SPUR VENTURES INC.
MANAGEMENT DISCUSSION & ANALYSIS
FOR THE QUARTER ENDED SEPTEMBER 30, 2012

Dated: November 21, 2012

T A B L E of C O N T E N T S

This Management Discussion & Analysis (“MD&A”) is comprised of the following sections:

INTRODUCTION

This MD&A has been prepared as of November 21, 2012, and should be read in conjunction with the Company's unaudited consolidated financial statements with accompanying notes for the quarter ended September 30, 2012, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

The objective of this MD&A is to help the reader understand the factors affecting the Company's past and future financial performance. 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.

Cautionary Statement Regarding Forward-Looking Statements

This MD&A contains "forward-looking statements". Forward-looking statements include, but are not limited to, statements with respect to the estimation of mineral resources, the timing and content of upcoming programs, the realization of mineral resource estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to international operations; actual results of planned expansion activities; changes in project parameters as plans continue to be refined; future prices of resources; exchange rates for Canadian and U.S. currencies; possible variations in grade or recovery rates, accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; general economic, market or business conditions as well as those factors discussed under "Description of the Business – Risk Factors" in the latest Annual Information Form. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. In making the forward-looking statements in this MD&A, the Company has made certain key assumptions, including, but not limited to, the assumptions that merited mineral assets or projects can be acquired and financings are available. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update or revise any forward-looking statements or information made in this MD&A, except as required under applicable securities legislation.

C O M P A N Y   P R O F I L E

Spur Ventures Inc. ("Spur" or the "Company") is a company listed on the TSX Venture Exchange ("TSX-V") 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 the sale of Spur BVI, the Company is now focused on potential acquisitions or other corporate transactions in gold, base metals or other mineral-related assets or businesses.

As disclosed in Note 5 of the condensed interim consolidated financial statements for the period ended September 30, 2012, the Company now operates entirely in Canada but may consider future business opportunities in other countries. Previously it operated in one operating segment, the fertilizer industry, and had two geographic locations, China and Canada. The discontinued operations reflect the Chinese operations and the continuing operations reflect the Canadian operations. Subsequent to the sale of the Chinese operations, the Company is no longer in the Chinese fertilizer industry.

C O M P A N Y   U P D A T E

<u>Sale of Spur BVI</u>

On January 10, 2012 the Company announced that it had entered into a share purchase agreement ("Share Purchase Agreement") to sell Spur BVI to Hong Tang Vision Ltd ("HTVL"), a limited liability company registered in the Cayman Islands, for cash consideration of CDN $9.25 million. The Share Purchase Agreement also provided that, if at any time in the future the relevant Chinese authorities remove YMC's current obligation to produce phosphate fertilizers thus licensing YMC to simply be a phosphate mining company, the Company will receive an additional payment of CDN $4.75 million from Hong Tang.

On February 7, 2012 shareholders of the Company approved the sale of Spur BVI to Hong Tang and on February 13, 2012 the Company closed the transaction and received CDN $9.25 million. An accounting gain of approximately $3.8 million from the sale of Spur BVI was recorded. No gain is recorded for the CDN $4.75 million Canadian dollars contingent payment as it is uncertain that the contingent payment will be received.

The sale of Spur BVI reflected the Company's strategic decision to exit its operations in China and represented a key milestone in implementing the Company's strategy announced in October 2008 to focus on acquiring interests in mineral projects in lower risk jurisdictions and in businesses where the Company's skills and knowledge could enhance the success of the venture.

<u>Company Strategy</u>

With the completion of the sale of Spur BVI on February 13, 2012, the Company has approximately CDN $30 million (approximately $0.50 cash per share) to pursue its previously announced strategy to focus on the acquisition of mineral assets in lower risk jurisdictions.

Until the sale of its Chinese interests the Company needed to maintain significant cash reserves to protect the value of its joint venture rights in China. The sale of the Company's Chinese interests eliminates the related contingent liabilities, removes the need to allocate capital in China to protect the Company's rights there and clears the path to fully embrace the Company's current business plan. The Company believes that the current volatile capital markets combined with the strong underlying fundamentals of certain mineral commodities will provide the Company with the capacity to generate positive returns to its shareholders.

The Company has reviewed opportunities in gold and base metal projects in North American and Latin American countries where the focus has been on the acquisition of privately held projects for cash, public companies where the Company could add value through financing and management support, as well as the acquisition of or participation in existing and new royalty opportunities. The Company has also been using its extensive contact base in the resource community to identify non-core gold, base metal and silver projects of mid and large sized listed mining companies which could be targets for acquisition.

