Spur Ventures Inc.

Interim Consolidated Financial Statements
March 31, 2008
Unaudited
(expressed in U.S. dollars)

NOTICE

The accompanying unaudited interim consolidated 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.

Interim Consolidated Balance Sheets

As at March 31, 2008 and December 31, 2007 (Unaudited)

(Expressed in U.S. dollars)

	2008	2007
ASSETS		
Current		
Cash and cash equivalents (Note 4)	$ 15,689,265	$ 21,124,306
Short-term investments (Note 5)	8,887,256	3,862,759
Accounts and notes receivable	148,306	239,322
Inventory (Note 6)	408,488	519,992
Prepaid expenses	95,645	152,182
Due from joint venture partner (Note 10)	325,436	309,728
	25,554,396	26,208,289
Property, plant & equipment (Note 7)	4,109,205	4,380,126
Land use rights (Note 8)	369,049	387,475
	$ 30,032,650	$ 30,975,890
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 626,750	$ 730,176
Customer deposits	73,278	37,998
	700,028	768,174
Minority interest (Note 9)	236,453	441,420
Commitments (Note 16)		
Subsequent events (Note 17)		
SHAREHOLDERS' EQUITY		
Capital stock		
Authorized - (Note 11(a))		
Unlimited number of Common and Preferred shares without par value		
Issued - (Note 11(b))		
58,740,520 Common shares (2006: 58,740,520)	39,822,134	39,822,134
Contributed surplus (Note 11(c))	7,580,084	7,536,550
Accumulated other comprehensive income	5,581,426	5,812,795
Deficit	(23,887,475)	(23,405,183)
	29,096,169	29,766,296
	$ 30,032,650	$ 30,975,890

APPROVED BY THE DIRECTORS

Robert G. Atkinson
Director

Robert J. Rennie
Director

The accompanying notes are an integral part of these interim consolidated financial statements.

Spur Ventures Inc.

Interim Consolidated Statements of Operations and Deficit

For the quarter ended March 31, 2008 and 2007 (Unaudited)

(Expressed in U.S. dollars)

	2008	Restated (See Note 2) 2007
Sales	$ 104,450	$ 2,866,836
Cost of sales	88,349	2,739,642
Gross Profit	16,101	127,194
Expenses		
Consulting fees	135,440	48,037
Depreciation and amortization	123,795	17,373
Interest	-	52,161
Mineral property costs (Note 2)	102,404	212,127
Office and miscellaneous	97,218	85,078
Professional fees	67,609	63,673
Rent	56,610	47,948
Repairs and maintenance	2,796	1,296
Selling expenses	15,611	113,607
Stock-based compensation expenses (Note 11(c))	43,534	89,838
Transfer agent and filing fees	16,994	17,417
Travel, advertising and promotion	70,310	32,728
Wages and benefits	244,092	175,900
	976,413	957,183
Operating loss	(960,312)	(829,989)
Other income and expenses		
Interest income	179,722	277,281
Foreign exchange gain (loss)	80,092	(35,959)
	259,814	241,322
Loss before minority interest	(700,498)	(588,667)
Minority interest	218,206	-
Loss for the period	(482,292)	(588,667)
Deficit, Beginning of the period (Note 2)	(23,405,183)	(18,567,792)
Deficit, End of the period	$ (23,887,475)	$ (19,156,459)
Basic and diluted income/(loss) per common share	$ (0.008)	$ (0.010)
Weighted average number of common shares outstanding	58,740,520	58,740,520

The accompanying notes are an integral part of these

Spur Ventures Inc.

Interim Consolidated Statements of Comprehensive Income (Loss)

For the quarter ended March 31, 2008 and 2007 (Unaudited)

(Expressed in U.S. dollars)

	2008	Restated (See Note 2) 2007
Loss for the period	(482,292)	$ (588,667)
Other comprehensive income, net of tax:		
Unrealized gain (loss) on translating financial statements from functional currency to reporting currency	(231,369)	177,804
Comprehensive income (loss) for the period	(713,661)	$ (410,863)

The accompanying notes are an integral part of these interim consolidated financial statements.

Spur Ventures Inc.

