AMARC RESOURCES LTD.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED
MARCH 31, 2018, 2017 and 2016

(Expressed in Canadian Dollars)

DeVISSERGRAY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

401-905 West Pender St
Vancouver BC V6C 1L6
t 604.687.5447
f 604.687.6737

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Amarc Resources Ltd.,

We have audited the accompanying financial statements of Amarc Resources Ltd., ('the Company'), which comprise the statements of financial position as at March 31, 2018 and 2017 and the statements of loss, comprehensive loss, changes in equity and cash flows for each of the years in the three year period ended March 31, 2018, and a summary of significant accounting policies and other explanatory information (collectively referred to as the 'financial statements').

In our opinion, the financial statements present fairly, in all material respects, the financial position of Amarc Resources Ltd. as at March 31, 2018 and 2017 and its financial performance and its cash flows for each of the years in the three year period ended March 31, 2018, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Material Uncertainty Related to Going Concern

Without modifying our opinion, we draw attention to Note 1 in the financial statements which indicates that the Company has incurred significant losses since inception and is also dependent upon its ability to secure new sources of financing to fund ongoing operations. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern.

Basis for Opinion

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States) ('PCAOB'). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement, whether due to fraud or error. In the completion of our audit procedures, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Those standards also require that we comply with ethical requirements. We are a public accounting firm registered with the PCAOB and are required to be independent of the Company in accordance with U.S. Federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. Further, we are required to be independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and to fulfill our other ethical responsibilities in accordance with these requirements.

An audit includes performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

De Visser Gray LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, Canada

July 26, 2018

We have served as the Company's auditor since 1995.

Amarc Resources Ltd.

Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

	Note		March 31, 2018		March 31, 2017
ASSETS					
Current assets					
Cash	3	$	3,308,469	$	930,890
Amounts receivable and other assets	5		85,574		38,891
Marketable securities			57,461		29,468
			3,451,504		999,249
Non-current assets					
Restricted cash	4		173,143		112,815
			173,143		112,815
Total assets		$	3,624,647	$	1,112,064
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Accounts payable and accrued liabilities	7	$	364,099	$	14,841
Advanced contributions received	6		1,102,714		–
Balances due to a related parties	10(b)		148,877		175,337
Director's loan	8		–		390,243
			1,615,690		580,421
Non-current liabilities					
Director's loans	8		763,544		940,257
			763,544		940,257
Total liabilities			2,379,234		1,520,678
Shareholders' equity (deficiency)					
Share capital	9		63,884,056		59,559,910
Reserves			5,143,022		5,740,875
Accumulated deficit			(67,781,665)		(65,709,399)
			1,245,413		(408,614)
Total liabilities and shareholders' deficiency		$	3,624,647	$	1,112,064

Nature of operations and going concern (note 1)

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

/s/ Robert A. Dickinson

Robert A. Dickinson
Director

/s/ Rene G. Carrier

Rene G. Carrier
Director

Amarc Resources Ltd.

Consolidated Statements of Loss

(Expressed in Canadian Dollars, except for weighted average number of common shares outstanding)

		Year ended March 31,		
		2018	2017	2016
	Note		(note 2(b))	(note 2(b))
Expenses				
Exploration and evaluation	10 & 12	$ 7,381,916	$ 3,574,342	$ 2,808,395
Assays and analysis		224,233	123,199	119,460
Drilling		1,199,928	263,705	746,312
Equipment rental		73,629	24,003	18,806
Geological		1,508,855	817,983	440,156
Helicopter and fuel		1,519,029	568,658	773,841
Property costs and assessments		1,553,601	1,142,426	153,692
Site activities		905,971	367,000	202,373
Socioeconomic		310,389	237,781	328,716
Travel and accommodation		86,281	29,587	25,039
Administration	10 & 12	1,053,006	732,528	1,288,920
Legal, accounting and audit		190,132	34,720	83,745
Office and administration	12(b)	658,686	594,734	1,112,622
Shareholder communication		122,045	49,244	50,355
Travel and accommodation		36,170	14,316	10,229
Trust and regulatory		45,973	39,514	31,969
Cost recoveries		(6,892,331)	(3,581,109)	(3,102,061)
Pursuant to IKE agreements	6(b)	(3,244,596)	(2,932,597)	(3,067,403)
Pursuant to JOY agreement		(2,952,141)	–	–
Mineral exploration tax credits		(695,594)	(648,512)	(34,658)
		1,542,591	725,761	995,254
Other items				
Finance income		(26,705)	(8,323)	(10,341)
Interest expense – director's loans	8	128,096	136,959	82,614
Transaction cost – director's loans	8	433,044	203,057	56,992
Foreign exchange (gain) loss		(4,093)	–	2,183
Gain on disposition of marketable securities		(667)	(14,806)	(7,923)
Loss		$ 2,072,266	$ 1,042,648	$ 1,118,779
Basic and diluted loss per common share		$ 0.01	$ 0.01	$ 0.01
Weighted average number of common shares outstanding		156,826,422	141,435,020	141,406,301

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

Amarc Resources Ltd.

Consolidated Statements of Comprehensive Loss

(Expressed in Canadian Dollars)

		Year ended March 31,		
	Note	**2018**	**2017**	**2016**
Loss		$ 2,072,266	$ 1,042,648	$ 1,118,779
Other comprehensive (income) loss:				
Items that may be reclassified subsequently to profit and loss:				
Revaluation of marketable securities	2(e)(ii)	(28,949)	(22,870)	25,415
Reallocation of the fair value of marketable securities upon disposition	2(e)(ii)	956	14,806	8,023
Total other comprehensive (income) loss		(27,993)	(8,064)	33,438
Comprehensive loss		$ 2,044,273	$ 1,034,584	$ 1,152,217

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

Amarc Resources Ltd.

