

Spur Ventures Inc.

Interim Consolidated Financial Statements

March 31, 2011

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

(expressed in U.S. dollars)

	March 31, 2011 \$	December 31, 2010 \$	January 1, 2010 \$
Assets			
Current assets			
Cash and cash equivalents (Note 7)	96,160	194,918	18,018,972
Short term investments (Note 8)	23,458,386	23,154,604	4,805,662
Marketable securities (Note 9)	-	-	486,620
Prepaid expenses	64,193	56,254	79,004
Other receivables	48,750	21,370	8,418
Total current assets	23,667,489	23,427,146	23,398,676
Non-current assets			
Investment in affiliate (Note 5d)	10,518,388	10,558,327	-
Property, plant & equipment (Note 10)	1,313,695	1,336,548	6,704,798
Total non-current assets	11,832,083	11,894,875	6,704,798
Total Assets	35,499,572	35,322,021	30,103,474
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities (Note 5e)	644,643	688,561	1,710,093
Total current liabilities	644,643	688,561	1,710,093
Non-current liabilities			
Due to affiliate (Note 5e)	6,063,873	6,046,200	-
Total non-current liabilities	6,063,873	6,046,200	-
Total liabilities	6,708,516	6,734,761	1,710,093
Equity			
Share capital	41,386,379	41,386,379	41,386,379
Contributed surplus	7,490,871	7,474,700	7,369,895
Accumulated other comprehensive income	2,312,384	1,834,736	-
Deficit	(22,327,554)	(22,042,449)	(20,362,893)
Total equity attributable to shareholders of the Company	28,862,080	28,653,366	28,393,381
Non-controlling interests	(71,024)	(66,106)	-
Total equity	28,791,056	28,587,260	28,393,381
Total Liabilities and Equity	35,499,572	35,322,021	30,103,474

APPROVED BY THE DIRECTORS

Robert G. Atkinson
Director

Robert J. Rennie
Director

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

Spur Ventures Inc.

Interim Consolidated Statements of Income (Loss) and Comprehensive Income

(expressed in U.S. dollars)

	Three months ended March 31, 2011 \$	Three months ended March 31, 2010 \$
Operating expenses		
Consulting fees	37,246	64,243
Depreciation and amortization	63,895	98,757
Mineral property costs	-	46,847
Office and miscellaneous	21,049	19,469
Professional fees	38,733	34,384
Rent	46,602	46,812
Share-based payments	16,171	40,541
Transfer agent and filing fees	18,237	16,520
Travel, advertising and promotion	28,642	22,400
Wages and benefits	124,564	119,609
	395,139	509,582
Loss before the undernoted	(395,139)	(509,582)
Other income and expenses		
Interest income	76,771	40,100
Share of loss on investment in affiliate (Note 5d)	(39,939)	-
Sales of obsolete inventories and parts	67,353	11,424
Foreign exchange gain (loss)	930	(1,174)
	105,115	50,350
Net income (loss) for the period	(290,024)	(459,232)
Net income (loss) attributable to		
Non-controlling interests	(4,918)	(23,726)
Equity shareholders of the Company	(285,106)	(435,506)
Net income (loss) for the period	(290,024)	(459,232)
Other comprehensive income (loss), net of tax:		
Unrealized gain (loss) on translating financial statements from functional currency to reporting currency	477,648	699,541
Comprehensive income (loss) for the period	187,624	240,309
Comprehensive income (loss) attributable to		
Non-controlling interests	(4,918)	(23,726)
Equity shareholders of the Company	192,542	264,035
Deficit, Beginning of the period	(22,042,448)	(20,362,893)
Deficit, End of the period	(22,327,554)	(20,798,399)
Weighted average number of shares outstanding	60,407,187	60,407,187
Loss per share, basic and diluted	(\$0.005)	(\$0.007)

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

Spur Ventures Inc.

Interim Consolidated Statements of Cash Flows

(expressed in U.S. dollars)

	Three months ended March 31, 2011 \$	Three months ended March 31, 2010 \$
Cash flows from operating activities		
Net income (loss) for the period	(290,024)	(459,232)
Adjustments for items not affecting cash:		
Depreciation and amortization	63,895	98,757
Share-based payment	(16,171)	(40,541)
Share of loss on investment in affiliate	39,939	-
	<u>(202,361)</u>	<u>(401,016)</u>
Net changes in non-cash working capital		
Other receivables	(27,380)	3,540
Prepaid expenses	(7,939)	(39,960)
Accounts payable and accrued liabilities	(43,918)	(53,327)
Net cash provided by (used in) operating activities	<u>(281,598)</u>	<u>(490,763)</u>
Cash flows from investing activities		
Capital expenditures	(31,687)	-
Interest received	8,499	8,937
Proceeds from disposal of investments	1,416,294	486,620
Purchase of short-term investments	(1,126,357)	(17,277,733)
Net cash used in investing activities	<u>266,749</u>	<u>(16,782,176)</u>
Effect of exchange rate changes	<u>(83,909)</u>	<u>(322,964)</u>
Decrease in cash and cash equivalents	<u>(98,758)</u>	<u>(17,595,903)</u>
Cash and cash equivalents, beginning of the period	194,918	18,018,972
Cash and cash equivalents, end of the period	<u>96,160</u>	<u>423,069</u>

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

Spur Ventures Inc.