Interim Consolidated Statements of Cash Flows

For the quarter ended March 31, 2008 and 2007 (Unaudited)

(Expressed in U.S. dollars)

	2008	Restated (See Note 2) 2007
Cash flows from operating activities		
Net loss for the period	$ (482,292)	$ (588,667)
Items not affecting cash		
Depreciation and amortization	123,795	157,763
Stock-based compensation	43,534	89,838
Foreign exchange (gain)/loss	(80,092)	35,959
Inventory adjustment	-	(143,998)
Non-cash mineral property costs	-	212,127
Net changes in non-cash working capital		
Accounts receivable	46,577	71,970
Inventory	130,073	659,073
Prepaid expenses	38,210	(36,421)
Accounts payable and accrued liabilities	(161,032)	(55,896)
Customers deposits	37,555	(238,316)
Minority interest	(218,206)	-
	(521,878)	163,432
Cash flows from investing activities		
Capital expenditures	(43,793)	(218,840)
Acquisition of other assets	-	(9,474)
Decrease/(Increase) in restricted cash	-	(116,394)
Proceeds from disposal of investments	181,159	3,117,733
Purchase of short-term investments	(5,109,657)	-
	(4,972,291)	2,773,025
Cash flows from financing activities		
Bank indebtedness repayment	-	(389,194)
	-	(389,194)
Effect of exchange rate changes	59,128	39,003
Increase (decrease) in cash and cash equivalents	(5,435,041)	2,586,266
Cash and cash equivalents, beginning of the period	21,124,306	10,994,262
Cash and cash equivalents, end of the period	$ 15,689,265	$ 13,580,528
Supplemental cash flow disclosure		
Interest received	237,127	351,928
Interest paid	-	(22,830)

The accompanying notes are an integral part of these interim consolidated financial statements.

(Expressed in U.S. dollars)

1 Nature of operations

Spur Ventures Inc. (the “Company”) is developing a fully integrated fertilizer business in the People’s Republic of China (“China”). The recoverability of the amounts shown as property, plant and equipment (“the fertilizer facility”) is dependent upon the ability of the Company to complete the expansion and the construction of new facilities on the site of the existing fertilizer plant to allow for additional product mix and future profitable production or proceeds from the sale of the fertilizer facility.

In December 2003, the Company entered into agreements to obtain title to certain mineral properties located in Hubei Province, China by forming a 90% owned Joint Venture company, Yichang Maple Leaf Chemicals Ltd. (“YMC”), with Hubei Yichang Phosphorous Chemical Co. Ltd. (“YPCC”). YMC is intended to undertake the development of the phosphate mines and to build compound phosphate fertilizer production facilities.

During 2004, the Company acquired Xinyuan Chemicals Ltd. and formed a 72.18% owned Joint Venture company, Yichang Spur Chemicals Ltd. (“YSC”), which owns the fertilizer facility, located in Hubei Province, China. The other two minority partners are YPCC which owns 16.69% and Yichang Yuanfeng Chemical (Yuanfeng) which owns 11.13%.

During the third quarter of 2007, management concluded that the price level of raw materials, especially potash, were too high for the fertilizer facility to be viable. In response to the losses and sustained cash flow outflows, the fertilizer plant was idled and remains idled to date. Management have initiated plans to convert and expand the plant to be able to produce an intermediary fertilizer product as well as the ability to produce the existing product or a combination of these two products. Technical and feasibility analysis has been completed and the tendering process has commenced. However, there are significant risks and measurement uncertainties that are not within the Company’s control. Such risks and measurement uncertainties include, but are not limited to; construction cost risks, raw material sourcing risks, product marketing risks, political risks, raw material costs and financing risks. The economic model for the production of the intermediary fertilizer product is highly sensitive to changes in the selling price of the new product and to the price of sulphuric acid and phosphate rock. Due to the lead times and the construction period, operations are not expected to re-commence until the 2009 fiscal year and accordingly the assumptions used in the model could vary significantly.

Management have not recorded a current impairment charge against the existing land use rights (Note 8), fertilizer plant and equipment (Note 7) or the associated spare parts as management are confident that their conversion and expansion plans for the plant will generate profitable operations in the future. Management remain confident that they will reach a successful transfer of the mining licenses into the Company (Note 9), thereby securing a long-term source of phosphate rock and in the short-term that they will be able to secure sufficient quota for phosphate rock for the new fertilizer plant. There remain additional risks and uncertainties that the transfer of the mining licenses will be approved, that economic ore reserves will be identified and that the significant equity or debt financing for the project will be available to the Company. The phosphate rock project would still face additional risks and uncertainties, including, but not limited to, raw material and construction cost risks, product marketing risks, and political risks.