Consolidated Statements of Changes in Equity (Deficiency)

(Expressed in Canadian Dollars, except for share information)

		Share capital		Reserves				
	Note	Number of shares	Amount	Share-based payments reserve	Investment revaluation reserve	Share warrants reserve	Deficit	Total
Balance at April 1, 2015		141,324,061	$ 58,955,410	$ 2,202,640	$ 54,840	$ 2,811,220	$ (63,547,972)	$ 476,138
Net loss for the year		–	–	–	–	–	(1,118,779)	(1,118,779)
Other comprehensive loss for the year		–	–	–	(33,438)	–	–	(33,438)
Total comprehensive loss		–	–	–	(33,438)	–	(1,118,779)	(1,152,217)
Issuance of common shares pursuant to a property option agreement	6	100,000	12,500	–	–	–	–	12,500
Issuance of share purchase warrants	9(c)	–	–	–	–	322,143	–	322,143
Balance at March 31, 2016		141,424,061	$ 58,967,910	$ 2,202,640	$ 21,402	$ 3,133,363	$ (64,666,751)	$ (341,436)
Balance at April 1, 2016		141,424,061	$ 58,967,910	$ 2,202,640	$ 21,402	$ 3,133,363	$ (64,666,751)	$ (341,436)
Net loss for the year		–	–	–	–	–	(1,042,648)	(1,042,648)
Other comprehensive loss for the year		–	–	–	8,064	–	–	8,064
Total comprehensive loss		–	–	–	8,064	–	(1,042,648)	(1,034,584)
Issuance of share purchase warrants	9(c)	–	–	–	–	607,406	–	607,406
Exercise of share purchase warrants		4,000,000	592,000	–	–	(232,000)	–	360,000
Balance at March 31, 2017		145,424,061	$ 59,559,910	$ 2,202,640	$ 29,466	$ 3,508,769	$ (65,709,399)	$ (408,614)
Balance at April 1, 2017		145,424,061	$ 59,559,910	$ 2,202,640	$ 29,466	$ 3,508,769	$ (65,709,399)	$ (408,614)
Net loss for the year		–	–	–	–	–	(2,072,266)	(2,072,266)
Other comprehensive loss for the year		–	–	–	27,993	–	–	27,993
Total comprehensive loss		–	–	–	27,993	–	(2,072,266)	(2,044,273)
Issuance of common shares pursuant to a private placement, net of issuance costs	9(c)	13,045,500	2,481,300	–	–	–	–	2,481,300
Issuance of common shares pursuant to a property option agreement		3,761,111	677,000	–	–	–	–	677,000
Issuance of common shares pursuant to exercise of share purchase warrants		6,555,555	540,000	–	–	–	–	540,000
Reallocation of share warrant reserve to share capital for exercised warrants		–	625,846	–	–	(625,846)	–	–
Balance at March 31, 2018		168,786,227	$ 63,884,056	$ 2,202,640	$ 57,459	$ 2,882,923	$ (67,781,665)	$ 1,245,413

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

Amarc Resources Ltd.

Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

	Note	Year ended March 31, 2018	2017 (note 2(b))	2016 (note 2(b))
Operating activities				
Loss		$ (2,072,266)	$ (1,042,648)	$ (1,118,779)
Adjustments for:				
Finance income		(26,705)	(8,323)	(10,341)
Interest expense – director's loans		128,096	136,959	82,614
Transaction cost – director's loans		433,044	203,057	56,992
Common shares issued, included in exploration expenses		677,000	–	12,500
Gain on disposition of marketable securities		(667)	(14,806)	(7,923)
Changes in working capital items:				
Amounts receivable and other assets		(46,683)	78,515	854,483
Restricted cash		(60,328)	92,213	29,170
Accounts payable and accrued liabilities		349,258	(7,515)	(43,942)
Balances due to related parties		(26,460)	(5,139)	(32,166)
Advanced contributions received		1,102,714	–	–
Net cash (used in) operating activities		457,003	(567,687)	(177,392)
Investing activities				
Interest received		26,705	8,323	10,341
Proceeds from disposition of marketable securities		667	19,805	7,923
Net cash provided by investing activities		27,372	28,128	18,264
Financing activities				
Net proceeds from the issuance of common shares pursuant to a private placement		2,481,300	–	–
Net proceeds from the issuance of common shares pursuant to exercise of share purchase warrants		540,000	360,000	–
Proceed from director's loans	8	–	600,000	500,000
Repayment of loans payable to director	8	(1,000,000)	(100,000)	–
Interest paid on director's loans	8	(128,096)	(136,959)	(82,614)
Net cash provided by financing activities		1,893,204	723,041	417,386
Net increase in cash		2,377,579	183,482	258,258
Cash, beginning balance		930,890	747,408	489,150
Cash, ending balance		$ 3,308,469	$ 930,890	$ 747,408
Supplementary cash flow information:				
Issuance of share purchase warrants pursuant to a loan agreement		$ –	$ 607,406	$ 322,143

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Amarc Resources Ltd. (the "Company" or "Amarc") is incorporated under the laws of the province of British Columbia, and its principal business activity is the acquisition and exploration of mineral properties. Its principal mineral property interests are located in British Columbia ("BC"). The address of the Company's corporate office is 15th Floor, 1040 West Georgia Street, Vancouver, BC, Canada V6E 4H1.

The Company is in the process of exploring its mineral property interests and has not yet determined whether its mineral property interests contain economically recoverable mineral reserves. The Company's continuing operations are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to continue the exploration and development of its mineral property interests and to obtain the permits necessary to mine, and on future profitable production or proceeds from the disposition of its mineral property interests.

These consolidated financial statements (the “Financial Statements”) have been prepared on a going concern basis, which contemplates the realization of assets and the discharge of liabilities in the normal course of business for the foreseeable future. As at March 31, 2018, the Company had cash of $3,308,469, a working capital surplus, and a shareholders’ deficiency.

In July 2017, the Company announced that it had entered into a Mineral Property Farm-In Agreement with Hudbay Minerals Inc. (note 6). During the year ended March 31, 2018, the Company received $3.5 million under the IKE Option Agreement (note 6(a)) and $2.9 million under the JOY Option Agreement (note 6(b)).

