SPUR VENTURES INC.
MANAGEMENT DISCUSSION & ANALYSIS
FOR THE QUARTER ENDED MARCH 31, 2008

Dated: May 15, 2008

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

This Management's Discussion and Analysis ("MD&A") has been prepared as at May15, 2008, and should be read in conjunction with the unaudited interim consolidated financial statements with accompanying notes of Spur Ventures Inc. (the "Company") for the quarter ended March31, 2008 which have been prepared in accordance with Canadian Generally Accepted Accounting Principles.

This MD&A contains certain statements that may be deemed to be "forward-looking statements" regarding the timing and content of upcoming programs. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include, but are not limited to, future prices of nitrogen, phosphate and potash, exploration successes, continued availability of capital and financing, the exchange rates for Canadian, US and Chinese currencies, Chinese policies on fertilizer and agriculture, and general economic, market or business conditions.

All amounts are reported in U.S. dollars and rounded to the nearest thousand where appropriate, unless otherwise stated. Additional information on the Company can be found in the filings with Canadian security commissions on SEDAR at www.sedar.com.

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 mineral properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of the properties, and future profitable production or proceeds from the sale of fertilizer products.

In December 2003, the Company entered into agreements to obtain title to certain mineral properties located in Hubei Province, China by forming a 90% controlled 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. YMC has not yet commenced active operations. The titles to the two primary mining properties remain in the name of YPCC, and are in the process of being formally approved for transfer to YMC. The first approval stage was completed in late December 2006 when Yiling District (Dianziping mine site) and Xinshang County (Shukongping mine site) officially recommended approval of the transfers to the Yichang City level. Yichang City completed its due diligence on the transfers in the first quarter of 2007. Since the two Mining Licenses are considered state assets and are being transferred to a foreign-controlled joint venture, it is necessary to complete an assessment ("Resource Report") of the current value of the mines updated from that made at the time the original joint venture contract was signed in 2003.

This Resource Report must be approved by the Central Ministry of Land and Resources and forms an integral part of the file that will be transferred from Yichang City to Hubei Province Land and Resources as part of the Mining License transfer process.

Effective January 01, 2008, new Ministry of Commerce regulations on foreign investment placed phosphate mines in the restricted category. Spur has received expert opinions from the Central Ministry of Land and Resources and legal counsel that Spur's rights based on the 2003 joint venture contract will be "grand fathered" and are not affected by this new restriction. However whereas previously Hubei Province Land and Resources could be the final approval stage for the transfer, these new regulations now require final approval at the Central Land and Resources level.

During 2004, the Company acquired Xinyuan Chemicals Ltd. and formed a 72.18% controlled Joint Venture company called Yichang Spur Chemicals Ltd. ("YSC"), which owns a 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%.

Management acknowledges that for the Yichang Phosphate Project to be successful it will require significant equity and/or debt financing. Management has successfully raised financing in the past for the early stages of this project; however, there is no assurance that the Company will be successful in raising this financing in the future. Management considers that the Company has sufficient funding to meet its obligations and maintain administrative and operational expenditures for at least the next 12 months.

2. Significant Events

- **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, a private company, was founded by its current chairman, Mr. Sun Ximing in 1992. It has 18 domestic and overseas direct subsidiaries dedicated to prospecting and developing precious, nonferrous and ferrous metals and energy resources with a focus on gold and coal. This partnership with the Company is its first strategic investment in the booming Chinese fertilizer and agricultural sector.

  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 (the "Offering") 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 any rights or entitlement of such shares will be suspended 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.

Zhong Chuan's investment will significantly increase the Company's working capital position and strengthen its balance sheet. Funds will be used to advance the Company's strategy of flexible manufacturing tied to secure sources of raw material and is very timely considering the critical need globally and particularly in China to properly utilize fertilizers to increase crop production and lower rising food prices.

After the Offering is completed, Mr. Sun Xinming, Chairman of Zhong Chuan and a Chinese citizen, and Mr. Charles Yan, a Director of Zhong Chuan and a Canadian citizen, will be invited to join the Company's Board.

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

- **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. This provides CAD$960,000 additional working capital to the Company.