Interim Consolidated Statements of Changes in Equity

(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, January 1, 2010	60,407,187	41,386,379	7,369,895	-	(20,362,893)	28,393,381	-	28,393,381
Share-based payments	-	-	104,806	-	-	104,806	-	104,806
Currency translation adjustment	-	-	-	1,834,736	-	1,834,736	(1,443)	1,833,293
Net income (loss)	-	-	-	-	(1,679,555)	(1,679,555)	(64,663)	(1,744,218)
Balance, December 31, 2010	60,407,187	41,386,379	7,474,700	1,834,736	(22,042,448)	28,653,367	(66,106)	28,587,261
Share-based payments	-	-	16,171	-	-	16,171	-	16,171
Currency translation adjustment	-	-	-	477,648	-	477,648	-	477,648
Net income (loss)	-	-	-	-	(285,106)	(285,106)	(4,918)	(290,024)
Balance, March 31, 2011	60,407,187	41,386,379	7,490,871	2,312,384	(22,327,554)	28,862,080	(71,024)	28,791,056

	Number of Shares	Share Capital \$	Contributed Surplus \$	Accumulated Other Comprehensive Income \$	Deficit \$	Sub-total \$	Non- Controlling Interest \$	Total Equity \$
Balance, January 1, 2010	60,407,187	41,386,379	7,369,895	-	(20,362,893)	28,393,381	-	28,393,381
Share-based payments	-	-	40,540	-	-	40,540	-	40,540
Currency translation adjustment	-	-	-	699,541	-	699,541	(8)	699,533
Net income (loss) for the period	-	-	-	-	(435,506)	(435,506)	(23,726)	(459,232)
Balance, March 31, 2010	60,407,187	41,386,379	7,410,435	699,541	(20,798,399)	28,697,956	(23,734)	28,674,222

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

Spur Ventures Inc.

Notes to Interim Consolidated Financial Statements

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(expressed in in U.S. dollars)

1 Nature of Operations and Measurement Uncertainty

Spur Ventures Inc. ("Spur" or the "Company") is a company listed on the Toronto Stock Exchange with interests in the fertilizer industry in China. Through its 100% owned subsidiary Spur Chemicals (BVI) Inc. ("Spur BVI"), Spur has indirect interests in 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 is Hubei Yichang Phosphorus Chemical Co. Ltd ("YPCC"), a state owned enterprise of Yichang City, Hubei Province, China.

Management has not recorded a current impairment charge against the existing property, plant and equipment (Note 10) or the investment in affiliate (Note 5), as fertilizer market fundamentals have improved and management remains confident that the Company will obtain the required financing to complete the mono-ammonium phosphate ("MAP") plant construction at YSC and that the plant will generate profitable operations in the future. However, the success of these initiatives cannot be assured. Risks and uncertainties remain with respect to the approval of the transfer of the mining licenses as described (Note 5) that economic ore reserves will be identified and that significant equity or debt financing for the project will be available to the Company. The Company also faces additional risks and uncertainties, including, but not limited to, raw material and construction costs, market conditions and political issues.

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. The extent of the adjustments that could be necessary resulting from these measurement uncertainties could be material.

2 First-time adoption of IFRS

The Company prepares its financial statements in accordance with Canadian generally accepted accounting principles as set out in the Handbook of the Canadian Institute of Chartered Accountants ("CICA Handbook"). In 2010, the CICA Handbook was revised to incorporate IFRS, and requires publicly accountable enterprises to apply such standards effective for years beginning on or after January 1, 2011. Accordingly, the Company has commenced reporting on this basis in these condensed interim consolidated financial statements. In these financial statements, the term "Canadian GAAP" refers to Canadian GAAP before the adoption of IFRS.

These are the first interim consolidated financial statements of the Company prepared in accordance with International Financial Reporting Standards ("IFRS"). The date of transition to IFRS is January 1, 2010.

The IFRS accounting policies applied in these condensed interim consolidated financial statements are based on IFRS issued and outstanding as of June 9, 2011, the date the Board of Directors approved the statements. Any subsequent changes to IFRS, that are given effect in the Company's annual consolidated financial statements for the year ending December 31, 2011 could result in restatement of these interim consolidated financial statements, including the transition adjustments recognized on change-over to IFRS.

The IFRS accounting policies are presented in Note 3 and have been applied in preparing the financial statements for the quarter ended March 31, 2011, the comparative information for the quarter ended March 31, 2010, and the opening statement of financial position at the date of transition as at January 1, 2010. Comparative figures for 2010 in these financial statements have been restated to give effect to these changes.

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The Company applied IFRS1 *First-time Adoption of International Financial Reporting Standards* in preparing these first IFRS consolidated financial statements. The effects of the transition to IFRS on equity, total comprehensive income and reported cash flows is presented in Note 17.

These interim consolidated financial statements do not contain all of the information and disclosures required in annual financial statements and should be read in conjunction with the Company's Canadian GAAP annual financial statements for the year ended December 31, 2010.

First-time adoption exemptions applied

IFRS1 *First-time adoption of International Financial Reporting Standards*, which governs the first time adoption of IFRS, in general requires accounting policies to be applied retrospectively to determine the opening statement of financial position at the Company's transition date of January 1, 2010, and allows certain exemptions from retrospective application on the transition to IFRS. The Company has elected:

- to reset to nil the unrealized foreign currency translation amount from previous functional currency to reporting currency translations. Consequently the accumulated other comprehensive income ("AOCI") was reset to zero at January 1, 2010 and the balance was recorded as an adjustment to deficit;
- that IFRS 3(R), *Business Combinations*, has not been applied to business combinations that occurred before the transition date; and
- that IFRS 2, *Share-based Payments*, has only been applied to all share based payments which had not vested at January 1, 2010.