The Company will need to seek additional financing to meet its exploration and development objectives. The Company has a reasonable expectation that additional funds will be available when necessary to meet ongoing exploration and development costs. However, there can be no assurance that the Company will continue to be able to obtain additional financial resources or will achieve profitability or positive cash flows. If the Company is unable to obtain adequate additional financing, the Company will be required to re-evaluate its planned expenditures until additional funds can be raised through financing activities. These factors indicate the existence of a material uncertainty that raises significant doubt about the Company’s ability to continue as a going concern.

These Financial Statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these Financial Statements are described below. These policies have been consistently applied for all years presented, unless otherwise stated.

(a) Statement of compliance

These Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's reporting year ended March 31, 2018.

The Board of Directors of the Company authorized these Financial Statements on July 26, 2018 for issuance.

(b) Basis of presentation

These Financial Statements have been prepared on a historical cost basis, except for financial instruments classified as available-for-sale which are stated at fair value. In addition, these Financial Statements have been prepared using the accrual basis of accounting, except for cash flow information.

These Financial Statements include the financial statements of the Company and its only subsidiary named 1130346 B.C. Ltd. (the "Subco"), incorporated under the laws of BC. The Subco is Amarc's wholly-owned subsidiary and was incorporated for the purposes of entering into an option agreement (note 6(b)) and as of March 31, 2018 the Subco did not have any asset, liability, income or expense. Intercompany balances and transactions are eliminated in full on consolidation.

Certain comparative amounts have been reclassified to conform to the presentation adopted in the current year.

(c) Significant accounting estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The impact of such estimates is pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Changes in the subjective inputs and assumptions can materially affect fair value estimates. The following estimates and judgements have been used in these Financial Statements:

- assessment of the Company's ability to continue as a going concern;
- the determination of categories of financial assets and financial liabilities; and
- the carrying value and recoverability of the Company's marketable securities.

(d) Foreign currency

The functional and presentational currency of the Company is the Canadian Dollar.

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated. Gains and losses arising on translation are included in profit or loss for the year.

(e) Financial Instruments

Financial assets and liabilities are recognized when the Company becomes party to the contracts that give rise to them. The Company determines the classification of its financial assets and liabilities at initial recognition and, where allowed and appropriate, re-evaluates such classification at each financial year end. The Company does not have any derivative financial instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, upon initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Non-derivative financial assets

The Company's non-derivative financial assets comprise of the following:

(i) Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Loans and receivables comprise of cash, amounts receivable and other assets, and restricted cash.

Cash

Cash in the statement of financial position is comprised of cash and highly liquid investments held at major financial institutions, having maturity dates of three months or less from the date of purchase, which are readily convertible into known amounts of cash. The Company's cash are invested in business and savings accounts which are available on demand by the Company for its programs and as such, are subject to an insignificant risk of change in value.

(ii) Available-for-sale ("AFS") financial assets

The Company's investments in marketable securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on AFS monetary items, are recognized in other comprehensive income or loss. When an investment is derecognized, the cumulative gain or loss in the investment revaluation reserve is transferred to profit or loss.

The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the exchange rate prevailing at the end of the reporting period. Changes in the fair value of AFS equity investments are recognized directly in equity.

Marketable securities are classified as AFS financial assets.

<u>Non-derivative financial liabilities</u>

The Company classifies its non-derivative financial liabilities into the following category:

(i) Financial liabilities measured at amortized cost

Such financial liabilities are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

Financial liabilities measured at amortized cost comprise of accounts payable and accrued liabilities, balance due to a related party, and loan payable to director.

<u>Impairment of financial assets</u>

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income or loss are reclassified to profit or loss in the period. Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For shares classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. In respect of AFS equity securities, impairment losses previously recognized through profit or loss are not reversed through profit or loss. Any increase in fair value of AFS equity securities subsequent to an impairment loss is recognized directly in equity.

(f) Exploration and evaluation expenditures

Exploration and evaluation costs are costs incurred to discover mineral resources, and to assess the technical feasibility and commercial viability of the mineral resources found.

Exploration and evaluation expenditures include:

- the costs of acquiring licenses;
- costs associated with exploration and evaluation activity; and
- the acquisition costs of exploration and evaluation assets, including mineral properties.

Exploration and evaluation expenditures until the technical feasibility and commercial viability of extracting a mineral resource has been determined, and a positive decision to proceed to development has been made, are generally expensed as incurred. However, if management concludes that future economic benefits are more likely than not to be realized, the costs of property, plant and equipment for use in exploration and evaluation of mineral resources are capitalized.

Costs incurred before the Company has obtained the legal rights to explore an area are expensed. Costs incurred after the technical feasibility and commercial viability of extracting a mineral resource has been determined and a positive decision to proceed to development has been made are considered development costs and are capitalized.

Costs applicable to established property interests where no further work is planned by the Company may, for presentation purposes only, be carried at nominal amounts.

(g) Equipment

Equipment is carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation is provided at rates calculated to expense the cost of equipment, less its estimated residual value, using the declining balance method at various rates ranging from 20% to 30% per annum.

An item of equipment is derecognized upon disposal or when no material future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

Where an item of equipment consists of major components with different useful lives, the components are accounted for as separate items of equipment. Expenditures incurred to replace a component of an item of equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

Residual values and estimated useful lives are reviewed at least annually.

As at March 31, 2018, all equipment had been fully depreciated. The Company did not purchase any equipment during the year ended March 31, 2018.

(h) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issuance of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects.

When the Company issues common shares for consideration other than cash, the transaction is measured at fair value based on the quoted market price of the Company's common shares on the date of issuance.

(i) Loss per share

Loss per share is computed by dividing losses attributable to common shareholders by the weighted average number of common shares outstanding during the reporting period. Diluted loss per share is determined by adjusting the losses attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares, such as options granted to employees. The dilutive effect of options assumes that the proceeds to be received on the exercise of share purchase options are applied to repurchase common shares at the average market price for the reporting period. Share purchase options are included in the calculation of dilutive earnings per share only to the extent that the market price of the common shares exceeds the exercise price of the share purchase options.