- **YSC idled for construction of MAP project**
  Management concluded in the third quarter of 2007 that price levels of certain raw materials, especially potash, were too high for the NPK fertilizer facility to be viable, and planned to upgrade the current facility to produce MAP (Mono-ammonium phosphate), which does not rely on potash and has better economic prospects. The plant was idled in August 2007 and Spur planned to use the existing YSC facilities to build a MAP plant with the flexibility to produce up to 200K mt per year of powdered MAP to supply NPK producers and transform YSC from a NPK producer for farmers into a producer of Mono-ammonium Phosphate (11-44-0) (MAP) for industrial and export customers. It is estimated that in China there are more than 300 NPK fertilizer suppliers, but only about 20 MAP manufacturers. The switch to MAP would be a shift to a less competitive and better margin business. Over ten domestic NPK producers have signed Letters of Intent for 230,000 mt of powdered MAP. The plant, costing approximately RMB104 million (approx. $15 million) is expected to be operational in 2009. At the date of this report, the Company has committed to pay for equipment and civil engineering work and services related to the MAP project of approximately $4.71 million (RMB 33.05 million).

- **Cash and term-deposits** stand at approximately US25 million at the date of this report. The Company has no asset backed commercial paper.

3. Results of Operations – Q1 2008

Yichang Spur Chemicals (YSC)

Because the fertilizer plant has been idled since August 2007, production, sales and gross margin have reduced substantially. Sales for Q1 2008 were $105,000, compared to $2,867,000 in Q1 2007; and the loss in Q1 2008 was $339,000 compared to $240,000 in Q1 2007.

Yichang Maple Leaf Chemicals (YMC)

YMC has been focusing on the mining license transfer.

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.

After very thorough due diligence the first approval stage was finally completed in late December 2006 when Yiling District (Dianziping mine site) and Xinshang County (Shukongping mine site) officially approved the transfer to the Yichang City level.

Yichang City completed its due diligence on the transfers in the first quarter of 2007. Since the two Mining Licenses are considered state assets and are being transferred to a foreign-controlled joint venture, it is necessary to complete an assessment ("Resource Report") of the current value of the mines updated from that made at the time the original joint venture contract was signed in 2003.

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Spur Consolidated Results

The loss in Q1 2008 was $482,000, slightly lower than the loss of $589,000 in Q1 2007, and loss per share was $0.008 in Q1 2008 compared to $0.010 in Q1 2007.

The operating expenses in Q1 2008 were $976,000 (Q1 2007: $957,000). The expenses included a $106,000 increase in depreciation, a $69,000 increase in wages related to production, and an $87,000 increase in consulting fees, partially offset by an $110,000 decrease in mineral property costs, a $97,000 decrease in selling expenses related to the idling of theYSC plant, and a $52,000 decrease in interest expenses due to reduction of bank loans.

Because YSC was idled in the third quarter, year end balances of certain accounts impacted directly by sales and production also decreased from December 31, 2007 to March 31, 2008. These include reductions in accounts receivables from $239,000 to $148,000, inventory from

$520,000 to $408,000, prepaid expenses from $152,000 to $96,000, and payable and accrued liabilities from $730,000 to $627,000.

The Company's cash and cash equivalents and short-term investments at the end of March 31, 2008 amounted to $24.6 million compared to $25.0 million at December 31, 2007, reflecting the Company's solid cash position. Interest income was $180,000 in Q1 2008 compared to $277,000 in Q1 2007, due to a decline in general interest rate levels. The Company believes that it has sufficient funding to meet its obligations and to maintain administrative and operational expenditures for the next 12 months.

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 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 commercial paper exposure.

Foreign Exchange Gain or Loss

The foreign exchange gain was $80,000 for the quarter ended March 31, 2008, compared to a foreign exchange loss of $36,000 for the quarter ended March 31, 2007. The unrealized foreign exchange gain was mainly a result of the strength of RMB versus US Dollar in the translation of the Company's integrated joint ventures YMC and YSC using the temporal method. Under the temporal method, monetary assets and liabilities are translated at period-end exchange rates, and items included on the statements of operations and cash flows are translated at rates in effect at the time of the transaction. Non-monetary assets and liabilities are translated at historical rates. The gain or loss on translation is charged to the statement of operations.

The Company conducts business in China, with most costs and revenues in Chinese Renminbi, while the Vancouver head office incurs expenses in Canadian dollars. The Company also holds significant amounts of US dollar term-deposits and T-Bills ranging from one to six months. Foreign exchange losses or gains are dependent upon the exchange rate relationship among the U.S. Dollar, Chinese Renminbi and Canadian Dollar. It is anticipated that exchange rates will be volatile over the coming quarters. This may result in foreign exchange fluctuating between gains or losses on a quarterly basis. The Company does not use derivatives to hedge against exposures to foreign currency arising from the Company's balance sheet liabilities, therefore the Company is exposed to future fluctuations in the three currencies.

