

Spur Ventures Inc.

Condensed Interim Consolidated Financial Statements

March 31, 2012

Unaudited

(expressed in U.S. dollars)

NOTICE

The accompanying unaudited condensed 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.

Condensed Interim Consolidated Balance Sheets

(unaudited and expressed in U.S. dollars)

	March 31, 2012 \$	December 31, 2011 \$
ASSETS		
Current assets		
Cash and cash equivalents	195,623	96,220
Short term investments (Note 3)	30,731,414	21,599,524
Prepaid expenses	38,108	54,581
Other receivables	98,674	75,688
	31,063,819	21,826,013
Assets held for resale (Note 4b)	-	12,055,322
	31,063,819	33,881,335
Property, plant & equipment	31,988	31,170
	31,988	31,170
	31,095,807	33,912,505
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	212,994	171,847
Liabilities directly associated with assets classified as held for resale (Note 4b)	-	6,867,159
	212,994	7,039,006
SHAREHOLDERS' EQUITY		
Share capital (Note 5a)	41,386,379	41,386,379
Contributed surplus (Note 5b)	7,780,416	7,610,418
Accumulated other comprehensive income	1,251,401	855,606
Deficit	(19,535,383)	(22,850,460)
	30,882,813	27,001,943
Non-controlling interests (Note 4a)	-	(128,444)
	30,882,813	26,873,499
	31,095,807	33,912,505
Commitments (Note 8)		
Subsequent Events (Note 9)		

APPROVED BY THE DIRECTORS

Donald R. Siemens

Director

Robert G. Atkinson

Director

Spur Ventures Inc.

Condensed Interim Consolidated Statements of Net Income (Loss) and Comprehensive Income

(unaudited and expressed in U.S. dollars)

	Three months ended March 31, 2012 \$	Three months ended March 31, 2011 \$
Continuing operations		
Operating expenses		
Consulting fees	49,416	37,246
Depreciation and amortization	2,376	1,638
Office and miscellaneous	25,409	19,221
Professional fees	47,680	38,733
Rent	20,847	26,073
Stock-based compensation (Note 5c)	169,998	16,171
Transfer agent, filing and listing fees	76,550	18,237
Travel, advertising and promotion	20,870	18,703
Wages and benefits	99,402	88,673
Loss before the undernoted	(512,548)	(264,695)
Other income (expenses)		
Interest income	90,683	76,771
Foreign exchange gain (loss)	(1,954)	930
Loss for the period from continuing operations	(423,819)	(186,994)
Discontinued operations		
Gain from sale of Spur BVI (Note 4a)	3,873,015	-
Loss from discontinued operations (Note 4c)	(134,119)	(103,030)
Income (Loss) from discontinued operations	3,738,896	(103,030)
Net Income (Loss) for the period	3,315,077	(290,024)
Net Income (Loss) attributable to		
Non-controlling interests	-	(4,918)
Equity shareholders of the Company	3,315,077	(285,106)
Net Income (Loss) for the period	3,315,077	(290,024)
Other comprehensive income (loss):		
Unrealized gain (loss) on translating financial statements from functional currency to reporting currency	395,795	477,648
Comprehensive income for the period	3,710,872	187,624
Comprehensive income (loss) attributable to		
Non-controlling interests	-	(4,918)
Equity shareholders of the Company	3,710,872	192,542
Earnings (Loss) per share from continuing and discontinued operations attributable to the equity shareholders of the Company during the year		
Basic weighted average number of shares outstanding	60,407,187	60,407,187
Diluted weighted average number of shares outstanding	61,263,437	60,507,187
Earnings (Loss) per share, basic	\$0.06	(\$0.01)
From continuing operations	(\$0.01)	(\$0.00)
From discontinued operations	\$0.06	(\$0.00)
Earnings (Loss) per share, diluted	\$0.05	(\$0.01)
From continuing operations	(\$0.01)	(\$0.00)
From discontinued operations	\$0.06	(\$0.00)

Spur Ventures Inc.

Condensed Interim Consolidated Statements of Changes in Equity

(unaudited and expressed in U.S. dollars)

	Number of Shares	Share Capital \$	Contributed surplus \$	Accumulated other comprehensive income \$	Deficit \$	Sub-total \$	Non- Controlling Interest \$	Total Equity \$
Balance, December 31, 2011	60,407,187	41,386,379	7,610,418	855,606	(22,850,460)	27,001,943	(128,444)	26,873,499
Stock-based compensation	-	-	169,998	-	-	169,998	-	169,998
Currency translation adjustment	-	-	-	395,795	-	395,795	-	395,795
Effect from sale of Spur BVI	-	-	-	-	-	-	128,444	128,444
Net income for the period	-	-	-	-	3,315,077	3,315,077	-	3,315,077
Balance, March 31, 2012	60,407,187	41,386,379	7,780,416	1,251,401	(19,535,383)	30,882,813	-	30,882,813

	Number of Shares	Share Capital \$	Contributed surplus \$	Accumulated other comprehensive income \$	Deficit \$	Sub-total \$	Non- Controlling Interest \$	Total Equity \$
Balance, December 31, 2010	60,407,187	41,386,379	7,474,700	1,514,231	(21,156,025)	29,219,285	(66,106)	29,153,179
Stock-based compensation	-	-	16,171	-	-	16,171	-	16,171
Currency translation adjustment	-	-	-	477,648	-	477,648	-	477,648
Net loss for the period	-	-	-	-	(285,106)	(285,106)	(4,918)	(290,024)
Balance, March 31, 2011	60,407,187	41,386,379	7,490,871	1,991,879	(21,441,131)	29,427,998	(71,024)	29,356,974

Spur Ventures Inc.