The effect of anti–dilutive factors is not considered when computing diluted loss per share.

(j) Share–based payments

The share purchase option plan allows Company employees and consultants to acquire shares of the Company. The fair value of share purchase options granted is recognized as an employee or consultant expense with a corresponding increase in share-based payments reserve in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

For employees, fair value is measured at the grant date and each tranche is recognized on a straight-line basis over the period during which the share purchase options vest. The fair value of the share purchase options granted is measured using the Black–Scholes option pricing model taking into account the terms and conditions upon which the share purchase options were granted. At the end of each financial reporting period, the amount recognized as an expense is adjusted to reflect the actual number of share purchase options that are expected to vest.

Share–based payment transactions with non-employees are measured at the fair value of the goods or services received. However, if the fair value cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the entity obtains the goods or the counterparty renders the service.

(k) Income taxes

Income tax on the profit or loss for the years presented comprises of current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not provided for:

- goodwill not deductible for tax purposes;
- the initial recognition of assets or liabilities that affect neither accounting nor taxable profit; and
- differences relating to investments in subsidiaries, associates, and joint ventures to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(l) *Restoration, rehabilitation, and environmental obligations*

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability at the time the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the project or asset, the conditions imposed by the relevant permits and, when applicable, the jurisdiction in which the project or asset is located.

Discount rates using a pre–tax rate that reflects the time value of money are used to calculate the net present value, where applicable. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit–of–production or the straight-line method. The corresponding liability is progressively increased as the effect of discounting unwinds, creating an expense recognized in profit or loss.

The operations of the Company have been, and may in the future be, affected from time to time in varying degrees by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

The Company has no material restoration, rehabilitation and environmental obligations as at March 31, 2018.

(m) Operating segments

The Company is operating in a single reportable segment – the acquisition, exploration and development of mineral properties. All assets are held in Canada.

(n) Government assistance

When the Company is entitled to receive METC and other government grants, this government assistance is recognized as a cost recovery when there is reasonable assurance of recovery.

(o) Accounting standards, interpretations and amendments to existing standards

Effective for annual periods beginning on or after January 1, 2018:

- IFRS 9, Financial Instruments
- IFRS 15, Revenue from Contracts with Customers

Effective for annual periods beginning on or after January 1, 2019:

- IFRS 16, Leases
- IFRIC 23, Uncertainty over Income Tax Treatments

The Company has not early adopted these new standards or amendments to existing standards and does not expect the impact of these standards on the Company's financial statements to be material.

3. CASH

The Company's cash is invested in business and savings accounts which are available on demand by the Company.

4. RESTRICTED CASH

Restricted cash represents amounts held in support of exploration permits. The amounts are refundable subject to the consent of regulatory authorities upon the completion of any required reclamation work on the related projects.

(Expressed in Canadian Dollars, unless otherwise stated)

5. AMOUNTS RECEIVABLE AND OTHER ASSETS

	March 31, 2018	March 31, 2017
Sales tax refundable	$ 43,019	$ 38,891
Prepaid insurance	42,555	–
Total	$ 85,574	$ 38,891

6. EXPLORATION AND EVALUATION EXPENSES AND COST RECOVERIES

(a) *IKE Project*

The IKE Project is located in south-central BC. In July 2017, the Company announced it had entered into a Mineral Property Farm-In Agreement with Hudbay Minerals Inc. ("Hudbay"), pursuant to which Hudbay may acquire, through a staged investment process, up to a 60% ownership interest in the IKE Project. The Company initially records the amount of contributions received or receivable from Hudbay pursuant to the IKE Property Farm-In Agreement as a liability (advance contributions received) in the Statement of Financial Position, and subsequently reallocates amounts to cost recoveries in the Statement of Loss as it incurs expenditures against such contributions.

Relinquished Option Agreement

During the year ended March 31, 2017, the Company recorded a gross amount of cost recovery of $2,932,597 representing contributions received pursuant to a definitive agreement with Thompson Creek Metals Company Inc. ("Thompson Creek") dated February 2016, whereby the latter had an option to acquire, through a staged investment process within five years, a 30% ownership interest in the mineral claims and crown grants covering the IKE Project.

In January 2017, Thompson Creek (having been taken over by Centerra Gold Inc.) relinquished its option and elected to exchange its 10% participating interest for a 1% Conversion Net Smelter Royalty from mine production, capped at a total of $5 million. As a result, the Company maintained a 100% interest in the IKE Project.

(b) *JOY Project*

The JOY Project, located in north-central BC, comprises the JOY and PINE properties, and certain adjacent claims (the "Staked Claims") acquired directly by Amarc. In November 2016, the Company entered into a purchase agreement with a private company wholly-owned by one of its directors (note 10(c)) to purchase 100% of the JOY property for the reimbursement of the vendor's direct acquisition costs of $335,299. In addition, Amarc concluded agreements with each of Gold Fields Toodoggone Exploration Corporation ("GFTEC") and Cascadero Copper Corporation ("Cascadero") in mid-2017 pursuant to which Amarc can purchase 100% of the PINE property. Subsequently, Hudbay and Amarc agreed to incorporate both the PINE property and the Staked Claims into the JOY Project.

In August 2017, the Company announced that it had entered into a Mineral Property Farm-In Agreement with Hudbay, pursuant to which Hudbay may acquire, through a staged investment process, up to a 60% ownership in the JOY Project. The Company initially records the amount of contributions received or receivable from Hudbay pursuant to the JOY Property Farm-In Agreement as a liability (advance contributions received) in the Statement of Financial Position, and subsequently reallocates amounts to cost recoveries in the Statement of Loss as it incurs expenditures against such contributions.