Application of 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 9), IFRS 10, Consolidated Financial Statements (IFRS 10), IFRS 11, Joint Arrangements (IFRS 11), IFRS 12, Disclosure of Interests in Other Entities (IFRS 12), IAS 27, Separate Financial Statements (IAS 27), IFRS 13, Fair Value Measurement (IFRS 13) and amended IAS 28, Investments in Associates and Joint Ventures (IAS 28). Each of the new standards is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted. 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.

The following is a brief summary of the new standards:

IFRS 9 – Financial instruments - classification and measurement

This is the first part of a new standard on classification and measurement of financial assets that will replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 has two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss.

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IFRS 10 – Consolidation

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 Consolidation—Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements.

IFRS 11 - Joint Arrangements

IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, Interests in Joint Ventures, and SIC-13, Jointly Controlled Entities—Non-monetary Contributions by Venturers.

IFRS 12 – Disclosure of Interests in Other Entities

IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

IFRS 13 - Fair Value Measurement

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

Amendments to Other Standards

In addition, there have been amendments to existing standards, including IAS 27, Separate Financial Statements (IAS 27), and IAS 28, Investments in Associates and Joint Ventures (IAS 28). IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 – 13.

3 Summary of significant accounting policies

These interim financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standard Board ("IASB"). The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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(expressed in in U.S. dollars)

3.1 Reporting in U.S. dollars and foreign currency translations

(a) *Functional and presentation currency*

The Company's functional currency for its Chinese subsidiaries is the Chinese Renminbi ("RMB"), for Spur BVI is the U.S. dollar ("US\$") and for its head office in Canada is the Canadian dollar ("CDN"). The Company's presentational currency is the U.S. dollar ("US\$"). The Company uses the current rate method to translate from functional currency amounts to the U.S. reporting currency. Under this method, all assets, liabilities, operating activities and cash flows are translated at the period-end rate to the presentational currency and the resulting unrealized gain or loss on translation is recognized as other comprehensive income.

(b) *Transactions and balances*

Monetary assets and liabilities are translated at period-end exchange rates and items included on the statements of income (loss) and comprehensive income 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.

3.2 Consolidation

The Company's consolidated financial statements are prepared in accordance with IFRS, and include the accounts of the Company, its wholly owned subsidiary, Spur BVI, and its interest in YSC which is held through Spur BVI. All significant inter-company transactions and accounts have been eliminated.

3.3 Investments in affiliates

Investments over which the Company exercises significant influence and which are neither subsidiaries nor interests in joint ventures, are affiliates. Investments in affiliates are accounted for using the equity method.

The equity method involves the recording of the initial investment at cost and the subsequent adjusting of the carrying value of the investment for the Company's proportionate share of the profit or loss and any other changes in the affiliates' net assets such as dividends.

The Company's proportionate share of the affiliate's profit or loss is based on its most recent financial statements. Where there are differences in the affiliate's reporting period, financial statements are aligned to the Company's reporting date or adjustments are made to reflect any material transactions or events that occur between the different dates. Adjustments are made to align any inconsistencies between the Company's accounting policies and the affiliate's policies before applying the equity method. Adjustments are also made to account for depreciable assets based on their fair values at the acquisition date and for any impairment losses recognized by the affiliate.

If the Company's share of the affiliate's losses equals or exceeds the investment in the affiliate, recognition of further losses is discontinued. After the Company's interest is reduced to zero, additional losses will be provided for and a liability recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the affiliate. If the affiliate subsequently reports profits, the Company resumes recognizing its share of those profits only after the share of the profits equals the share of losses not recognized.

At each balance sheet date, the Company assesses its investments in affiliates for indicators of impairment.

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3.4 Cash and cash equivalents

Cash and cash equivalents include cash on hand, term deposits and short term highly liquid investments with the original term to maturity of 90 days or less, which are readily convertible to known amounts of cash and which, in the opinion of management, are subject to an insignificant risk of changes in value. Such financial assets are stated at cost, and therefore are recorded at fair value.

To limit its foreign exchange and credit exposure, the Company deposits its funds with large financial institutions in Canadian dollars, Chinese Renminbi or U.S. dollars.

3.5 Short-term deposits

Short term deposits with an original maturity of greater than 90 days and less than 1 year are recorded at their respective fair values.

3.6 Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated depreciation and impairment provisions. Construction in progress is not depreciated until put into use. Depreciation is computed using the straight-line method at the following rates calculated to depreciate the cost of the assets less their residual values over their estimated useful lives:

Building	5.00%
Machinery and equipment	8.33% - 10.00%
Motor vehicle	20.00%
Office equipment and furniture	20.00%
Computer equipment	33.33%
Leasehold improvement	20.00%

Land use rights refer to the ability of the Company to operate a fertilizer facility for a period of 50 years and are held by its controlled subsidiary YSC. 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.

3.7 Asset Impairment

Where events or changes in circumstances suggest impairment, management compares the carrying amount to the higher of the value in use or the fair value less costs to sell for each long-lived asset. Estimated future net cash flows are calculated using estimated future prices, selling prices for fertilizer products, and operating, capital and reclamation costs on a discounted basis to determine if the carrying amount is not recoverable. If the carrying amount exceeds the sum of the discounted cash flows expected to result from its use and eventual disposal, reductions in the carrying value of such long-lived asset would be recorded to the extent the net book value of the related asset exceeds its fair value (estimated by the net present value of expected future net cash flows).

Where estimates of future net cash flows are not available and where other conditions suggest impairment, management assesses if the carrying value can be recovered.

