Spur Ventures Inc.

Interim Consolidated Financial Statements
September 30, 2009
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 (Unaudited)
(Expressed in U.S. dollars)

	September 30, 2009	December 31, 2008
ASSETS		
Current		
Cash and cash equivalents (Note 4)	$ 17,561,259	$ 20,503,438
Short-term investments (Note 5)	4,679,168	370,611
Prepaid expenses	58,319	62,729
Accounts receivable	12,967	11,442
Loan receivable (Note 6)	326,433	-
Due from joint venture partner (Note 7)	-	310,259
	22,638,146	21,258,479
Property, plant & equipment (Note 8)	7,151,551	6,706,848
Land use rights (Note 9)	330,652	300,041
	$ 30,120,349	$ 28,265,368
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 1,640,061	$ 1,791,735
Customer deposits	45,138	39,522
	1,685,199	1,831,257
Commitments (Note 14)		
Subsequent events (Note 15)		
SHAREHOLDERS' EQUITY		
Share capital		
Authorized - (Note 11(a))		
Unlimited number of Common and Preferred shares without par value		
Issued - (Note 11(b))		
60,407,187 Common shares (2008: 60,407,187)	41,386,379	41,386,379
Contributed surplus (Note 11(c))	7,328,148	7,160,574
Accumulated other comprehensive income	4,251,174	758,365
Deficit	(24,530,551)	(22,871,207)
	28,435,150	26,434,111
	$ 30,120,349	$ 28,265,368

APPROVED BY THE DIRECTORS

Robert G. Atkinson	*Robert J. Rennie*
Director	Director

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

Spur Ventures Inc.

Interim Consolidated Statements of Operations and Deficit (Unaudited)
(Expressed in U.S. dollars)

	Three months ended		Nine months ended	
	September 30, 2009	**September 30, 2008**	**September 30, 2009**	**September 30 2008**
Sales	$ -	$ 52,578	$ 15,145	$ 333,210
Expenses				
Cost of product sold	-	52,071	-	209,127
Consulting fees	64,656	59,296	173,058	273,063
Depreciation and amortization	116,861	119,774	357,412	360,387
Mineral property costs	52,644	153,069	214,662	700,465
Office and miscellaneous	17,547	61,822	53,378	233,145
Printing and mailing	124	66	5,750	33,969
Professional fees	16,065	15,511	85,598	209,799
Provision for (recovery of) bad debts	-	(103,806)	-	(103,806)
Rent	38,490	53,482	126,861	167,071
Repairs and maintenance	1,328	9,188	3,327	14,193
Selling expenses	416	1,755	1,438	21,567
Stock-based compensation expenses (Note 11(c))	40,186	83,115	167,574	142,692
Transfer agent and filing fees	4,166	5,590	28,476	30,337
Travel, advertising and promotion	25,761	55,576	97,243	204,415
Wages and benefits	147,604	191,714	637,771	684,741
	525,848	758,223	1,952,548	3,181,165
Operating loss	(525,848)	(705,645)	(1,937,403)	(2,847,955)
Other income and expenses				
Interest income	15,795	144,067	110,640	464,542
Foreign exchange gain (loss)	153,569	(58,174)	167,419	126,947
	169,364	85,893	278,059	591,489
Loss before non-controlling interest	(356,484)	(619,752)	(1,659,344)	(2,256,466)
Non-controlling interest (Note 10)	-	151,064	-	306,025
Loss for the period	(356,484)	(468,688)	(1,659,344)	(1,950,441)
Deficit, Beginning of the period	(24,174,066)	(24,886,936)	(22,871,207)	(23,405,183)
Deficit, End of the period	$ (24,530,551)	$ (25,355,624)	$ (24,530,551)	$ (25,355,624)
Weighted average number of shares outstanding, basic and diluted	60,407,187	60,389,796	60,407,187	59,749,766
Loss per share, basic and diluted	($0.006)	($0.008)	($0.027)	($0.033)

The accompanying notes are an integral part of these

Spur Ventures Inc.