At the Annual General Meeting on June 21, 2012, the Company received shareholder approval allowing the Company to purchase securities of other reporting issuers for cash either in the secondary market or as a private placement from treasury. This change will provide additional flexibility for the Company to meet its business objectives.

The Company continues to examine potential opportunities and over the last six months, led by the new CEO, the Company has undertaken detailed due diligence reviews (under signed confidentiality agreement) of a number of opportunities, primarily in the precious metal sector, which have included extensive site visits, technical reviews, economic analysis, structuring and meetings with management. Discussions on certain opportunities are ongoing. Each potential opportunity is being assessed on its technical merits and its potential to deliver value to shareholders.

F I N A N C I A L   R E S U L T S

Spur Consolidated Results

Q3 2012 loss of $268,000 was entirely attributable to continuing operations whereas Q3 2011 loss of $476,000 comprised of $241,000 attributable to continuing operations and $235,000 attributable to the discontinued operations in China.

Year-to-date (YTD) Q3 2012 earnings of $2,671,000 (YTD Q3 2011 loss: $1,266,000) comprised of $1,062,000 loss related to continuing operations (YTD Q3 2011 loss: $676,000) and $3,733,000 earnings related to the disposition of the discontinued operations in China (YTD Q3 2011 loss: $591,000).

Q3 2012 loss per share was $0.01 (Q3 2011 loss per share $0.01), and YTD Q3 2012 earnings per share was $0.04 (Q3 2011 YTD loss per share $0.02). Further details in regards to Q3 2012 results are set out below.

Continuing operations

Interest income increased $35,000 from $76,000 in Q3 2011 to $111,000 in Q3 2012 mainly due to an increase in general interest rate levels and due to interest earned on the CDN $9.25 million cash disposal proceeds from the sale of Spur BVI.

Total operating expenses increased approximately $66,000 because of:

- an increase in consulting fees of $78,000 related primarily to former CEO, Robert J. Rennie, which provides for his retention as an advisor to the Company for a period of 12 months following his retirement as CEO on April 10, 2012 as well as addition made to the Company's technical team to help evaluate investment opportunities; and

- the increase was partially offset by a reduction in professional fees ($10,000).

Discontinued operations in China

The YTD $3,733,000 earnings in respect of discontinued operations in China comprised of $3,873,000 gain recognized from the sale of Spur BVI, partially offset by $140,000 (YTD Q3 2011: $591,000) in operating expenses including severance for employees in the China operations.

Balance sheet

At the end of September 30, 2012 net current assets of $30.84 million increased approximately $4 million over the net current assets balance at December 31, 2011 mainly due to the Company's gain from the sale of Spur BVI in Q1 2012.

During the quarter ended September 30, 2012, approximately $11.3 million GICs yielding an interest rate of 1.2% per annum were redeemed and deposited in higher rate savings account to improve yields.

The Company continues to maintain a solid cash position with cash and cash equivalents and short-term investments in GICs at the end of September 30, 2012 amounting to $30.8 million compared to $21.6 million at the end of 2011, and $30.0 million at June 30, 2012.

Capital Management

Capital includes all components of shareholders' equity. 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. The Company invests its funds in deposits and GICs 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, foreign exchange rates 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 improve working capital. The Company has no asset backed commercial paper exposure.

Foreign Exchange Gain or Loss

The Company has determined that the functional currency for entities in China which were sold in Q1 2012 was the RMB, and for Spur BVI was the U.S. dollar and for Spur Ventures Inc. is the Canadian dollar.

No material foreign exchange gain or loss has been realized in Q3 2012 and 2011 given there were no significant transactions denominated during these periods in currencies other than the functional currencies. Any unrealized foreign exchange gain or loss from translation of functional currencies to U.S. dollar presentational currency is recorded as accumulated other comprehensive income ("AOCI") in the equity section of the balance sheet. As the Canadian dollar appreciated against the U.S. dollar, the AOCI at September 30, 2012 increased to $1.73 million from $0.86 million at December 31, 2011.

The Company does not use derivatives to hedge against exposures to foreign currency arising from the Company's balance sheet liabilities; therefore the AOCI is expected to increase or decrease depending on the strength of U.S. currency.