(Expressed in Canadian Dollars, unless otherwise stated)

(c) DUKE Project

In November 2016, the Company entered into a purchase agreement with a private company wholly owned by one of its directors (note 10(c)) to purchase a 100% interest in the DUKE property for the reimbursement of the vendor's direct acquisition costs of $168,996. The DUKE property is located in central BC.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2018	March 31, 2017
Accounts payable	$ 364,099	$ 14,841
Total	$ 364,099	$ 14,841

8. DIRECTOR'S LOANS

Unsecured loans payable to a director	March 31, 2018	March 31, 2017
Opening balance	$ 1,330,500	$ 1,234,849
Net amounts (repaid) advanced	(1,000,000)	500,000
Transaction costs	–	(607,406)
Amortisation of transaction costs	433,044	203,057
Closing balance	$ 763,544	$ 1,330,500

	March 31, 2018	March 31, 2017
Current portion	–	390,243
Non-current portion	763,544	940,257
Total	763,544	1,330,500

(Expressed in Canadian Dollars, unless otherwise stated)

Transaction costs	Year ended March 31,		
	2018	2017	2016
Interest on director's loan	$ 128,096	$ 136,959	$ 82,614
Amortization of transaction costs	433,044	203,057	56,992
Total	$ 561,140	$ 340,016	$ 139,606

As at March 31, 2018, one unsecured loan owing to a director (the "Lender") of the Company was outstanding with the principal sum $1,000,000 (the "2016-Loan Agreement"); the key terms of the underlying agreements for each loan outstanding during the period are summarized below:

2015-Loan Agreement

In September 2015, the Company entered into a loan agreement (the "2015-Loan Agreement") with its Director and Chairman, Robert Dickinson (the "Lender") pursuant to which the Lender advanced to the Company a principal sum of $500,000 with a two-year term and at an interest rate of 7% per annum. Pursuant to the 2015-Loan Agreement, the Company issued 5,555,555 common share purchase warrants (note 9(c)) to the Lender with an expiry term of two years and exercise price of $0.09.

This advance was fully repaid in September 2017.

2016-Loan Agreement

In November 2016, the Company and the Lender entered into another loan agreement (the "2016-Loan Agreement"), superseding a previous agreement for a $1,000,000 advance, pursuant to which the original due date of November 26, 2016 was extended for three years on customary conditions. The principal sum was subsequently increased to $1,500,000 by way of an additional advance of $500,000 to fund mineral property acquisitions (note 6(b) and (c)). The 2016-Loan Agreement is subject to a fixed interest at 9% per annum. Pursuant to the 2016-Loan Agreement, the Company issued to the Lender a loan bonus comprising of 10,000,000 common share purchase warrants (note 9(c)) with a three-year term and an exercise price of $0.08 per share.

During the year ended March 31, 2018, $500,000 of this loan was repaid to the Lender, leaving a balance outstanding as at March 31, 2018 of $1,000,000.

These advances have been measured as financial liabilities at their (cash) transaction values, with the unamortized balance of directly applicable costs, comprised of the fair values of the bonus warrants granted, representing a partially-offsetting asset balance. Such costs are being expensed pro-rata over the term of the debt, with the effect on the balance sheet presentation being that the aggregate debt is accreted towards its face value.

9. CAPITAL AND RESERVES

(a) Authorized and outstanding share capital

The Company's authorized share capital consists of an unlimited number of common shares ("Common Shares") without par value and an unlimited number of preferred shares. All issued Common Shares are fully paid. No preferred shares have been issued.

(Expressed in Canadian Dollars, unless otherwise stated)

As at March 31, 2018, there were 168,786,227 Common Shares outstanding (March 31, 2017: 145,424,061).

(b) Share issuance

In September 2017, the Company announced a private placement financing, issuing 13,045,500 Common Shares at a price of $0.20 per Common Share for gross proceeds of $2,609,100, and incurred share issuance costs of $127,800 for net proceeds of $2,481,300.

During the year ended March 31, 2018, the Company issued 3,761,111 Common Shares pursuant to a property option agreement (note 6(b)).

(c) Share purchase option compensation plan

The following table summarizes the changes in the Company's share purchase options:

Share purchase options (exercise price –$0.32)	Year ended March 31,		
	2018	2017	2016
Outstanding – beginning of year	–	3,051,300	3,051,300
Forfeited	–	–	–
Expired	–	(3,051,300)	–
Outstanding and Exercisable – end of year	–	–	3,051,300

(d) Share purchase warrants

The following common share purchase warrants were outstanding at March 31, 2018 and March 31, 2017:

		Continuity – Number of warrants		
	Exercise price	March 31, 2017	Exercised	March 31, 2018
Issued pursuant to:				
the 2015-Loan Agreement[(i)] (note 8)	$0.09	1,555,555	(1,555,555)	–
the 2016-Loan Agreement[(ii)] (note 8)	$0.08	10,000,000	(5,000,000)	5,000,000
Total		11,555,555	(6,555,555)	5,000,000

(i) In September 2015, 5,555,555 share-purchase warrants were issued pursuant to the 2015-Loan Agreement (note 8); the fair value of these warrants at issue was determined to be $322,143 at $0.058 per warrant, using the Black Scholes option pricing model and based on the following assumptions: risk-free rate of 0.51%; expected volatility of 130%; the underlying's market price of $0.09, expiry term of 2 years; and dividend yield of nil. In March 2017, 4,000,000 of these warrants were exercised and in September 2017, the remainder of 1,555,555 warrants were exercised.

(ii) In November 2016, 10,000,000 share-purchase warrants were issued pursuant to the 2016-Loan Agreement (note 8); the fair value of these warrants at issue was determined to be $607,406 at $0.061 per warrant, using the Black Scholes option pricing model and based on the following assumptions: risk-free rate of 0.79%; expected volatility of 135%; the underlying's market price of $0.08, expiry term of 3 years; and dividend yield of nil. These warrants expire in November 2019. In September 2017, 5,000,000 of these warrants were exercised.