Interim Consolidated Statements of Comprehensive Income (Loss) (Unaudited)

(Expressed in U.S. dollars)

	Three months ended		Nine months ended	
	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008
Loss for the period	$ (356,484)	$ (468,688)	$ (1,659,344)	$ (1,950,441)
Other comprehensive income (loss), net of tax:				
Unrealized gain (loss) on translating financial statements from functional currency to reporting currency	2,167,487	(338,002)	3,492,809	(595,096)
Comprehensive income (loss) for the period	$ 1,811,003	$ (806,690)	$ 1,833,465	$ (2,545,537)

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

Spur Ventures Inc.

Interim Consolidated Statements of Cash Flows (Unaudited)
(Expressed in U.S. dollars)

	Three months ended		Nine months ended	
	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008
Cash flows from operating activities				
Loss for the period	$ (356,485)	$ (468,688)	$ (1,659,344)	$ (1,950,441)
Items not affecting cash				
Depreciation and amortization	116,861	119,774	357,412	360,387
Stock-based compensation	40,186	83,115	167,574	142,692
Foreign exchange (gain)/loss	(153,569)	57,388	(167,419)	(129,065)
Inventory adjustment	-	915	-	(87,221)
Provision for (recovery of) bad debts	-	(109,957)	-	(103,806)
Non-cash mineral property costs	-	-	-	167,475
Net changes in non-cash working capital				
Accounts receivable	26,250	17,365	82	185,415
Inventory	-	121,493	-	347,674
Prepaid expenses	(22,167)	(16,150)	12,615	34,834
Due from joint venture partner	134,100	-	309,796	-
Accounts payable and accrued liabilities	4,366	(124,285)	(4,576)	(283,160)
Customers deposits	-	8,380	-	15,096
Non-controlling interest	-	(151,112)	-	(306,073)
Net cash used in operating activities	(210,457)	(461,762)	(983,860)	(1,606,193)
Cash flows from investing activities				
Capital expenditures paid	-	(1,536,480)	(175,536)	(2,009,620)
Proceeds from disposal of investments	-	14,411,407	370,681	21,072,287
Loan receivable	-	-	(301,076)	-
Purchase of short-term investments	-	(8,664,249)	(4,561,628)	(26,408,149)
Net cash used in investing activities	-	4,210,678	(4,667,559)	(7,345,482)
Cash flows from financing activities				
Issuance of shares for cash - net of issue costs	-	41,473	-	966,650
Net cash provided by financing activities	-	41,473	-	966,650
Effect of exchange rate changes	1,349,879	93,924	2,709,240	15,725
Increase (decrease) in cash and cash equivalents	1,139,422	3,884,314	(2,942,179)	(7,969,300)
Cash and cash equivalents, beginning of the period	16,421,837	9,270,693	20,503,438	21,124,306
Cash and cash equivalents, end of the period	$ 17,561,259	$ 13,155,006	$ 17,561,259	$ 13,155,007
Supplemental cash flow disclosure				
Interest received	$ 48,413	$ 147,294	$ 143,258	$ 505,719
Interest paid	$ -	$ -	$ -	$ -
Changes in accrued liabilities related to the MAP project construction in progress	$ -	$ 3,965,704	$ (175,536)	$ 3,965,704

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”) through its 100% owned subsidiary, Spur Chemicals (BVI) Inc. (“Spur BVI”) has majority control of two sino-foreign joint ventures (JV) in China, Yichang Maple Leaf Chemicals (“YMC”) and Yichang Spur Chemicals (“YSC”). In both JVs, the Chinese partner is Hubei Yichang Phosphorus Chemical Co. Ltd (“YPCC”), a state owned enterprise of Yichang City, Hubei Province, China.

Yichang Maple Leaf Chemicals (YMC)

In November of 2003, YMC received its business license with Spur BVI controlling 90% and YPCC 10% of the JV. All government approvals had been received for YMC to develop two phosphate deposits and to construct and operate a world-scale compound fertilizer plant. YPCC is contractually obligated to contribute the two deposits to the JV while Spur contributes the project financing.

In February and October of 2004 the Central Ministry of Land and Resources (MOLAR) issued the mining licenses for the Dianziping and Shukongping deposits to YPCC, setting the stage for the transfer of these licenses to YMC once Spur had contributed its first 15% of Registered Capital which it did in March of 2005.