Condensed Interim Consolidated Statements of Cash Flows

(unaudited and expressed in U.S. dollars)

	Three months ended March 31, 2012 \$	Three months ended March 31, 2011 \$
Cash provided by (used in) continuing operating activities		
Net income (loss) for the period	(423,819)	(186,994)
Items not involving cash:		
Depreciation and amortization	2,376	1,638
Stock-based compensation	169,998	16,171
	(251,445)	(169,185)
Changes in non-cash working capital:		
Other receivables and prepaids	(6,441)	(65,868)
Accounts payable and accrued liabilities	41,148	(60,238)
Non-operating activities items:		
Interest income	(90,683)	(76,771)
Cash used in operating activities-continuing operations	(307,421)	(372,062)
Cash provided (used) in operating activities-discontinued operations (Note 4c)	(66,444)	12,101
Investing activities		
Capital expenditures	-	(31,687)
Interest received	18,024	8,499
Proceeds from disposal of short-term investments	1,698,132	1,416,294
Purchase of short-term investments	(10,368,447)	(1,126,357)
Cash provided by (used in) investing activities-continuing operations	(8,652,291)	266,749
Proceeds from sale of Spur BVI	9,253,701	-
Less: non-cash item included in gain from sale of Spur BVI	(128,444)	-
Cash provided by investing activities-discontinued operations (Note 4c)	9,125,257	-
Effect of exchange rate changes	302	(5,546)
Increase (decrease) in cash and cash equivalents	99,403	(98,758)
Cash and cash equivalents, beginning of the period	96,220	194,918
Cash and cash equivalents, end of the period	195,623	96,160

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Notes to Condensed Interim Consolidated Financial Statements

March 31, 2012

(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.

Until the completion of the sale of its 100% owned subsidiary, Spur Chemicals (BVI) Inc. ("Spur BVI") on February 13, 2012, the Company held interests in the fertilizer industry in China. 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.

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

2 Significant Accounting Policies

These condensed consolidated 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 consolidated 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, 2011. The Company has used the same accounting policies as disclosed in the audited financial statements for the year ended December 31, 2011, with certain items being reclassified to discontinued operations.

The preparation of the condensed interim consolidated 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 consolidated financial statements and the reported amounts of revenues and expenses during the periods. The effect of changes in certain estimates such as accruals on the financial statements of future periods could be significant. 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 May 10, 2012.

New and revised International Financial Reporting Standards

In May 2011, the IASB issued the following standards which have not yet been adopted by the Company: IFRS 9, Financial instruments - Classification and Measurement, IFRS 10, Consolidated Financial Statements, IFRS 11, Joint Arrangements IFRS 12, Disclosure of Interests in Other Entities, IAS 27, Separate Financial Statements, IFRS 13, Fair Value Measurement and amended IAS 28, Investments in Associates and Joint Ventures. Each of the new standards is

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effective for annual periods beginning on or after January 1, 2013 with early adoption permitted, except IFRS 9, which is effective on or after January 1, 2015. The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its consolidated financial statements or whether to early adopt any of the new requirements.

3 Short term investments

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

	March 31, 2012	December 31, 2011
Canadian Dollar GICs in Canada	\$30,731,414	\$21,599,524
Interest rates per annum	up to 1.55%	up to 1.55%
Maturity Date	up to February 2013	up to August 2012

4 Sale of Spur BVI and Discontinued Operations

At December 31, 2011, the Company held interests in two joint ventures (YMC and YSC) in China through its wholly owned subsidiary Spur BVI. 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 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.

The Company now operates entirely in Canada. Previously it operated in one operating segment, the fertilizer industry, and had two geographic locations, China and Canada. The discontinued operations reflected the Chinese operations and the continuing operations reflected the Canadian operations. Subsequent to the sale of the Chinese operations, the Company is no longer in the Chinese fertilizer industry.

- a) A gain of \$3,873,015 was recorded for the sale of Spur BVI as follows.

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	February 13, 2012
	<u>\$</u>
Proceeds from sale of Spur BVI	9,253,701
Reduction of non-controlling interest	(128,444)
Net assets held for resale (Note 4b)	<u>(5,252,242)</u>
	<u>3,873,015</u>

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.