The recoverability of the Company’s investment in property rights, plant and equipment in China is dependent upon these plans or the ability of the Company to dispose of the assets and recover its investment. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary should these material risks and measurement uncertainties prove to be insurmountable, and these adjustments could be material.

(Expressed in U.S. dollars)

2 Change in Accounting Policy and Adoption of Recent Accounting Pronouncements

During the year ended December 31, 2007, the Company retrospectively changed its accounting policy for exploration expenditures to more appropriately align itself with policies practiced in the United States and those applied by other companies in the fertilizer industry. Prior to the year ended December 31, 2007, the Company capitalized all such costs to mineral properties and only wrote down capitalized costs when either the property was abandoned or if the capitalized costs were not considered to be economically recoverable. Exploration expenditures are now charged to earnings as they are incurred. Accordingly, deficit at January 1, 2007 was increased by $3,112,768 from $15,455,024 to $18,567,792, and loss for the quarter ended March 31, 2007 was increased by $212,127 from $376,540 to $588,667.

Effective January 1, 2008, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants (CICA).

a) *Section 1400 - General Standards of Financial Statement Presentation-Assessing Going Concern*
This Section requires management to assess the Company's ability to continue as a going concern, the basis on which financial statements are prepared.

b) *Section 1535 - Capital Disclosures*

This Section establishes standards for disclosing information about objectives, policies and processes for managing capital as disclosed in Note 15.

c) *Section 3031 - Inventories*

This Section prescribes the accounting treatment for inventories and provides guidance on the determination of inventory costs and its subsequent recognition as an expense, including any write-down to net realizable value. It also provides guidance on the cost formulas that are used to assign costs to inventories.

d) Section 3862 - *Financial Instrument Disclosures*

This Section requires additional disclosures for financial statements users to evaluate the significance of financial instruments to the Company's financial position and performance. In addition, qualitative and quantitative disclosures are provided to enable users to evaluate the nature and extent of risks arising from the Company's financial instruments.

The adoption of the standards did not have a material impact on the Company as at January 1, 2008 or for the three months ended March 31, 2008 except for the required note disclosures (Notes 14 and 15).

3 Significant Accounting Policies

The accompanying interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). These interim consolidated financial statements do not include all disclosures required under Canadian GAAP 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, 2007.

The Company has used the same accounting policies as disclosed in the audited financial statements included in the Company's latest annual report, except as disclosed in Note 2.

(Expressed in U.S. dollars)

The preparation of the interim consolidated financial statements in compliance with GAAP 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 consolidated financial statements and the reported amounts of revenues and expenses during the periods. The effect of changes in estimates on the financial statements of future periods could be significant for inventories, property, plant and equipment as well as land use rights, as a result of challenges facing the Company at its Chinese subsidiaries. While management believes these estimates and assumptions to be reasonable actual results could differ.

In the opinion of management, all adjustments considered necessary for fair presentation of the results for the periods presented have been reflected in the interim consolidated financial statements.

4 Cash and cash equivalents

Cash and cash equivalents of $15,689,265 includes $15,380,456 U.S. Dollar Term Deposits with major Canadian financial institutions. The term deposits bear interest rates from 1.71% to 2.61% per annum and mature in April 2008 and with maturities at inception under 90 days.

5 Short-term investments

Short-term investments of $8,887,256 consist of $5,109,658 U. S.Dollar Term Deposits, $2,564,351 Canadian Dollar Term Deposits and $1,213,247 Chinese Renminbi Term Deposits, with maturities at inception over 90 days but under one year and held in the accounts of the Chinese subsidiaries and the representative office. The repatriation of these investments to Canada is subject to the approval of the State Administration of Foreign Exchange. The term deposits bear interest rates from 2.1% to 3.42% per annum up to six months and mature between April and June, 2008.