Summary of Quarterly Results (unaudited)

	Qtr ended Sep. 30, 2012	Qtr ended Jun. 30, 2012	Qtr ended Mar. 31, 2012	Qtr ended Dec. 31, 2011	Qtr ended Sep. 30, 2011	Qtr ended Jun. 30, 2011	Qtr ended Mar. 31, 2011	Qtr ended Dec. 31, 2010
Earnings (Loss) ($)	(267,862)	(376,080)	3,315,077	(490,523)	(476,495)	(499,905)	(290,024)	(365,164)
-from continuing operations ($)	(267,862)	(370,586)	(423,819)	(223,532)	(217,409)	(247,647)	(186,994)	(165,824)
-from discontinued operations ($)	-	(5,494)	3,738,896	(266,991)	(259,086)	(252,258)	(103,030)	(199,340)
Earnings (Loss) per share ($) *	(0.01)	(0.01)	0.05	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
-from continuing operations ($)	(0.01)	(0.01)	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
-from discontinued operations ($)	0.00	(0.00)	0.06	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Dividends per share ($)	-	-	-	-	-	-	-	-
Weighted average number of shares outstanding *	60,707,187	60,607,187	61,263,437	60,407,187	60,407,187	60,407,187	60,407,187	60,407,187

* on a fully diluted basis where applicable

For continuing operations, the loss in Q1 and Q2 2012 was higher than prior periods primarily due to non-cash stock-based compensation charges ($170,000 and $85,000 respectively), and professional fees related to the sale of Spur BVI and the Company's listing on the TSX-V. The loss in Q4 2010 was lower than other periods because of low stock-based compensation charges ($16,000 only).

For discontinued operations, the loss in Q3 2012 was nil and in Q2 2012 was close to nil following the sale of the Company's Chinese operations in Q1 2012 where a $3.87 million gain was recognized on the sale. The loss in Q1 2011 was lower than other periods mainly due to sales of obsolete inventories and parts ($67,000).

L I Q U I D I T Y and C A P I T A L R E S O U R C E S

At the end of September 30, 2012, the Company maintained a balance of $30.8 million in cash deposits and short-term GICs with major Canadian financial institutions.

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:

	Office lease	
2012	$	14,986
2013	$	89,913
2014	$	89,913
2015	$	67,435

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

The Company believes that it has sufficient funding to meet its obligations and to maintain administrative and operational expenditures for the next 12 months**.**

O U T L O O K

With the completion of the sale of Spur BVI on February 13, 2012, the Company has approximately $30 million with which to pursue its previously announced strategy to acquire mineral assets or related businesses in lower risk jurisdictions.

The Company is focused on potential acquisitions in gold, base metals or other mineral-related assets or businesses.

O T H E R M D & A R E Q U I R E M E N T S

Related party transactions and key management compensation

During the three months ended September 30, 2012, the Company incurred $79,327 in salaries and benefits, and $89,195 in consulting fees to key management of the Company for services (2011: $71,029 in salaries and benefits and $37,392 in consulting fees).

During the nine months ended September 30, 2012, the Company incurred $231,397 in salaries and benefits and $209,770 in consulting fees to key management of the Company for services (2011: $203,404 in salaries and benefits and $107,823 in consulting fees).

Key management includes the Directors of the Company, the Chief Executive Officer and the Chief Financial Officer.

As at September 30, 2012, there were $88,700 in receivables from three related companies for sharing of office overhead (2011: $50,016 from two company).

Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires management to establish accounting policies and to make estimates that affect both the amount and timing of the recording of assets, liabilities, revenues and expenses. Some of these estimates require judgments about matters that are inherently uncertain.

Note 3 to the audited annual consolidated financial statements for the year ended December 31, 2011 includes a summary of the Company's significant accounting policies.

Outstanding Share Data

On November 1, 2012, 1,250,000 stock options were granted to the directors, officers and employees of the Company entitling them to purchase the common shares of the Company at a price of $0.40 per share until November 1, 2017, with 12.5% vesting immediately and 12.5% each quarter over the next two years. As of the date of this report, the Company had the following shares and options outstanding:

	Number	Exercise Price CAD	Expiry Date
Shares	60,407,187	N/A	N/A
Stock options	20,000	0.50	December 3, 2012
Stock options	830,000	0.90	June 26, 2013
Stock options	300,000	0.28	July 28, 2014
Stock options	1,750,000	0.37	August 12, 2016
Stock options	1,000,000	0.40	April 10, 2017
Stock options	100,000	0.37	May 10, 2017
Stock options	1,250,000	0.40	November 1, 2017
Total diluted shares	65,657,187		

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. The weighted average exercise price at September 30, 2012 was CDN$0.47 (2011 – CDN$0.51). The fair value of each option granted is estimated on the date of grant using the Black-Scholes option pricing model with assumptions as follows:

	2012
Risk free interest rate	1.37% - 1.45%
Expected life of options in years	5 years
Expected volatility	48% - 64%
Dividend per share	$0.00

During the three months ended September 30, 2012, stock-based compensation expense of $67,542 was recognized (2011: $61,613).