- b) The net assets disposed are as follows:

	Net Assets Held for Resale
	<u>\$</u>
Balance at December 31, 2012	5,188,163
Transaction costs capitalized	68,444
Foreign exchange translation loss	<u>(4,365)</u>
Balance at February 13, 2012	5,252,242
Net assets disposed of (Note 4a)	<u>(5,252,242)</u>
Balance at February 13, 2012 upon completion of the sale of Spur BVI	<u>-</u>

- c) Losses of and cash provided by (used in) the discontinued China operations for the three months ended March 31, 2012 and 2011 are as follows:

	Three months ended March 31, 2012 (\$)	Three months ended March 31, 2011 (\$)
<u>Loss Relating to Discontinued Operations</u>		
Depreciation and amortization	-	62,257
Office and miscellaneous	1,777	1,828
Professional fees	2,570	-
Rent	-	20,529
Travel, advertising and promotion	11,784	9,939
Wages and severance	117,988	35,891
Share of loss on investment in YMC	-	39,939
Gain from disposal of obsolete inventories and plant assets	-	<u>(67,353)</u>
Loss for the period from discontinued operations	134,119	103,030

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	Three months ended March 31, 2012 (\$)	Three months ended March 31, 2011 (\$)
<u>Cash provided by (used in) operating activities-discontinued operations</u>		
Loss for the period from discontinued operations	(134,119)	(103,030)
Depreciation and amortization	-	62,257
Share of loss on investment in YMC	-	39,939
	<u>(134,119)</u>	<u>(834)</u>
Changes in non-cash working capital		
Prepaid expenses	-	(3,385)
Accounts payable and accrued liabilities	67,675	16,320
Cash provided by (used in) operating activities- discontinued operations	<u>(66,444)</u>	<u>12,101</u>
<u>Cash provided by investing activities-discontinued operations</u>		
Proceeds from sale of Spur BVI	9,253,701	-
Less: non-cash item included in gain from sale of Spur BVI	(128,444)	-
Cash provided by investing activities-discontinued operations	<u>9,125,257</u>	

5 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

	Related to Stock Options \$	Related to Warrants \$	Total \$
Balance as at December 31, 2011	3,053,619	4,556,800	7,610,418
Stock-based compensation	169,998	-	169,998
Balance as at March 31, 2012	<u>3,223,617</u>	<u>4,556,800</u>	<u>7,780,416</u>

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

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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.

Assumptions used for stock options valuation:

	2011
Risk free interest rate	2.07% - 2.85%
Expected life of options in years	5 years
Expected volatility	64% - 91%
Dividend per share	\$0.00

	Options outstanding	Weighted average exercise price CDN\$
Balance - December 31, 2011	3,100,000	\$0.51
Granted	-	\$0.37
Exercised	-	
Forfeited	-	
Expired	(200,000)	\$0.64
Balance - March 31, 2012	2,900,000	\$0.50

The weighted average exercise price at March 31, 2012 was CDN\$0.50 (2011 – CDN\$0.80). The weighted average grant date fair value per option for options granted during the three months ended March 31, 2012 and 2011 was nil as no options were granted during the three months ended March 31, 2012 and 2011.

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.

During the three months ended March 31, 2012, stock-based compensation expense of \$169,998 was recognized (2011: \$16,171).

The following table summarizes information about the options outstanding at March 31, 2012:

Number of Options	Exercise Price CAD	Expiry Date	Number Exercisable
20,000	0.50	December 3, 2012	20,000
830,000	0.90	June 26, 2013	830,000
300,000	0.28	July 28, 2014	200,000
1,750,000	0.37	August 12, 2016	656,250
<u>2,900,000</u>			<u>1,706,250</u>

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6 Related party transactions and key management compensation

During the three months ended March 31, 2012, the Company incurred \$115,836 salaries and benefits and \$34,182 consulting fees to key management including China operations and the directors of the Company for services (2011: \$105,500 salaries and benefits and \$34,346 consulting fees). Key management includes the Chairman, Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Corporate Controller and Corporate Secretary.

There were \$35,708 wages and severance payable to an officer (2011: nil) and \$63,800 receivable from three related companies for sharing of office overhead (2011: \$24,951 from one company).

7 Income taxes

The sale of Spur BVI resulted in a capital loss of approximately CDN\$13.4 million for tax purposes. The Company may be able to carry forward and utilize CDN\$13.6 million of capital losses and CDN\$10.4 million of non-capital losses to apply against future capital gains or taxable income. The Company recognizes deferred tax assets for all deductible temporary differences and tax losses only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized. Deferred tax assets have not been recognized because it is not probable that future taxable profits will be available against which the Company can utilize deductible temporary differences.

8 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:

	<u>Office lease</u>	
2012	\$	50,995
2013	\$	77,461
2014	\$	77,461
2015	\$	58,096

9 Subsequent events

On April 10, 2012, the Company granted 1,000,000 stock options to the new President and Chief Executive Officer of the Company. The options are exercisable at CDN\$0.40 and will expire on April 10, 2017.