6 Inventory

	March 31, 2008	December 31, 2007
Raw materials	$ 290,857	$ 280,107
Finished goods	-	16,799
Consumables and parts	117,631	223,086
	$ 408,488	$ 519,992

(Expressed in U.S. dollars)

7 Property, plant and equipment

	March 31, 2008			December 31, 2007		
	Adjusted Cost	Accumulated Amortization	Net Book Value	Adjusted Cost	Accumulated Amortization	Net Book Value
Building	$ 1,771,995	$ 138,415	$ 1,633,580	$ 1,843,370	$ 114,684	$ 1,728,686
Construction in progress	176,671	-	176,671	210,126	-	210,126
Machinery and equipment	2,371,550	356,513	2,015,037	2,467,075	293,918	2,173,157
Motor vehicles	157,238	59,762	97,476	163,572	56,080	107,492
Office equipment and furniture	241,444	73,354	168,090	207,486	67,819	139,667
Leasehold improvement	36,701	18,350	18,351	38,179	17,181	20,998
Total	**$ 4,755,599**	**$ 646,394**	**$ 4,109,205**	**$ 4,929,808**	**$ 549,682**	**$ 4,380,126**

The adjusted cost reflects an impairment loss of $3,968,981 recognized in 2006 as the carrying amount of the property, plant and equipment exceeded the sum of the undiscounted cash flows expected to result from their use and eventual disposition. The impairment was recorded by comparing the excess of the carrying value of these assets over the fair value of the estimated future cash flows and included expectations about possible variations in the amount or timing of those cash flows, the time value of money, represented by the risk-free rate of interest, and the price for bearing the uncertainty inherent in the asset.

8 Land use rights

	March 31, 2008			December 31, 2007		
	Adjusted Cost	**Accumulated Amortization**	**Net Book Value before**	**Adjusted Cost**	**Accumulated Amortization**	**Net Book Value after Impairment**
Land Use Rights	$ 386,138	$ 17,089	$ 369,049	$ 401,691	$ 14,216	$ 387,475

Land use rights refer to the ability of the Company to operate a fertilizer and phosphoric acid facility for a period of 50 years. These land use rights are provided by the municipal government and are being amortized over the initial 30-year term of the related business license as this is currently believed to approximate the estimated useful life. An impairment loss of land use rights, similar to the impairment of property, plant and equipment was recognized during 2006.

9 Mineral properties

In 1996, the Company entered into an agreement with YPCC for the exclusive right to develop the Yichang phosphate deposit, which is located in Hubei Province in China. To date, the company has not yet secured title to any mineral claims. Under this agreement, the Company could earn a 90% interest in the property by taking the property through mining and into fertilizer production. The Chinese government will earn a 10% interest by contributing land and the mineral rights.

(Expressed in U.S. dollars)

In 1999, the Company completed the preliminary feasibility study report conducted jointly by the Northern China Chemical Mine Planning and Design Institute and China Wuhuan Chemical Engineering Corp. Final project approval was also received from the Chinese government. In November 2000, a feasibility study and an environmental impact assessment study were completed. During 2001, the China Environment Protection Bureau approved the environmental study of the Yichang project. In April 2002, a feasibility study was updated by Jacobs Engineering Corporation. In early 2002, the Company commenced its application for a mining permit through YPCC. The mining licenses for the Dianziping and Shukongping mines were issued by Central Land and Resources Department to Spur's JV partner YPCC in February and October of 2004 respectively.

In 2003, the Company and YPCC formed a Joint Venture company, YMC, to undertake the development of the project, with the Company entitled to 90% ownership and YPCC entitled to 10%. Each of YPCC and Spur were required to make an initial contribution of a minimum of 15% of their relative ownership ratios based on the total registered capital required by the Chinese authorities. In March 2005, the official transfer process from YPCC to YMC began when Spur made its initial capital contribution to the registered capital of YMC. In 2007, YPCC made its initial contribution to the registered capital of YMC. Under the terms of the agreement to form YMC, the balance of YPCC's required capital contribution will be the completion of the transfer of the mining licenses. Upon YPCC making its initial capital contribution a minority interest was created, the value of which was determined to be $441,420 as at December 31, 2007 and $236,453 as at March 31, 2008.

Since inception, all activities at YMC have been centered on the mining license transfer, with costs incurred in engineering studies, coordination of government relations and public relations activities. During the year ended December 31, 2007, the Company changed its accounting policy relating to mineral property exploration expenditures and it now expenses exploration expenditures when incurred (See Note 2).

