date fair value per option for options granted during the six months ended June 30, 2013 was nil as no options were granted during the six months ended June 30, 2013 (2012: CDN \$0.165). A total of 630,000 options with an exercise price of CDN \$0.90 expired during the six months ended June 30, 2013 (2012: 200,000 options with a weighted average exercise price of CDN \$0.64).

Options granted prior to 2011 vest over a three-year period, with one-third of the options vesting one year after the date of grant, one-third two years after the date of grant, and the remaining one-third three years after the date of grant. The vesting period for options granted after 2011 is 12.5% immediately with 12.5% each quarter over the next two years.

# Spur Ventures Inc.

## Notes to Condensed Interim Financial Statements

For the six months ended June 30, 2013

(unaudited and expressed in U.S. dollars )

### 6 Equity (continued)

#### c) Stock options (continued)

During the six months ended June 30, 2013, stock-based compensation expense of \$136,976 was recognized (2012: \$255,037). During the three months ended June 30, 2013, stock-based compensation expense of \$78,846 was recognized (2012: \$85,039).

The following table summarizes information about the options outstanding at June 30, 2013:

<b>Number of Options</b>	<b>Exercise Price CAD</b>	<b>Expiry Date</b>	<b>Number Exercisable</b>
300,000	0.28	July 28, 2014	300,000
1,950,000	0.37	August 12, 2016	1,950,000
1,000,000	0.40	April 10, 2017	625,000
100,000	0.37	May 10, 2017	62,500
1,250,000	0.40	November 1, 2017	468,750
<b>4,600,000</b>			<b>3,406,250</b>

Subsequent to period end, a total of 50,000 stock options were granted to a consultant to the Company at an exercise price of \$0.40, expiring on July 26, 2018.

### 7 Related party transactions and key management compensation

#### a) Key management compensation

Key management includes the Company's directors, President and Chief Executive Officer and Chief Financial Officer. Compensation awarded to key management is presented in the table below:

	<b>Three months ended June 30, 2013</b>	Three months ended June 30, 2012	<b>Six months ended June 30, 2013</b>	Six months ended June 30, 2012
Salaries and benefits	\$ 51,174	\$ 136,510	\$ 121,397	\$ 237,333
Management fees	92,922	85,985	129,340	120,167
Director fees	19,684	17,236	39,376	32,249
Share-based payments	76,218	85,039	128,985	242,554
	<b>\$ 239,998</b>	<b>\$ 324,770</b>	<b>\$ 419,098</b>	<b>\$ 632,303</b>

#### b) Services provided to related parties

The Company shares office lease and administrative expenditures with three related companies with directors and officers in common. During the six months ended June 30, 2013, office lease and administrative expenditures billed to related parties amounted to \$102,935 (2012: \$115,923). During the three months ended June 30, 2013, office lease and administrative expenditures billed to related parties amounted to \$50,145 (2012: \$59,010).

Amounts due from related parties at June 30, 2013 were \$67,907 (December 31, 2012: \$51,668). Amounts due from related parties are unsecured, non-interest bearing and due on demand. Amounts payable to related parties at June 30, 2013 were \$8,264 (December 31, 2012: \$16,645).

# Spur Ventures Inc.

## Notes to Condensed Interim Financial Statements

For the six months ended June 30, 2013

(unaudited and expressed in U.S. dollars )

### 8 Corporate development

	<b>Three months ended</b>	Three months ended	<b>Six months ended</b>	Six months ended
	<b>June 30, 2013</b>	June 30, 2012	<b>June 30, 2013</b>	June 30, 2012
Consulting & engineering fees	\$ 58,266	\$ 61,969	\$ 190,757	\$ 77,202
Legal Fees	16,398	-	37,673	-
Travel and other	34,196	8,378	84,977	28,403
	<b>\$ 108,860</b>	<b>\$ 70,347</b>	<b>\$ 313,407</b>	<b>\$ 105,605</b>

### 9 Financial Instruments

The carrying amount of cash and cash equivalents, short-term investments, accounts receivable, accounts payable and accrued liabilities approximates fair value due to their short term nature.

### 10 Commitments

The Company has a long-term office lease and shares office space and related costs with three other companies. A summary of the Company's commitments is set out below:

2013	\$42,742
2014	\$85,485
2015	\$64,114
	<b>\$ 192,341</b>