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Management's estimates of mineral prices, selling prices for fertilizer products, and operating, capital and reclamation costs are subject to certain risks and uncertainties which may affect the recoverability of long-lived assets. Although management has made its best estimate of these factors, it is possible that changes may occur in the near term which could adversely affect management's estimate of the net cash flow to be generated from the Company's assets.

3.8 Asset retirement obligations

The accounting for asset retirement obligations encompasses the accounting for the Company's legal and contractual and constructive obligations associated with the retirement of a tangible long-lived asset that results from the acquisition, construction or development and/or the normal operation of a long-lived asset. The retirement of a long-lived asset is another than temporary removal from service, including its sale, abandonment, recycling or disposal in some other manner.

3.9 Share-based payments

The company grants stock options to certain employees. Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. Fair value of each tranche is measured at the date of grant using the Black-Scholes option pricing model. Compensation expense is recognized over the tranche's vesting period by increasing contributed surplus based on the number of awards expected to vest. The number of awards expected to vest is reviewed at least annually, with any impact being recognized immediately.

3.10 Loss per common share

The basic earnings (loss) per share is computed by dividing the earning (loss) by the weighted average number of common shares outstanding during the year. The diluted earnings per share reflects the potential dilution of common share equivalents, such as outstanding stock options, in the weighted average number of common shares outstanding during the year, if exercised. For this purpose, the "treasury stock method" is used whereby the assumed proceeds upon the exercise of stock options and warrants are used to purchase common shares at the average market price during the year.

For the quarter ended March 31, 2011 and 2010, the Company excluded potential common share equivalents from the loss per share calculation as they were anti-dilutive.

3.11 Current and deferred income tax

The Company follows the asset and liability method for accounting for income taxes. Under this method, future income tax assets and liabilities are determined based on the differences between the tax basis of assets and liabilities and the amounts reported in the financial statements. The future tax assets or liabilities are calculated using the tax rates enacted or substantially enacted for the periods in which the differences are expected to be settled. Future tax assets are recognized to the extent that they are considered more likely than not to be realized.

4 Critical accounting estimates and judgements

The preparation of the 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

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periods could be significant for property, plant and equipment as well as land use rights, and accrued liabilities. 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 years presented have been reflected in the consolidated financial statements.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In preparing these financial statements, the Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include impairment of long-lived assets as described in Section 3.7.

5 YMC Joint Venture Agreement

a) Initial YMC JV Agreement

YMC is governed by the November 9, 2003 YMC Joint Venture Agreement (“YMC JV”), between Spur BVI and YPCC and subsequent amendments.

The initial YMC JV interests were established with Spur BVI at 90% interest and YPCC at a 10% interest.

The parties have made the first 15% portion of their respective Registered Capital contributions with Spur BVI contributing \$24.2 million (RMB 159.6 million) and YPCC their portion through contributing assets as agreed to by the parties.

b) May 2010 Amendments

On May 6, 2010 a modified JV Agreement (the “May 6 Agreement”) was approved by the Chinese government granting YPCC the right to earn a 51% equity ownership in YMC (taking into account previous contributions to YMC) and Spur BVI a 49% equity ownership in YMC. On May 7, 2010 YMC’s new business license was issued with the new YMC Board consisting of 7 members, 4 from YPCC and 3 from Spur BVI with the Chair nominated by YPCC and the Vice Chair by Spur BVI.

In order to earn the 51% interest YPCC was required before August 31, 2010 to:

- Transfer the Dianziping and Shukongping mines to YMC; and
- Contribute approximately \$2.6 million (RMB 17 million) in cash.

The new required Registered Capital amount was established at \$121 million (RMB 798 million) instead of the previous \$173 million (RMB 1.14 billion). Spur BVI can maintain a 49% equity ownership in YMC, taking into account previous contributions to YMC of \$24.2 million (RMB 159.6 million), and is required to contribute \$35.1 million (RMB 231.4 million) in order to maintain this equity interest.

The above contributions had not been made by either YPCC or Spur by the August 31, 2010 deadline and as a result of the contributions not being made, YMC's business license lapsed on October 31, 2010.

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In February 2011, Hubei Administration for Industry and Commerce (“Hubei AIC”) served notice to YMC that the Registered Capital contributions from both JV partners were long overdue and that if the situation was not rectified YMC could be subject to substantial penalties.

c) March 2011 Amendments

In March 2011, the Hubei Province Department of Commerce extended the business license of YMC from October 31, 2010 to December 31, 2011. It also extended the deadline of Registered Capital contribution from August 31, 2010 to December 31, 2011. YPCC has until December 31, 2011 to complete the required Registered Capital contributions to YMC by way of the completion of the transfer of the mining licenses and cash contributions of approximately \$37.7 million (RMB 248 million) in order to fix its ownership percentage in YMC at 79.978%

Subject to government approval, YPCC and Spur BVI have agreed in March 2011 to further modifications as follows:

- Spur BVI has opted to fix its ownership percentage in YMC at 20.022%, reflecting the Company's historic Registered Capital contributions to YMC. As a result, the Company is not required to make any additional cash contributions to YMC;
 - YMC's Board will be comprised of two representatives from Spur BVI and five from YPCC. YPCC will nominate the Chairman and Spur BVI will nominate the Vice Chairman; and
 - The Company has sought and received additional minority shareholder protections, including unanimous Board approval required for financings, corporate transactions, material asset disposals and profit distributions.
- d) Upon Chinese regulatory approval of the May 6, 2010 modified JV agreement, Spur BVI lost Board control of YMC. Accordingly, under IFRS, the Company's investment in YMC can no longer be consolidated and instead the investment in YMC is accounted for under the equity method. As YPCC has yet to make its required registered capital contributions to YMC and to date Spur BVI has contributed most of the cash registered capital contributions to the project, the Company will recognize its initial equity position at 90% of the net assets and net losses of YMC until such time as YPCC makes its required contributions.

