



SPUR VENTURES INC.

INVESTMENT POLICY

Last updated: November 9th, 2005

Introduction

The Investment Policy ("the Policy") of Spur Ventures Inc. ("the Company") for surplus cash balances will follow a conservative investment philosophy based on three fundamentals in priority order:

1. Preservation of Capital
2. Best available net return
3. Liquidity

Permitted Investments

1. US and Canadian Federal and Provincial Government (direct and indirect) guaranteed securities
2. Debt obligations issued by corporations including, but not limited to, commercial paper, bonds, term deposits, debentures, guaranteed investment certificates, bankers acceptances, coupons, residuals and other fixed income instruments
3. All investments at the time of investment must have a minimum credit rating as follows:
North America:
 - (i) Commercial Paper: P1 (US\$) and R1 (CDN\$) by DBRS, CBRS or S&Poor
 - (ii) All other debt obligations: A or AA by DBRS, CBRS or S&P

China:

All investments must be made with the following, if no credit rating is available:

- a. A Big 4 state-owned bank (Bank of China, Agricultural Bank of China, Industry & Commerce Bank of China and Construction Bank of China)
- b. A major joint-stock commercial bank (Communication Bank, Industrial Bank, Everbright Bank, Shenzhen Development Bank, Shanghai Pudong Development Bank, Guangdong Development Bank, Huaxia Bank, CITIC Industrial Bank, Minsheng Bank, Merchants Bank, etc.)
- c. A subsidiary of a major western financial institution

Responsibilities

The Board of Directors:

Approving the Policy and communicating it to responsible officers.

Investment & Currency Hedging Committee:

An investment & Currency Hedging Committee should be established for approving the recommendation of investment and currency hedging. The committee is composed of CEO, CFO, and Chairman (or designate) of the Audit Committee.

Chief Financial Officer:

- Monitoring cash requirements and determining cash balances available for investment.
- Monitoring cash requirements and recommending portfolio of currency exposure and hedging.
- Implementing the decision made by Investment & Currency Hedging Committee and ensuring that documentation for each investment is duly executed.

Corporate Secretary is responsible for:

Reviewing the necessary agreements with investment and banking institutions to comply with the terms and conditions of the Policy.

Policy

1. Funds must only be invested in Permitted Investments.
2. At least 10% of the Company's portfolio should be comprised of liquid investments or investments that can be redeemed without penalty to the Company on one day's notice.
3. Maturities of investments are to be staggered over different time periods and dates to minimize exposure to interest rate changes.
4. Maturities of investments exceeding three months need to be approved by Investment & Currency Hedging Committee
5. Portfolio of currency exposure percentage and hedging need to be approved by Investment & Currency Hedging Committee
6. Investment instructions need to be presented in writing (facsimile acceptable) and signed by authorized personnel of the Company.
7. All transfer of investment funds from the investment account(s) can only be directed to a checking account of the Company as indicated in the banking and/or investment resolutions, without exception.
8. Transfer of funds from the investment account to the Company's checking account are to be requested in writing (facsimile acceptable) and signed by authorized personnel of the Company.