The deposits are considered state owned assets and thus the transfer to a foreign controlled JV is both complex and time consuming. YMC has been working with various government departments at the District, County and Yichang City level to meet the regulatory requirements for the formal transfer, but to date has not been successful in securing the transfer of the licenses.

The Company is unwilling to invest further in YMC until such time as it has the security of the mining licenses being formally transferred to YMC. The Company is in discussions with potential business partners to invest further in YMC and the MAP project described below.

The Shukongping mining license was due to expire on October 9, 2009 but its extension has now been recommended by Yichang City and Hubei Province and is being formally reviewed by the Central Ministry of Land and Resources in Beijing who will set a new expiry date.

The Dianziping mining licence is valid until February, 2014.

The YMC Joint Venture agreement requires that both YPCC and Spur BVI contribute an additional $11.28 million (RMB76.96 million) and $127.21 million (RMB867.85 million) respectively to complete their entire Registered Capital contributions before November 24, 2009 when the YMC Business License will be reviewed. If these contributions are not made, there is a risk that YMC’s business license will not be renewed and that YMC may have to be liquidated.

Yichang Spur Chemicals (YSC)

During 2004, the Company acquired Xinyuan Chemicals Ltd. from YPCC and formed the YSC JV, which owns an NPK compound fertilizer facility located in the Hubei Province, China. Spur BVI owns a 72.18% interest in YSC and the two minority partners are YPCC, which owns 16.69%, and YMC which in June, 2008 acquired the 11.13% interest originally held by Yichang Yuanfeng Chemical.

During the third quarter of 2007, management concluded that prices of raw materials, especially potash and sulphuric acid, were too high for the YSC fertilizer facility to be viable. Management decided to idle the facility and convert it into a mono-ammonium phosphate plant (MAP).

(Expressed in U.S. dollars)

During 2008, the Company commenced the construction activity to convert the fertilizer facility into a MAP plant. Due to the global financial crisis, the rapid decline in commodity prices in the fourth quarter of 2008, the Chinese government extension of export tariffs and the uncertainty in the near term fertilizer markets both in China and globally, the Company decided to suspend its MAP plant construction. Management will continue to work with YPCC to complete the transfer of the mining licenses to YMC in order to secure a long-term source of phosphate rock for both the MAP plant and the Integrated Phosphate Project.

Management have not recorded a current impairment charge against the existing fertilizer plant and equipment (Note 8) and land use rights (Note 9), as management remains confident that the Company will obtain the required financing to complete the MAP plant construction and that the plant will generate profitable operations in the future. There remain additional risks and uncertainties with respect to the approval of the transfer of the mining licenses, 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 also faces 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.

2 Changes in Accounting Policies

Effective January 1, 2009 the Company adopted CICA Handbook Section 3064, *Goodwill and Intangible Assets*, which establishes standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets by profit-oriented enterprises. Adoption of this standard has no impact on the Company's consolidated financial statements.

Effective January 1, 2009 the Company adopted EIC 173, *Credit risk and the fair value of financial assets and financial liabilities*. This abstract considers whether an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities, including derivative instruments, for presentation and disclosure purposes. The Company's adoption of the modification of this abstract had no effect on the Company's consolidated financial statements.

Recently Enacted but not yet Effective Accounting Pronouncements

There are three CICA accounting standards issued in January 2009 but not yet adopted by the Company, as follows: the CICA Handbook Sections 1582, *Business Combinations*, Section 1601, *Consolidated Financial Statements*, and Section 1602, *Non-controlling Interests*, which replace CICA Handbook Sections 1581, *Business Combinations*, and Section 1600, *Consolidated Financial Statements*. Section 1582 establishes accounting standards equivalent to International Financial Reporting Standards IFRS 3, "*Business Combinations*", and is applicable for business combinations with acquisition dates on or after January 1, 2011. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1601 is applicable for interim and annual consolidated financial statements for fiscal year beginning January 1, 2011. Early adoption of Section 1582, 1601 and 1602 is permitted. The Company is evaluating the impact of the adoption of these new standards on its consolidated financial statements.

(Expressed in U.S. dollars)

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, 2008.

The Company has used the same accounting policies as disclosed in the 2008 audited financial statements, except as previously described in Note 2.