(Expressed in Canadian Dollars, unless otherwise stated)

10. RELATED PARTY TRANSACTIONS

Balances due to related parties		March 31, 2018		March 31, 2017
Hunter Dickinson Services Inc. (note 10(b))	$	148,877	$	157,282
United Mineral Services Ltd. (note 10(c))		–		18,055
	$	148,877	$	175,337

(a) Transactions with key management personnel

Key management personnel ("KMP") are those persons that have the authority and responsibility for planning, directing and controlling the activities of the Company, directly and indirectly, and by definition include all directors of the Company.

Transactions with key management personnel were as follows:

	Year ended March 31,					
		2018		2017		2016
Directors fees paid directly by the Company	$	–	$	–	$	35,000
Directors fees paid to HDSI		–		–		187,000
Total	$	–	$	–	$	222,000

Note 8 includes the details of a director's loans. Note 6 includes the details of the acquisition of mineral property interests from a private entity wholly-owned by one of the Company's directors.

(b) Balances and transactions with Hunter Dickinson Inc.

Hunter Dickinson Inc. ("HDI") and its wholly-owned subsidiary Hunter Dickinson Services Inc. ("HDSI") are private companies established by a group of mining professionals engaged in advancing mineral properties for a number of publicly-listed exploration companies, one of which is the Company.

The Company has 2 directors in common with HDSI, namely: Robert Dickinson and Ronald Thiessen. Also, the Company's President, Chief Financial Officer, and Corporate Secretary are employees of HDSI and work for the Company under an employee secondment arrangement between the Company and HDSI.

HDSI provides technical, geological, corporate communications, regulatory compliance, and administrative and management services to the Company, on an as-needed and as-requested basis from the Company. As a result of this relationship, the Company has ready access to a range of diverse and specialized expertise on a regular basis, without having to engage or hire full-time experts.

(Expressed in Canadian Dollars, unless otherwise stated)

Services from HDSI are provided on a non-exclusive basis. The Company is not obligated to acquire any minimum amount of services from HDSI. The value of services received from HDSI is determined based on a charge-out rate for each employee performing the service and for the time spent by the employee. Such charge-out rates are agreed and set annually in advance.

HDSI also incurs third-party costs on behalf of the Company; such third-party costs are reimbursed by the Company to HDSI at cost without any markup and such costs include, for example, directors and officers insurance, travel, conferences, and communication services.

The following is a summary of transactions with related entities that occurred during the reporting period:

Transactions with HDSI	Year ended March 31,		
	2018	2017	2016
Services received from HDSI and as requested by the Company	$ 1,419,000	$ 1,042,000	$ 1,389,000
Directors fees paid to HDSI(note 10(a))	–	–	187,000
Information technology-infrastructure and support services	60,000	60,000	111,000
Reimbursement , at cost, of third party expenses incurred by HDSI on behalf of the Company	$ 139,000	$ 35,000	$ 73,000
	$ 1,618,000	$ 1,137,000	$ 1,760,000

(c) *Balances and transactions with United Mineral Services Ltd.*

United Mineral Services Ltd. ("UMS") is a privately held company wholly-owned by one of the directors of the Company. UMS is engaged in the acquisition and exploration of mineral property interests.

During the year ended March 31, 2017, the Company acquired from UMS a 100% interest in two mineral property interests, namely JOY and DUKE, for aggregate acquisition costs of $504,295 (note 6(a)). Subsequent to the acquisition of the properties, UMS has incurred third-party costs on behalf of the Company, for example, mineral property claims paid on behalf of the Company. These third-party costs are reimbursed by the Company at a 5% markup.

The following is a summary of the transactions with UMS during the reporting period:

Transactions with UMS	Year ended March 31,		
	2018	2017	2016
Acquisition of mineral property interests	$ –	$ 504,000	$ –
Reimbursement of third-party expenses incurred on behalf of the Company	27,000	18,000	–
	$ 27,000	$ 522,000	$ –

(Expressed in Canadian Dollars, unless otherwise stated)

11. INCOME TAXES

(a) Provision for current tax

No provision has been made for current income taxes, as the Company has no taxable income.

(b) Provision for deferred tax

As future taxable profits of the Company are uncertain, no deferred tax asset has been recognized. As at March 31, 2018, the Company had unused non-capital loss carry forwards of approximately $12.0 million (March 31, 2017 - $15.3 million; March 31, 2016 - $14.4 million).

As at March 31, 2018, the Company had resource tax pools of approximately $26.9 million (March 31, 2017 - $23.8 million; March 31, 2016 - $24.6 million) available in Canada, which may be carried forward and utilized to offset future taxes related to certain resource income.

Reconciliation of effective tax rate	March 31, 2018	March 31, 2017	March 31, 2016
Loss for the year	$ (2,072,266)	$ (1,042,648)	$ (1,118,779)
Total income tax expense	–	–	–
Loss excluding income tax	$ (2,072,266)	$ (1,042,648)	$ (1,118,779)
Income tax recovery using the Company's tax rate	(544,000)	(271,000)	(291,000)
Non–deductible expenses and other	561,000	341,000	3,000
Change in deferred tax rates	(394,000)	–	–
Temporary difference booked to reserve	4,000	1,000	(4,000)
Deferred income tax assets not recognized	373,000	(71,000)	292,000
	$ –	$ –	$ –

The Company’s statutory tax rate was 26.25% (2017 – 26%; 2016 – 26%) and its effective tax rate is nil (2017 – nil; 2016 – nil).

As at March 31, 2018, the Company had the following deductible temporary differences for which no deferred tax asset was recognized:

Expiry	Tax losses (capital)	Tax losses (non-capital)	Resource pools	Other
Within one year	$ –	$ –	$ –	$ –
One to five years	–	–	–	84,000
After five years	–	12,026,000	–	1,011,000
No expiry date	1,357,000	–	26,921,000	77,000
Total	$ 1,357,000	$ 12,026,000	$ 26,921,000	$ 1,172,000

(Expressed in Canadian Dollars, unless otherwise stated)

12. SUPPLEMENTARY INFORMATION TO STATEMENT OF LOSS

(a) *Employee salaries and benefits*

The employees' salaries and benefits included in exploration and evaluation expenses and administration expenses are as follows:

	Year ended March 31,		
	2018	2017	2016
Salaries and benefits included in the following:			
Exploration and evaluation expenses	$ 1,094,000	$ 676,000	$ 748,000
General and administration expenses[i]	629,000	478,000	882,000
Total	$ 1,723,000	$ 1,154,000	$ 1,630,000

(i) This amount includes salaries and benefits included in office and administration expenses (note 12(b)) as well as other expenses classified as general and administration expenses.