10 Due from joint venture partner

The Company has the following amounts due from the minority interest shareholder:

	March 31, 2008		**December 31, 2007**	
	RMB	**$**	**RMB**	**$**
Total due from YPCC	2,281,833	325,436	2,261,960	309,728

The amount due from YPCC bears interest at an effective rate of 3.5% per annum and is repayable on demand.

(Expressed in U.S. dollars)

11 Shareholders' equity

a) Authorized capital stock

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) Issued and outstanding capital stock

	Number of common shares	Amount US$
Balance as at December 31, 2007	58,740,520	39,822,134
Change	-	-
Balance as at March 31, 2008	58,740,520	39,822,134

c) Contributed Surplus

	Related to Stock Options	Related to Warrants	Total Amount US$
Balance as at December 31, 2007	2,979,750	4,556,800	7,536,550
Stock-based compensation during the period	43,534	-	43,534
Balance as at March 31, 2008	3,023,284	4,556,800	7,580,084

d) Stock options

The following is a summary of stock option transactions during the three-month period ended March 31, 2008:

	Options outstanding	Weighted average exercise price CAD
Balance - December 31, 2007	5,550,000	$ 1.10
Granted	-	
Balance - March 31, 2008	5,550,000	$ 1.10

There were no options granted during the three months ended March 31, 2008. Options granted subsequent to December 31, 2006 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. During the three-month period ended March 31, 2008, compensation expense of $43,534 was recognized (2007: $89,838) for options granted in prior years.

(Expressed in U.S. dollars)

In January, 2008, the Company engaged a consulting firm to assist in obtaining government approval for the transfer of the mining license to the Company and other related permits and/or licenses. Compensation for the consulting firm includes a Success Fee in the form of an option to acquire shares of the Company at CAD$0.55 cents based on the following target dates:
- 250, 000 shares if the mining license transfer takes place before July 15, 2008;
- 200,000 shares if the mining license transfer takes place between July 15, 2008 and December 31, 2008;
- 50,000 shares if the mining license transfer takes place after 2008.

Management of the Company has discretion to extend the offer beyond the target dates before the agreement expires on July 15, 2009.

The following table summarizes information about the options outstanding at March 31, 2008:

Number of Option	Exercise Price CAD	Expiry Date
1,700,000	0.60	May 6, 2008
435,000	1.20	June 19, 2008
1,250,000	1.50	July 23, 2009
200,000	1.50	December 31, 2008
500,000	1.80	March 1, 2010
200,000	1.50	September 16, 2010
200,000	1.50	March 14, 2011
625,000	1.03	July 3, 2011
200,000	0.64	January 3, 2012
20,000	0.55	April 4, 2012
200,000	0.63	June 27, 2012
20,000	0.50	December 3, 2012
5,550,000		

e) Warrants

There were no warrants issued or exercised during the three-month period ended March 31, 2008.

12 Related party transactions

During the three months ended March 31, 2008, the Company paid consulting fees of $85,112 to three companies controlled by two officers and one director (2007: $33,413 to two companies controlled by one director and one officer).

Accounts payable to these companies for expenses incurred were $7,125 at the end of March 31, 2008 (2007: nil). Except for the account receivable of RMB2,281,833 ($325,436) from YPCC related to the YSC loan (note 10), there were no other accounts receivables from related parties.

The above transactions, occurring in the normal course of operations, are measured at the exchange amount, which is the fair value consideration established and agreed to by the related parties.

13 Segmented information

Management considers developing an integrated fertilizer business, which includes the development of the phosphate project in China, to be the Company's principal activity. All revenues are earned from sales to customers located in China.

	March 31, 2008			December 31, 2007		
Geographic Segments	Canada	China	Consolidated	Canada	China	Consolidated
Current assets	$ 20,945,564	$ 4,608,832	$25,554,396	$21,164,992	$ 5,043,297	$26,208,289
Property, plant & equipment	85,987	4,023,218	4,109,205	93,923	4,286,203	4,380,126
Land used right	-	369,049	369,049	-	387,475	387,475
Total assets	$ 21,666,742	$ 9,001,099	$30,032,650	$21,258,916	$ 9,716,974	$30,975,890

14 Financial instruments and risks

Fair values

The Company's financial instruments include cash and cash equivalents, short term investments, accounts receivable, customer deposits, accounts payable and accrued liabilities, and due from joint venture partner. The carrying values of cash and cash equivalents, short-term investments, accounts receivable, customer deposits and accounts payable and accrued liabilities approximate their fair values due to the short periods to maturity. The amount due from joint venture partner is recorded at a value that approximates its amortized cost using the effective interest method. Management has determined that there are no embedded derivatives.