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 property, plant and equipment as well as land use rights, as a result of challenges facing the Company and 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 consist of deposits with major Canadian financial institutions and Chinese banks. Details of the deposits are as follows:

	September 30, 2009	December 31, 2008
Canadian Dollar deposits in Canada	$17,541,928	$20,302,987
Canadian Dollar deposits in China	$257	$52,402
RMB deposits in China	$6,438	$140,531
U.S. Dollar deposits in Canada	$12,636	$7,517
Total	**$17,561,259**	**$20,503,438**
Interest rates per annum	up to 0.46%	up to 3.33%
Maturity Date	n/a	January 2009

5 Short-term investments

Short-term investments include Canadian Dollar term deposits and/or guarantee investment certificates in Canada and Chinese Renminbi (RMB) term deposits in the accounts of the Company's representative office in China, with maturities at inception over 90 days but under one year. Details are as follows:

(Expressed in U.S. dollars)

	September 30, 2009	December 31, 2008
Canadian Dollar investment in Canada	$4,679,168	$326,637
RMB investment in China	-	43,974
Total	**$4,679,168**	**$370,611**
Interest rates per annum	1.00%	3.05% ~ 3.78%
Maturity Date	May 2010	Between February and April 2009

6 Loan receivable

On April 6, 2009, the Company entered into an agreement to lend $326,433 (Canadian Dollars CAD 350,000) to Canaco Resources Inc. ("Canaco") at a rate of 2% per month (effectively 24% per annum) to August 6, 2009, the due date of the loan. As security for the loan, Canaco pledged to the Company 4,500,000 common shares in Candente Gold Corp. (Candente Gold), a company involved in the exploration of precious metals in Mexico and Peru. The loan agreement also provided that Canaco transfer to the Company 500,000 shares of Candente Gold as additional consideration. The due date of the principal repayment was extended for three months to November 6, 2009 at the request of Canaco in consideration for an additional 250,000 shares of Candente Gold. The loan was fully repaid on November 4, 2009.

7 Due from joint venture partner

YPCC repaid this amount in full to YSC by making payments of $58,571 (RMB400,000) each month from April to July 2009, and $47,525 (RMB324,564) in August 2009. A summary of balance at September 30, 2009 and December 31, 2008 year end is as follows:

	September 30, 2009		December 31, 2008	
	RMB	$	RMB	$
Due from YPCC	-	-	2,116,667	310,259

(Expressed in U.S. dollars)

8 Property, plant and equipment

	September 30, 2009			December 31, 2008		
	Adjusted Cost	Accumulated Amortization	Net Book Value	Adjusted Cost	Accumulated Amortization	Net Book Value
Building	$ 1,698,782	$ 322,747	$ 1,376,035	$ 1,487,370	$ 195,878	$ 1,291,492
Construction in progress	2,690,964	-	2,690,964	2,288,463	-	2,288,463
Construction in progress deposits (non-refundable)	1,525,171	-	1,525,171	1,498,255	-	1,498,255
Machinery and equipment	2,273,565	840,097	1,433,468	1,990,623	509,517	1,481,106
Motor vehicles	150,741	94,959	55,782	131,982	66,831	65,151
Office equipment and furniture	168,266	105,172	63,094	147,326	75,728	71,598
Leasehold improvement	35,185	28,148	7,037	30,806	20,024	10,782
Total	**$ 8,542,674**	**$ 1,391,123**	**$ 7,151,551**	**$ 7,574,825**	**$ 867,978**	**$ 6,706,848**

The adjusted cost is net of an impairment loss of $3,968,981 recognized in 2006 as the carrying amount of the property, plant and equipment exceeded its fair value estimated by the sum of the discounted cash flows expected to result from their use and eventual disposition.

During the third quarter of 2007, management concluded that prices of raw materials, especially potash and sulphuric acid, were too high for the YSC fertilizer facility to be viable and decided to idle the facility and convert it into a mono-ammonium phosphate ("MAP") plant. During 2008, the Company commenced the MAP plant conversion but subsequently decided to suspend construction due to the global financial crisis, the rapid decline in commodity prices in the fourth quarter of 2008, the Chinese government extension of export tariffs and the uncertainty in the near term fertilizer markets both in China and globally.