(b) *Office and administration expenses*

Office and administration expenses include the following:

	Year ended March 31,		
	2018	2017	2016
Salaries and benefits	$ 470,530	$ 445,219	$ 845,695
Data processing and retention	61,235	61,083	111,743
Other office expenses	126,921	88,432	155,184
Total	$ 658,686	$ 594,734	$ 1,112,622

13. FINANCIAL RISK MANAGEMENT

(a) *Capital management objectives*

The Company's primary objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders, and to have sufficient liquidity available to fund ongoing expenditures and suitable business opportunities as they arise.

The Company considers the components of shareholders' equity, as well as its cash as capital. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue equity, sell assets, or return capital to shareholders as well as issue or repay debt.

The Company's investment policy is to invest its cash in highly liquid short–term interest–bearing investments having maturity dates of three months or less from the date of acquisition and that are readily convertible to known amounts of cash.

There were no changes to the Company's approach to capital management during the year ended March 31, 2018.

The Company is not subject to any externally imposed equity requirements.

(b) Carrying amounts and fair values of financial instruments

The Company's marketable securities are carried at fair value, based on quoted prices in active markets.

As at March 31, 2018 and 2017, the carrying values of the Company's financial assets and financial liabilities approximate their fair values.

(c) Financial instrument risk exposure and risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented treasury policies, counterparty limits, controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

<u>Credit risk</u>

Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash, and amounts receivable and other assets. The carrying value of these financial assets represent the maximum exposure to credit risk.

The Company limits the exposure to credit risk by only investing its cash with high-credit quality financial institutions in business and savings accounts, which are available on demand by the Company for its programs.

<u>Liquidity risk</u>

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Company ensures that there is sufficient cash in order to meet its short-term business requirements, after taking into account the Company's holdings of cash.

The Company has sufficient cash to meet its commitments associated with its financial liabilities in the near term, other than the amounts payable to related parties.

<u>Interest rate risk</u>

The Company is subject to interest rate risk with respect to its investments in cash. The Company's policy is to invest cash at variable rates of interest and cash reserves are to be maintained in cash in order to maintain liquidity, while achieving a satisfactory return for shareholders. Fluctuations in interest rates when cash mature impact interest income earned. As at March 31, 2018 and 2017, the Company's exposure to interest rate risk was nominal.

Price risk

Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company is subject to price risk in respect of its investments in marketable securities.

As at March 31, 2018 and 2017, the Company's exposure to price risk was not significant in relation to these Financial Statements.

AMARC RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED MARCH 31, 2018

AMARC RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED MARCH 31, 2018

1.1 Date 2
1.2 Overview 3
1.3 Selected Annual Information 25
1.4 Summary of Quarterly Results 25
1.5 Results of Operations 25
1.6 Liquidity 27
1.7 Capital Resources 28
1.8 Off-Balance Sheet Arrangements 28
1.9 Transactions with Related Parties 28
1.10 Fourth Quarter 29
1.11 Proposed Transactions 29
1.12 Critical Accounting Estimates 29
1.13 Changes in Accounting Policies including Initial Adoption 29
1.14 Financial Instruments and Other Instruments 30
1.15 Other MD&A Requirements 30
1.15.1 Additional Disclosure for Venture Issuers without Significant Revenue 30
1.15.2 Disclosure of Outstanding Share Data 30
1.15.3 Disclosure Controls and Procedures 30
1.15.4 Internal Controls over Financial Reporting Procedures 31
1.15.5 Limitations of Controls and Procedures 31
1.16 Risk Factors 32

1.1 DATE

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the audited consolidated financial statements (the "Financial Statements") of Amarc Resources Ltd. ("Amarc", or the "Company") for the year ended March 31, 2018, which are publicly available on SEDAR at www.sedar.com. All monetary amounts herein are expressed in Canadian Dollars ("CAD") unless otherwise stated.

The Company reports in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee (together known as "IFRS"). The following disclosure and associated Financial Statements are presented in accordance with IFRS.

This MD&A is prepared as of July 26, 2018.

Cautionary Note to Investors Concerning Forward-looking Statements

This presentation includes certain statements that may be deemed "forward-looking statements". All such statements, other than statements of historical facts that address exploration drilling, exploitation activities and other related events or developments are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Assumptions used by the Company to develop forward-looking statements include the following: Amarc's projects will obtain all required environmental and other permits and all land use and other licenses, studies and exploration of Amarc's projects will continue to be positive, and no geological or technical problems will occur. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, potential environmental issues or liabilities associated with exploration, development and mining activities, exploitation and exploration successes, continuity of mineralization, uncertainties related to the ability to obtain necessary permits, licenses and tenure and delays due to third party opposition, changes in and the effect of government policies regarding mining and natural resource exploration and exploitation, the exploration and development of properties located within Aboriginal groups asserted territories may affect or be perceived to affect asserted aboriginal rights and title, which may cause permitting delays or opposition by Aboriginal groups, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. For more information on Amarc investors should review the Company's annual Form 20-F filing with the United States Securities and Exchange Commission at www.sec.gov and its home jurisdiction filings that are available at www.sedar.com.

Cautionary Note to Investors Concerning Estimates of Inferred Resources:

This discussion uses the term "inferred resources". The Company advises investors that although this term is recognized and required by Canadian regulations, the U.S. Securities and Exchange Commission does not recognize it. "Inferred resources" have a great amount of uncertainty as to their existence, and as to their economic and legal feasibility. It cannot be assumed that all or any part of a mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of economic studies, except in rare cases. Investors are cautioned not to assume that any part or all of an inferred resource exists, or is economically or legally mineable.