	Equity Investment in YMC \$
Balance May 6, 2010	10,708,268
Increase in investment	47,889
Share of loss from May 7 to December 31, 2010	(197,830)
Balance December 31, 2010	10,558,327
Share of loss for the quarter ended March 31, 2011	(39,939)
Balance March 31, 2011	10,518,388

e) Prior to the deemed change of Board control on May 6, 2010, the balance sheet and income statement of YMC were consolidated and inter-company balances were eliminated. Upon applying the equity method, a disputed payable of approximately \$6.0 million owing from YSC to YMC, which had previously been eliminated on consolidation is required to be recognized on consolidation of YSC. This amount is in dispute and is not guaranteed by Spur. The Company has also de-recognized accounts payable of approximately \$1.1 million, property, plant and equipment of approximately \$5.4 million upon loss of Board control of YMC. The Company has estimated the fair value of the equity investment in YMC at May 6, 2010, the date change of control deemed to have taken place, as \$10,708,268.

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6 YSC Joint Venture Agreement

During 2003, the Company acquired Xinyuan Chemicals Ltd. from YPCC and formed the YSC Joint Venture, (“YSC JV”), which owns a fertilizer facility located in Hubei Province, China. Spur BVI holds a 72.18% interest in YSC through the YSC JV and the two minority partners are YPCC, which holds 16.69%, and YMC, which holds 11.13%.

7 Cash and cash equivalents

Cash and cash equivalents consist of deposits with four major Canadian financial institutions and several Chinese banks. Details of the deposits are as follows:

	March 31, 2011	December 31, 2010
Canadian Dollar deposits in Canada	<u>\$93,729</u>	<u>\$185,754</u>
RMB deposits in China	\$1,147	\$7,010
U.S. Dollar deposits in Canada	<u>\$1,284</u>	<u>\$2,154</u>
Total	<u>\$96,160</u>	<u>\$194,918</u>
Interest rates per annum	up to 1.04%	up to 1.04%
Maturity Date	n/a	n/a

8 Short term investments

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

	March 31, 2011	December 31, 2010
Canadian Dollar GICs in Canada	<u>\$23,458,386</u>	<u>\$23,154,604</u>
Interest rates per annum	up to 1.40%	up to 1.40%
Maturity Date	up to March 2012	up to December 2011

9 Marketable securities

As at January 1, 2010, the fair value of the 750,000 shares held in a natural resource company was \$486,620 based on the trading value of shares. In January 2010, the Company disposed of all the shares of the natural resource company for proceeds of \$486,620 (CDN\$509,296).

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10 Property, plant and equipment

	March 31, 2011			December 31, 2010		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Building	\$ 765,938	\$ 271,046	\$ 494,893	\$ 765,938	\$ 256,828	\$ 509,110
Construction in progress	55,707	-	55,707	55,707	-	55,707
Machinery and equipment	1,192,755	767,983	424,771	1,192,755	735,585	457,170
Motor vehicles	29,284	27,555	1,729	29,284	26,555	2,729
Office equipment and furniture	149,667	81,470	68,197	106,994	67,375	39,619
Leasehold improvement	37,930	37,930	-	37,930	37,930	-
Land use rights	327,975	59,577	268,398	327,975	55,762	272,213
Total	\$ 2,559,256	\$ 1,245,561	\$ 1,313,695	\$ 2,516,583	\$ 1,180,035	\$ 1,336,548

11 Related party transactions and key management compensation

During the three-month period ended March 31, 2011, the Company incurred \$105,500 salaries and benefits and \$37,246 consulting fees to key management and the directors of the Company for services (three-month period ended March 31, 2010: \$80,000 salaries and benefits and \$64,243 consulting fees). Key management includes the Chairman, Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Corporate Secretary.

The above transactions, occurring in the normal course of operations, are measured at the exchange amount, which is the amount agreed to by the parties. There are no unpaid amounts to the parties.

12 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) Stock options

Assumptions used for stock options valuation:

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	2010
Risk free interest rate	1.52% - 2.12%
Expected life of options in years	5 years
Expected volatility	49% - 69%
Dividend per share	\$0.00

	Options outstanding	Weighted average exercise price CDN\$
Balance - December 31, 2009	2,770,000	\$1.03
Granted	-	
Exercised	-	
Forfeited	(295,000)	\$1.28
Expired	(500,000)	\$1.80
Balance - December 31, 2010	1,975,000	\$0.80
Granted	-	
Exercised	-	
Forfeited	-	
Expired	-	
Balance - March 31, 2011	1,975,000	\$0.80

The weighted average exercise price at March 31, 2011 was CDN\$0.80 (2010 – CDN\$1.03). No stock options were granted in 2011 (2010 - nil).

Options granted 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, 2011, compensation expense of \$16,171 was recognized (2010: \$40,541) for options granted in current and prior years.

The following table summarizes information about the options outstanding at March 31, 2011:

Number of Options	Exercise Price CAD	Expiry Date	Number Exercisable
625,000	1.03	July 4, 2011	625,000
200,000	0.64	January 3, 2012	133,333
20,000	0.50	December 3, 2012	20,000
830,000	0.90	June 26, 2013	553,333
300,000	0.28	July 28, 2014	100,000
<u>1,975,000</u>			<u>1,431,666</u>

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13 Segment 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.