9 Land use rights

	September 30, 2009			December 31, 2008		
	Adjusted Cost	**Accumulated Amortization**	**Net Book Value**	**Adjusted Cost**	**Accumulated Amortization**	**Net Book Value**
Land Use Rights	$ 370,184	$ 39,532	$ 330,652	$ 324,116	$ 24,075	$ 300,041

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.

(Expressed in U.S. dollars)

10 Non-controlling interest

In 1996, the Company entered into an agreement with YPCC for the exclusive right to develop the Yichang phosphate deposit, which is located in the Hubei Province in China. 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 respective registered capital requirements, based on relative ownership ratios. 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 non-controlling interest was created, the value of which was determined to be $441,420 as at December 31, 2007, and $nil as at December 31, 2008 and September 30, 2009 as the non-controlling shareholder’s share of cumulative losses in the Chinese operations exceeded the invested amount.

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	$
Balance as at December 31, 2008	60,407,187	41,386,379
Change	-	-
Balance as at September 30, 2009	60,407,187	41,386,379

c) Contributed Surplus

	Related to Stock Options $	Related to Warrants $	Total $
Balance as at December 31, 2008	2,603,774	4,556,800	7,160,574
Stock-based compensation expenses	167,574	-	167,574
Balance as at September 30, 2009	2,771,348	4,556,800	7,328,148

(Expressed in U.S. dollars)

d) Stock options

There were no options granted, exercised, forfeited or expired during the nine months ended September 30, 2009. 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 months ended September 30, 2009, compensation expense of $40,186 was recognized (2008: $83,115) pursuant to the vesting terms of options outstanding.

During the six months ended September 30, 2009, compensation expense of $167,574 was recognized (2008: $142,692) pursuant to the vesting terms of options outstanding.

The following table summarizes information about the options outstanding at September 30, 2009:

Number of Options	**Exercise Price CAD**	**Expiry Date**
500,000	1.80	March 1, 2010
200,000	1.50	September 16, 2010
625,000	1.03	July 4, 2011
200,000	0.64	January 3, 2012
20,000	0.55	April 4, 2012
20,000	0.50	December 3, 2012
905,000	0.90	June 26, 2013
300,000	0.28	July 28, 2014
2,770,000		

e) Warrants

There were no warrants issued or exercised during the nine-month period ended September 30, 2009.

12 Related party transactions

During the three months ended September 30, 2009, the Company paid consulting fees of $39,620 to two companies controlled by one officer and one director (2008: $50,275 to two companies controlled by one director and one officer).

During the nine months ended September 30, 2009, the Company paid consulting fees of $118,859 to two companies controlled by one officer and one director (2008: $176,841 to three companies controlled by one director and two officers).

(Expressed in U.S. dollars)

Accounts payable to these companies for expenses incurred were $nil at September 30, 2009 and at December 31, 2008.

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 sales came from customers in China.

	September 30, 2009			**December 31, 2008**		
Geographic Segments	Canada	China	Consolidated	Canada	China	Consolidated
Current assets	$22,625,538	$12,608	$22,638,146	$20,832,985	$ 425,494	$21,258,479
Property, plant & equipment	9,002	7,142,549	7,151,551	14,232	6,692,616	6,706,848
Land used right	-	330,652	330,652	-	300,041	300,041
Total assets	$22,634,540	$7,485,809	$30,120,349	$20,847,217	$7,418,151	$28,265,368

14 Commitments

As at September 30, 2009, the Company had $9.61 million (RMB65.63 million) in signed contracts for the MAP project, $3.20 million (RMB21.83 million) has been paid, $1.00 million (RMB6.84 million) has been accrued, and $5.41 million (RMB36.96 million) remains as commitments. A summary of the Company's commitments in the next five years are as follows:

	MAP project contracts
2009	$5,410,226
2010	-
2011	-
2012	-
2013	-

15 Subsequent events

In October 2009, the Company entered into a five-year office lease agreement commencing October 1, 2010 to share office space and related costs with another company. The Company's commitments are as follows:

(Expressed in U.S. dollars)

	Office lease
2009	$ 20,521
2010	$ 69,694
2011	$ 98,005
2012	$ 91,308
2013	$ 101,446
2014 & beyond	$ 179,788