4. Summary of Quarterly Results (unaudited)

	Qtr ended Mar. 31, 2008	Qtr ended Dec. 31, 2007	Qtr ended Sep. 30, 2007	Qtr ended Jun. 30, 2007	Qtr ended Mar. 31, 2007	Qtr ended Dec. 31, 2006	Qtr ended Sep. 30, 2006	Qtr ended Jun. 30, 2006
Total revenues ($) [restated]	104,450	615,339	2,046,813	1,513,971	2,866,836	2,171,683	1,358,350	1,019,705
Net loss before accounting change ($)	(379,888)	(1,936,256)	(43,746)	(910,020)	(376,540)	(4,764,608)	(647,577)	(818,156)
Mineral property costs expensed (See Section 8)	(102,404)	(352,913)	(480,437)	(525,352)	(212,127)	(90,829)	(97,807)	(220,822)
Net loss after accounting change ($) [restated]	(482,292)	(2,289,169)	(524,183)	(1,435,372)	(588,667)	(4,855,437)	(745,384)	(1,038,978)
Basic and diluted loss per share ($)	(0.008)	(0.039)	(0.009)	(0.024)	(0.010)	(0.083)	(0.013)	(0.018)
Weighted average number of common shares outstanding	58,740,520	58,740,520	58,740,520	58,740,520	58,740,520	58,740,520	58,740,520	58,340,520

Q4 2006 results included a one time impairment charge of $4,328,000 on long-lived assets, and the $2,289,000 loss in Q4 2007 included a non-recurring $446,000 write-off of Tianren acquisition costs, a $376,000 provision for bad debt, a reduction of $263,000 in gross margin, $228,000 decrease in net interest income and $209,000 increase in wages.

5. Liquidity and Capital Resources

As of March 31, 2008, the Company maintained a balance of cash and cash equivalents and short-term investments of $24.5 million, including $20.5 million in U.S. Dollar Term Deposits, $2.6 million in Canadian Dollar Term Deposits, $1.2 million Chinese Renminbi Term Deposits and the rest in cash.

As of 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 M (RMB 10.87 M) and for construction supervision for a value of $ 70,000 (RMB 495,000). In addition, the Company committed in April 2008 to procure equipment and civil engineering work related to the MAP project for approximately $3.09 million (RMB 21.68 million).

The Company also has the following office lease commitment:

2008	$89,000
2009	$13,000

The Company does not have any off-balance sheet arrangements.

6. Transactions with Related Parties

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, there were no other accounts receivable 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.

7. Critical Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Items subject to significant management estimates include the amounts recorded for stock-based compensation and the assessment of recoverable values. Actual results could differ from those reported.

8. Changes in Accounting Policies including Initial Adoption

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, the deficit at January 1, 2007 was increased by $3,112,768 from $15,455,024 to $18,567,792, and the 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 - 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 discussed in the last paragraph of "Spur Consolidated Results" in Section 3 of this report.

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.

9. Outstanding Share Data

As of the date of this report, the Company had the following shares, warrants and options outstanding:

	Number	Exercise Price CAD	Expiry Date
Shares	60,340,520	N/A	N/A
Stock options	435,000	1.20	June 19, 2008
Stock options	1,250,000	1.50	July 23, 2009
Stock options	200,000	1.50	December 31, 2008
Stock options	500,000	1.80	March 1, 2010
Stock options	200,000	1.50	September 16, 2010
Stock options	200,000	1.50	March 14, 2011
Stock options	625,000	1.03	July 3, 2011
Stock options	200,000	0.64	January 3, 2012
Stock options	20,000	0.55	April 4, 2012
Stock options	200,000	0.63	June 27, 2012
Stock options	20,000	0.50	December 3, 2012
Total	64,190,520		

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.

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.

10. Outlook

<u>Transforming YSC</u>

Spur is transforming Yichang Spur Chemical (“YSC”) from solely a NPK producer for farmers into a producer of Mono-ammonium Phosphate (11-44-0) (“MAP”) for industrial and export customers as well as specialty NPK’s. This additional product production capacity will leverage off Spur’s current investments in YSC while giving it the manufacturing flexibility required to meet the changing needs of China's emerging market.