Geographic Segments	March 31, 2011			December 31, 2010		
	Canada	China	Consolidated	Canada	China	Consolidated
Current assets	\$ 23,647,258	\$ 20,231	\$ 23,667,489	\$ 23,406,918	\$ 20,228	\$ 23,427,146
Investment in affiliate	\$ -	\$ 10,518,388	\$ 10,518,388	\$ -	\$ 10,558,327	\$ 10,558,327
Property, plant & equipment	\$ 34,790	\$ 1,278,905	\$ 1,313,695	\$ 4,190	\$ 1,332,358	\$ 1,336,548
Total assets	\$ 23,682,048	\$ 11,817,524	\$ 35,499,572	\$ 23,411,108	\$ 11,910,913	\$ 35,322,021

14 Financial risk management

The Company's activities expose it to a variety of financial risks, which include foreign exchange risk, interest rate risk, commodity price risk, credit risk and liquidity risk.

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 and China.

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

Foreign currency risk

A substantial portion of the Company's business is carried out in Chinese Renminbi, and the Company maintains Renminbi denominated bank accounts and deposits. During the year ended December 31, 2008, the Company converted \$20.4 million from U.S. Dollars into Canadian Dollars and has continued throughout 2009 to hold the majority of its cash and short-term deposits in Canadian Dollars. Fluctuations in exchange rates among the Canadian dollar and Chinese Renminbi and U.S. dollar could have a material effect on the business, results of operations and financial condition of the Company. Based on the balances as at March 31, 2011, other things being equal, a 1% increase (decrease) in the exchange rate of converting one U.S. dollar into Canadian dollars on that day would have resulted in an increase (decrease) of approximately \$232,000 in accumulated other comprehensive income; a 1% increase (decrease) in the exchange rate of converting one U.S. dollar into Chinese Reminbi on that day would have resulted in a decrease (increase) of approximately \$65,000 in accumulated other comprehensive income. 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 U.S. Dollar, Canadian Dollar and Chinese Renminbi 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 March 31, 2011, the Company had no outstanding debt. Based on the balances of cash and cash equivalent and short-term investments as at March

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31, 2011, other things being equal, a 1% increase (decrease) in the interest rate on that day would have resulted in an increase (decrease) of approximately \$234,000 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.

Commodity price risk

The phosphate rock mining and integrated fertilizer projects in China are exposed to fluctuations in commodity prices like MAP fertilizer, P-rock, sulphuric acid, ammonia, etc. Management has recognized these risks and monitor closely the impact of the commodity price fluctuations on the recoverability of project investment.

15 Financial instruments by category

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.

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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.

Financial instruments of the Company are summarized as follows:

March 31, 2011	Loans and Receivables	Other financial liabilities	Total Carrying Amount	Total Fair Value	Fair value hierachy level
<u>Financial Assets</u>					
Cash and deposits	\$ 96,160	\$ -	\$ 96,160	\$ 96,160	(*)
Guaranteed investment certificates (GICs)	\$ 23,458,386	\$ -	\$ 23,458,386	\$ 23,458,386	(*)
Receivables	\$ 48,750	\$ -	\$ 48,750	\$ 48,750	(*)
<u>Financial Liabilities</u>					
Accounts payable and accrued liabilities	\$ -	\$ 644,643	\$ 644,643	\$ 644,643	(*)
Due to affiliate	\$ -	\$ 6,063,873	\$ 6,063,873	\$ 1,849,299	n/a

December 31, 2010	Loans and Receivables	Other financial liabilities	Total Carrying Amount	Total Fair Value	Fair value hierachy level
<u>Financial Assets</u>					
Cash and deposits	\$ 194,918	\$ -	\$ 194,918	\$ 194,918	(*)
Guaranteed investment certificates (GICs)	\$ 23,154,604	\$ -	\$ 23,154,604	\$ 23,154,604	(*)
Receivables	\$ 21,370	\$ -	\$ 21,370	\$ 21,370	(*)
<u>Financial Liabilities</u>					
Accounts payable and accrued liabilities	\$ -	\$ 688,561	\$ 688,561	\$ 688,561	(*)
Due to affiliate	\$ -	\$ 6,046,200	\$ 6,046,200	\$ 1,898,255	n/a

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

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16 Commitments

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. A summary of the Company's commitment in the next five years is as follows:

	<u>Office lease</u>
2011	\$ 73,834
2012	\$ 79,632
2013	\$ 111,148
2014	\$ 112,572
2015	\$ 84,429

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17 First-time adoption of IFRS

IFRS1 *First-time adoption of International Financial Reporting Standards*, which governs the first time adoption of IFRS, in general requires accounting policies to be applied retrospectively to determine the opening statement of financial position at the Company's transition date of January 1, 2010, and allows certain exemptions from retrospective application on the transition to IFRS.

There has been no significant re-classification in the statement of cash flows as reported under Canadian GAAP and IFRS.

The main differences between Canadian GAAP and IFRS are identified as follows:

[a] *Functional currency and foreign currency translation*

Under Canadian GAAP, the functional currency or the currency used for daily transactions was the Canadian dollar. Under IFRS, the functional currency of YMC and YSC is designated as Chinese RMB.

Consequently, as at January 1, 2010, the balance of property, plant and equipment under IFRS was \$854,734 less than the balance under Canadian GAAP. The balance of accounts payable and accrued liabilities was \$2,082 more under IFRS than the balance under Canadian GAAP.