During the nine months ended September 30, 2012, stock-based compensation expense of $322,579 was recognized (2011: $89,918).

Financial instruments and risks

The Company classifies its financial instruments in the following categories: at fair value through profit and loss, loans and receivables, available-for-sale and other financial liabilities. The classification depends on the purpose for which the financial assets or liabilities were acquired. Management determines the classification of financial assets and liabilities at initial recognition. Where the Company expects to realize the asset or discharge the liability within twelve months, it is recorded as a current asset or liability; otherwise, it is recorded as a long-term asset or liability.

Financial assets and liabilities at fair value through profit and loss are considered to be held for trading. A financial asset or liability is classified in this category is acquired principally for the purpose of selling or redeeming in the short-term. Derivatives are included in this category unless they are designated as hedges.

Financial assets and liabilities carried at fair value through profit and loss are initially recognized at fair value and are subsequently re-measured to their fair value at each statement of financial position date. Realized and unrealized gains and losses arising from changes in the fair value of these financial assets or liabilities are included in the statement of income in the period in which they arise.

Available-for-sale financial assets are non-derivatives that are either designated as available for sale or not classified in any of the other categories. Available-for-sale assets are initially recorded at fair value plus transaction costs and are subsequently carried at fair value. Unrealized gains and losses arising from changes in the fair value of non-monetary assets classified as available-for-sale are recognized in other comprehensive income.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as current assets or non-current assets based on their maturity date. The Company classifies its other receivables and cash and cash equivalents in the interim consolidated balance sheets, as loans and receivables. Loans and receivables are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Other financial liabilities are recognized initially at fair value, net of transaction costs incurred, and are subsequently stated at amortized cost. Any difference between the amounts originally received (net of transaction costs) and the redemption value is recognized in the statement of income over the period to maturity using the effective interest method.

Three levels of the fair value hierarchy are classified as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly;

Level 3 – Inputs that are not based on observable market data.

Information of the Company's financial instruments is summarized as follows:

September 30, 2012	Loans and Receivables $	Other financial liabilities $	Total Carrying Amount $	Total Fair Value $	Fair value hierachy level
Financial Assets					
Cash and deposits	11,320,483	-	11,320,483	11,320,483	(*)
Guaranteed investment certificates (GICs)	19,483,391	-	19,483,391	19,483,391	(*)
Receivables	104,418	-	104,418	104,418	(*)
Financial Liabilities					
Accounts payable and accrued liabilities	-	117,189	117,189	117,189	(*)

December 31, 2011	Loans and Receivables $	Other financial liabilities $	Total Carrying Amount $	Total Fair Value $	Fair value hierachy level
Financial Assets					
Cash and deposits	96,220	-	96,220	96,220	(*)
Guaranteed investment certificates (GICs)	21,599,524	-	21,599,524	21,599,524	(*)
Receivables	75,688	-	75,688	75,688	(*)
Financial Liabilities					
Accounts payable and accrued liabilities	-	171,847	171,847	171,847	(*)

(*) The carrying amount of accounts receivable, accounts payable and accrued liabilities approximates fair value due to their short term nature.

Management has determined that there are no embedded derivatives.

Credit risk

The Company maintains a substantial portion of its cash and cash equivalents and short term fixed interest investments with major financial institutions in Canada.

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 assets are Canadian dollar short-term money market instruments. Fluctuations in exchange rates among the Canadian dollar and U.S. dollar could have a material effect on the business and financial condition of the Company. Based on the balances as at September 30, 2012, other things being equal, a foreseeable 1% increase (decrease) in the exchange rate of converting one U.S. dollar into Canadian dollars on that day would have resulted in an decrease (increase) of approximately $306,000 in accumulated other comprehensive income on the balance sheet. The Company does not anticipate significant impact of foreign currency translation on earnings unless significant transactions denominated in currencies other than functional currencies take place.

Interest rate risk

The Company's interest rate risk mainly arises from the interest rate impact on its interest income derived from Canadian Dollar cash and deposits. The Company's policy is to receive interest based on market rates, and, where necessary, to borrow at fixed rates although as at September 30, 2012, the Company had no outstanding debt. Based on the balances of cash and cash equivalent and short-term investments as at September 30, 2012, other things being equal, a 1% increase (decrease) in the interest rate on that day would have resulted in an increase (decrease) of approximately $77,000 in earnings before income taxes.

Liquidity Risk

The Company has been keeping its cash resources in highly liquid short term investment such as guarantee investment certificates offered by major Canadian financial institutions and monitors its cash spending not to exceed available cash resources.

Other Risk Factors

Please refer to the Company's 2011 Annual Information Form which is available on the SEDAR database at www.sedar.com.

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