Credit risk

The Company maintains a substantial portion of its cash and cash equivalents with major financial institutions in Canada and China. The Company is not currently subject to a concentration of credit risk in relation to its accounts receivable, due to the idling of the fertilizer plant (Note 1).

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Company's maximum exposure to credit risk.

Foreign currency risk

A substantial portion of the Company's business is carried out in Chinese Renminbi, and the Company maintains Renminbi denominated bank accounts and term-deposits. The Company also has short-term investments in US dollars. Fluctuations in exchange rates among the Canadian dollar and Chinese Renminbi and US dollar could have a material effect on the business, results of operations and financial condition of the Company.

(Expressed in U.S. dollars)

Interest rate risk

The Company's interest rate risk mainly arises from the interest rate impact on its interest income derived from US Dollar, Canadian Dollar and Chinese Renminbi cash and term deposits. The Company's policy is to receive interest based on market rates, and, where necessary, to borrow at fixed rate although as at March 31, 2008, the Company had no outstanding debt.

15 Capital Management

The Company's objective in managing capital is to safeguard the Company's ability to continue as a going concern, to maintain a flexible capital structure which optimizes cost of capital at acceptable risk, and to provide reasonable returns to shareholders by developing the integrated fertilizer and phosphate mining project in China. The Company invests its funds in term deposits and short-term investments (See Notes 4 and Note 5) with major financial institutions and monitors capital by gauging cash and short-term investments available for use. The Company manages the capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the Company's assets. In order to maintain or adjust the capital structure, the Company may issue new shares, or sell assets to reduce debt. The Company has no asset backed commercial paper exposure.

16 Commitments

As at March 31, 2008, the Company had a commitment to pay for long lead capital equipment related to the MAP project for a value of $1.55 million (RMB 10.87 million) and for construction supervision for a value of $70,000 (RMB 495,000).

The Company also has the following office lease commitment:

2008	$89,000
2009	$13,000

17 Subsequent events

a) Zhongchuan private placement

On April 14, 2008, the Company signed a binding Memorandum of Understanding with Zhong Chuan International Mining Company Ltd. ("Zhong Chuan") to complete an equity private placement and to pursue strategic investments in China and elsewhere in the Company's fertilizer business.

Zhong Chuan will initially invest $ 11.34 million to acquire eighteen (18) million units ("Units") of the Company at $0.63 per Unit in a private placement which is expected to make Zhong Chuan the Company's largest shareholder. Each Unit will consist of one common share, plus one-half of a warrant ("Warrant") and one-half of a special warrant ("Special Warrant"). Each full Warrant is exercisable to purchase an additional common share at an exercise price of $0.90/share until May 31, 2010, and each full Special Warrant is exchangeable for an additional common share for an aggregate of 9,000,000 common shares at no additional cost to Zhong Chuan, subject to the conditions set out below.

The 9,000,000 Special Warrants are immediately exchangeable for 9,000,000 common shares at no additional cost to Zhong Chuan on the completion of the formal transfer of the mining licences for the Shukongping mine

& Dianziping mines (the "Mines") to the Company's majority controlled Chinese joint venture, Yichang Maple Leaf Chemicals Ltd. on or before April 14, 2009, but if issued these shares will effectively be held in escrow and cannot be transferred until the completion of the following milestones (collectively, the "Milestones") to the satisfaction of the Company: settlement of compensation arrangements for displaced miners, the acquisition of required lands in the area surrounding the Mines for the required beneficiation plant, storage and transportation facilities, and the receipt of required permits and approvals for the commencement of mining operations at the Mines. In addition, each Warrant will only be exercisable upon the completion of all of the Milestones.

All transactions are subject to all necessary regulatory approvals (including the acceptance of the Toronto Stock Exchange) and required shareholder approval.

b) Exercise of stock option
On April 23, 2008, a director of the Company exercised option to acquire 1,600,000 shares of the Company at CAD$0.60 for proceeds of CAD$960,000.

c) MAP project procurement
In April 2008, the Company committed to procure equipment and civil engineering work related to the MAP project for approximately $3.09 million (RMB 21.68 million).