The Company has elected to reset the unrealized foreign currency translation amount from previous functional currency to reporting currency to nil at January 1, 2010. Consequently the accumulated other comprehensive income ("AOCI") was set to zero at January 1, 2010 and the AOCI balance of \$4,908,340 was recorded as a credit to deficit. Subsequent AOCI balance reflects the unrealized foreign exchange gain (loss) from translation of functional currencies to the US\$ presentational currency cumulative from January 1, 2010.

[b] *Investment in affiliate*

Under Canadian GAAP, the Company accounted for the investment in YMC as a variable interest entity and the Company consolidated the accounts of YMC to December 31, 2010. Under IFRS, the investment in the Company's affiliate YMC is accounted for using the equity method from May 7, 2010 when Spur lost Board control of YMC. At the date Board control was lost, Spur derecognized the assets and liabilities of YMC and recorded the investment in YMC at its fair value. The fair value of the Company's investment in YMC has been estimated by management taking into account the estimated fair value of the property, plant and equipment and other assets of YMC less the fair value of its liabilities. Accordingly, YMC assets such as cash, prepaid expenses, property, plant & equipment, accounts payable and accrued liabilities, and expenses such as depreciation and mineral property costs were no longer consolidated with the Company's accounts (see Note 5).

In addition, certain inter-company balances and transactions such as the disputed \$6,046,199 payable to YMC by YSC which is not guaranteed by Spur (see Note 5e), which were previously eliminated on consolidation, have been recorded as a separate line item in the accounts of the Company.

[c] *Non-controlling interest*

Under Canadian GAAP, losses were no longer attributed to the non-controlling interest once the equity interest was reduced to nil, unless the non-controlling interest had guaranteed the losses. Under IFRS, the non-controlling interest's share of losses continue to be allocated to the non-controlling interest regardless of whether the non-controlling interest has guaranteed the losses of the entity or not .

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17.1 Reconciliation between the Canadian generally GAAP and IFRS consolidated statements of changes in equity at January 1, 2010 and December 31, 2010

January 1, 2010	Note	Share Capital	Contributed Surplus	Accumulated Other Comprehensive		Sub-total	Non- Controlling Interest	Total Equity
				Income	Deficit			
Balance as reported under Canadian GAAP		\$41,386,379	\$7,369,895	\$4,908,340	\$ (24,414,417)	\$29,250,197	\$ -	\$29,250,197
First time IFRS adoption adjustment	[a]	-	-	(4,908,340)	\$ 4,051,524	(856,816)	-	(856,816)
Balance as reported under IFRS		\$41,386,379	\$7,369,895	\$ -	\$ (20,362,893)	\$28,393,381	\$ -	\$28,393,381

March 31, 2010	Note	Share Capital	Contributed Surplus	Accumulated Other Comprehensive		Sub-total	Non- Controlling Interest	Total Equity
				Income	Deficit			
Balance as reported under Canadian GAAP		\$41,386,379	\$7,410,435	\$5,783,623	\$ (24,829,429)	\$29,751,008	\$ -	\$29,751,008
Currency translation adjustment	[a]	-	-	(175,742)	-	(175,742)	(8)	(175,750)
First time IFRS adoption adjustment	[a]	-	-	(4,908,340)	4,051,524	(856,816)	-	(856,816)
Net income (loss) difference for the period	[b]	-	-	-	(20,494)	(20,494)	(23,726)	(44,220)
Balance as reported under IFRS		\$41,386,379	\$7,410,435	\$699,541	\$ (20,798,399)	\$ 28,697,956	\$ (23,734)	\$28,674,222

December 31, 2010	Note	Share Capital	Contributed Surplus	Accumulated Other Comprehensive		Sub-total	Non- Controlling Interest	Total Equity
				Income	Deficit			
Balance as reported under Canadian GAAP		\$41,386,379	\$7,474,700	\$6,373,674	\$ (26,199,241)	\$29,035,512	\$ -	\$29,035,512
Currency translation adjustment	[a]	-	-	369,402	-	369,402	(1,443)	367,959
First time IFRS adoption adjustment	[a]	-	-	(4,908,340)	4,051,524	(856,816)	-	(856,816)
Net income (loss) difference for the year	[b]	-	-	-	105,268	105,268	(64,663)	40,605
Balance as reported under IFRS		\$41,386,379	\$7,474,700	\$1,834,736	\$ (22,042,449)	\$ 28,653,366	\$ (66,106)	\$28,587,260

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17.2 Reconciliation between the Canadian GAAP and IFRS consolidated statement of financial position at January 1, 2010 and December 31, 2010

	Note	January 1, 2010		
		Canadian GAAP \$	Effect of transition to IFRS \$	IFRS \$
Assets				
Current assets				
Cash and cash equivalents		18,018,972	-	18,018,972
Short term investments		4,805,662	-	4,805,662
Marketable securities		486,620	-	486,620
Prepaid expenses		79,004	-	79,004
Accounts receivable		8,418	-	8,418
Total current assets		23,398,676	-	23,398,676
Non-current assets				
Property, plant & equipment	[a]	7,559,532	(854,734)	6,704,798
Total non-current assets		7,559,532	(854,734)	6,704,798
Total Assets		30,958,208	(854,734)	30,103,474
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	[a]	1,708,011	2,082	1,710,093
Total current liabilities		1,708,011	2,082	1,710,093
Total liabilities		1,708,011	2,082	1,710,093
Equity				
Share capital		41,386,379	-	41,386,379
Contributed surplus		7,369,895	-	7,369,895
Accumulated other comprehensive income	[a]	4,908,340	(4,908,340)	-
Deficit	[a]	(24,414,417)	4,051,524	(20,362,893)
		29,250,197	(856,816)	28,393,381
Non-controlling interests		-	-	-
Total equity		29,250,197	(856,816)	28,393,381
Total Liabilities and Equity		30,958,208	(854,734)	30,103,474