This new MAP plant will be the first stage of Spur’s investment in the Sino-Canadian Integrated Phosphate Project (see below).

YSC's location in the heart of the phosphate mining region and on the Yangtze River provides it with a number of advantages for the manufacture of MAP, including security of supply and distinct transportation advantages.

<u>Sino-Canadian Integrated Phosphate Project</u>

Spur firmly believes only those firms that control their own raw materials, have production facilities with economies of scale and can deliver their products effectively to the market will be successful in China.

The clock started ticking for the mining license transfers in the second quarter of 2005 after the two mining licenses had been formally issued to YPCC and Spur made its first Registered Capital contribution. This is not a long time for the transfer of a natural resource anywhere in the world, and certainly not in China.

The key drivers for the YMC Project remain the continued growth of the 1.2 million mt/yr Nitrogen, Phosphorus and Potassium fertilizer ("NPK") market in China. NPK demand has been growing at approximately 10% each year but still represents only 20% of the compound fertilizers sold in China. The Chinese government wants this to increase to 50% by 2010 to ensure a 25% increase in crop production to feed China's growing population. In 2007 China imported 1.35 million mt of NPK's at an average price 15% higher than domestic NPK product so there is another growth opportunity through import substitution.

The apparent paradox between current NPK production overcapacity in China and the 8-10% increase in new production coming on line is due to the continued presence of small, economically inefficient NPK facilities that the Chinese government is in the process of closing. Within the next five years, we anticipate most compound P producers will be in the five provinces with rich phosphate reserves while producers in other parts of China will be shut down.

The trend towards higher quality and analysis fertilizers, the potential for import substitution and the anticipated closure of over 200 small scale plants is viewed as strong justification for Spur continuing its work at both YSC and YMC.

The focus of Spur's strategy remains YMC's Yichang Integrated Phosphate Project. Spur plans to be fully integrated from mining through flexible manufacturing of compound phosphate fertilizers to the market place. Flexible manufacturing means that Spur may produce Mono-ammonium Phosphate fertilizer ("MAP"), or NPK's, depending on market demand

With the MAP expansion at YSC and the Integrated P Project, Spur is clearly now in "Project Mode", focused solely on developing phosphate mines for the production of high analysis compound phosphate fertilizers for the domestic Chinese fertilizer market.

11. Disclosure Controls and Procedures

Internal controls over financial reporting

For the quarter ended March 31, 2008, no changes were made in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Other matters

The Company has a disclosure policy approved by the Board of Directors, and management is reasonably confident that material information relating to the Company, including its consolidated subsidiaries, will be made known to senior management in a timely manner, and that the Company's disclosure controls and procedures will be effective not only with respect to the Company's annual filing requirements but on an ongoing basis.

12. Risk Factors

The Company’s business is in China which, despite recent government policy changes, carries risk for foreign owned operations.

China has an evolving legal structure. Many laws and regulations dealing with economic matters in general, and foreign investment in particular, have been promulgated, including changes to the Constitution of China to authorize foreign investment and to guarantee "the lawful rights and interests" of foreign investors in China. Nevertheless, China does not have a comprehensive system of laws, and the legal and judicial systems in China in respect of commercial laws are rudimentary. In addition, enforcement of existing laws may be uncertain and sporadic, and may be subject to domestic politics.

China is an emerging economy. Although the Chinese economy has experienced significant growth in the recent past, such growth has been uneven among various sectors of the economy and geographic regions. The central government and even provincial and municipal governments continue to play a significant role in the planning of the economy, not always in a coordinated fashion.

Investment in China can be affected by significant political, economic and social uncertainties. Any change in laws and policies by the Chinese government could affect the Company’s investment in China. Circumstances such as a change in leadership, social or political disruption may benefit or limit the Chinese government's abilities to pursue such policies.

Need to Obtain Permits and Licenses. Although China is progressing towards a market-oriented economy, it is still a centrally planned economy. The operations of the Company require government review, licenses and permits from various government agencies, and there is no guarantee the Company will be granted all required licenses and permits.

Chinese Costs. There continues to be “made in China” pricing for raw materials, minerals and fertilizers which differs from international prices. The continued rapid growth in the Chinese economy is affecting both fertilizer input prices and international freight rates for imports. Spur assumes that raw material prices in China will eventually be set based on import parity.

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