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	Note	December 31, 2010		
		Canadian GAAP \$	Effect of transition to IFRS \$	IFRS \$
Assets				
Current assets				
Cash and cash equivalents	[b]	197,773	(2,855)	194,918
Short term investments		23,154,604	-	23,154,604
Prepaid expenses	[b]	59,634	(3,380)	56,254
Accounts receivable		21,370	-	21,370
Total current assets		23,433,381	(6,235)	23,427,146
Non-current assets				
Investment in affiliate	[b]	-	10,558,327	10,558,327
Property, plant & equipment	[a], [b]	7,477,817	(6,141,269)	1,336,548
Total non-current assets		7,477,817	4,417,058	11,894,875
Total Assets		30,911,198	4,410,824	35,322,021
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	[b]	1,875,686	(1,187,125)	688,561
Total current liabilities		1,875,686	(1,187,125)	688,561
Non-current liabilities				
Due to affiliate	[b]	-	6,046,200	6,046,200
Total non-current liabilities		-	6,046,200	6,046,200
Total liabilities		1,875,686	4,859,075	6,734,761
Equity				
Authorized capital-				
Share capital		41,386,379	-	41,386,379
Contributed surplus		7,474,700	-	7,474,700
Accumulated other comprehensive income	[a]	6,373,674	(4,538,938)	1,834,736
Deficit	[a], [b]	(26,199,241)	4,156,791	(22,042,449)
		29,035,512	(382,147)	28,653,366
Non-controlling interests	[c]	-	(66,106)	(66,106)
Total equity		29,035,512	(448,252)	28,587,260
Total Liabilities and Equity		30,911,198	4,410,823	35,322,021

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17.3 Reconciliation of net income (loss) and comprehensive income

		Twelve months ended		
		December 31,		
		2010		
		Effect of		
		transition to		
		IFRS \$		
	Note	Canadian	IFRS \$	IFRS \$
		GAAP \$		
Expenses				
Consulting fees		243,689	-	243,689
Depreciation and amortization	[b]	419,557	(124,211)	295,346
Mineral property costs	[b]	197,563	(125,033)	72,530
Office and miscellaneous		79,895	-	79,895
Professional fees		128,868	-	128,868
Provision for (recovery of) bad debts		(24,375)	-	(24,375)
Rent		155,949	-	155,949
Share-based payments		104,806	-	104,806
Transfer agent and filing fees		36,388	-	36,388
Travel, advertising and promotion		124,082	-	124,082
Wages and benefits		626,729	-	626,729
Loss before the undernoted		2,093,151	(249,244)	1,843,907
Operating loss		(2,093,151)	249,244	(1,843,907)
Other income and expenses				
Interest income		209,398	-	209,398
Sales of obsolete inventory and parts	[b]	73,253	16,190	89,443
Gain (loss) on investment in affiliate	[b]	-	(197,830)	(197,830)
Foreign exchange gain (loss)	[a]	25,676	(26,999)	(1,323)
		308,327	(208,639)	99,688
Net income (Loss) for the year		(1,784,824)	40,605	(1,744,219)
Net income (loss) attributable to				
Non-controlling interests	[c]	-	(64,663)	(64,663)
Equity shareholders of the Company		(1,784,824)	105,268	(1,679,556)
Net income (loss) for the year		(1,784,824)	40,605	(1,744,219)
Other comprehensive income (loss), net of tax:				
Unrealized gain (loss) on translating financial statements from functional currency to reporting currency	[a]	1,465,334	369,402	1,834,736
Comprehensive income (loss) for the year		(319,490)	410,007	90,517
Comprehensive income (loss) attributable to				
Non-controlling interests	[c]	-	(64,663)	(64,663)
Equity shareholders of the Company		(319,490)	474,670	155,180

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	Note	Three months ended		
		Canadian GAAP \$	Effect of transition to IFRS \$	IFRS \$
Expenses				
Consulting fees		64,243	-	64,243
Depreciation and amortization	[a]	104,537	(5,780)	98,757
Mineral property costs		46,847	-	46,847
Office and miscellaneous		19,469	-	19,469
Professional fees		34,384	-	34,384
Rent		46,812	-	46,812
Share-based payments		40,541	-	40,541
Transfer agent and filing fees		16,520	-	16,520
Travel, advertising and promotion		22,400	-	22,400
Wages and benefits		119,609	-	119,609
		515,362	(5,780)	509,582
Operating loss		(515,362)	5,780	(509,582)
Other income and expenses				
Interest income		40,100	-	40,100
Sales of obsolete inventory and parts		11,424	-	11,424
Foreign exchange gain (loss)	[a]	48,824	(49,999)	(1,175)
		100,348	(49,999)	50,349
Net income (loss) for the period		(415,014)	(44,219)	(459,233)
Attributable to				
Non-controlling interest	[c]	-	(23,726)	(23,726)
Equity shareholders of the Company		(415,014)	(20,492)	(435,506)
Net income (loss) for the period		(415,014)	(44,219)	(459,233)
Other comprehensive income (loss), net of tax:				
Unrealized gain (loss) on translating financial statements from functional currency to reporting currency	[a]	1,371,113	(671,572)	699,541
Comprehensive income (loss) for the period		956,099	(715,791)	240,308
Comprehensive income (loss) attributable to				
Non-controlling interests	[c]	-	(23,726)	(23,726)
Equity shareholders of the Company		956,099	(692,065)	264,035