1.2 OVERVIEW

Amarc is a mineral exploration and development company with an experienced and successful management team focused on developing a new generation of British Columbia ("BC") copper mines. By combining strong projects and funding with successful management, Amarc has created a solid platform to now commence value creation.

Through its 2017 work programs Amarc has substantially advanced its 100% owned IKE, DUKE and JOY porphyry copper deposit districts located in southern, central and northern BC, respectively. Each of these copper districts have proximity to industrial infrastructure, power, rail and highways. The IKE, DUKE and JOY Projects have significant potential for the discovery of important scale, porphyry copper-gold and copper-molybdenum deposits.

LOCATION OF THE COMPANY'S IKE, DUKE AND JOY PROJECTS

The 462 km² IKE Project is located 33 km northwest of the historical mining community of Gold Bridge. Work at the IKE deposit discovery has now delineated a copper-molybdenum-silver mineralized system, measuring at least 3.5 km by 2 km, through combined induced polarization chargeability ("IP") surveys, talus geochemical sampling and the earlier drilling of 21 core holes within a portion of the mineralized system. The IKE porphyry has the geological earmarks of important copper-molybdenum-silver mines like Morenci and Sierrita in Arizona, and Valley in BC.

In addition, at least five significant porphyry copper deposits targets have been established within 10 km of the IKE discovery that remain to be fully explored.

Amarc has partnered with Hudbay Minerals Inc. ("Hudbay") to efficiently advance the IKE Project. Under the terms of the agreement Hudbay can earn an initial 50% interest in the IKE Project by spending $40 million of expenditures before December 31, 2021. Amarc is the current operator. Hudbay has confirmed 2018 funding of $1.6 million, which is to be focused on wide-spaced drilling within the very extensive IKE mineralized system in order to start delineating its overall geometry and copper-molybdenum-silver grade distribution.

Amarc's DUKE deposit and an adjacent 288 km^2 porphyry copper district is located 80 km northeast of Smithers, BC and 30 km north of former mines (Bell and Granisle) operated by Noranda Mines. DUKE has been intermittently explored by prior operators with surface geochemical and geophysical surveys, as well as 30 shallow diamond drill holes. Many of the historical holes drilled intersected significant lengths of porphyry copper-molybdenum-silver-gold mineralization that remains open both laterally and to depth.

Seven of the eight holes drilled by Amarc late last year and in early 2018, successfully outlined porphyry copper-style mineralization over an area currently measuring approximately 400 m north-south by 600 m east-west, and open to expansion in all directions. The deposit lies below flat-lying glacial till, which varies from 4 m to 18 m thick in the holes drilled, with mineralization extending to the depth of drilling – over 360 m deep. A single hole drilled one km north of the seven other Amarc holes at DUKE in order to test a geophysical IP that extends north and south from the DUKE deposit discovery area. This hole intersected substantial lengths of moderate to low grade copper and molybdenum mineralization, indicating the extensive nature of the DUKE porphyry copper system. The IP anomaly associated with the DUKE discovery measures some 4 km north-south by 1 km east-west.

Amarc's 464 km^2 JOY mineral property lies 310 km north of Mackenzie in a region of BC considered to have high potential for the discovery of important scale, porphyry gold-copper deposits. The JOY claims are located 20 km north of the Kemess District, host to the former Kemess South Mine and the government-approved Kemess underground project. Recently, Centerra Gold Inc. purchased the Kemess District from AuRico Metals Inc. for $310 million.

Amarc considers the extensive JOY project claim holdings to be significantly underexplored, and to represent the northern extension of the Kemess gold-copper district. Highly favourable geology, geochemical sampling and geophysical surveys, along with drilling in 136 holes by past operators, has resulted in substantially narrowing the exploration focus. Amarc has identified a new 20 km long northeast trending structural corridor at JOY, the Finlay Magnetic Corridor, which hosts more than 10 compelling gold-copper porphyry deposit targets.

Amarc has also partnered with Hudbay to advance the JOY Project. Under the terms of this agreement Hudbay can earn an initial 50% interest in the JOY Project by spending $20 million of expenditures before December 31, 2021. Amarc is the current operator. The partners have agreed to include Amarc's recently acquired PINE claims into the JOY Project. Hudbay has confirmed 2018 funding of $3.15 million of which $1.15 million will be paid to Amarc in 2018 towards its PINE acquisition costs.

Extensive field work is underway for 2018 including an airborne magnetics survey and systematic IP, geochemical and geological surveys over the more than 10 deposit-scale targets already identified within and adjacent to the Finlay Magnetic Corridor. Drilling is expected to follow, targeting sulphide systems delineated by the IP surveys for major gold-copper deposits.

Amarc is committed to working constructively with governments and stakeholders towards the responsible development of its projects, while contributing to the sustainable development of local communities. Work programs are planned to achieve high levels of environmental performance and local benefits, including providing opportunities for employment, contracting and training for local people. The Company is working hard to support government's consultation duties to assist with timely and fair decision making. Amarc is committed to meaningful and constructive engagement with First Nation communities and favours comprehensive and progressive agreements at the early discovery-stage of project development. The Company believes that the best outcome is always achieved in the atmosphere of openness, constructive discussions and mutual respect from all interested parties.

The IKE Project (comprising the IKE, Granite, Juno and Galore Properties)

Amarc has a 100% interest in the IKE, Granite, Juno and Galore Properties which make up the IKE Project.

The IKE deposit discovery, together with the surrounding district of additional prospective porphyry copper (±molybdenum±silver±gold) targets, have the potential to possess the grades and tonnages necessary to develop into an important new BC mining camp. In addition to the main IKE mineral property, Amarc has secured extensive mineral claims in the region to cover other compelling deposit targets, as well as potential infrastructure sites.

IKE Deposit

The IKE Project is located approximately 33 km northwest of the historical mining communities of Gold Bridge and Bralorne, in south-central BC. Core drilling of the IKE deposit is located above tree line within large and barren cirques. Although current access to the site is by helicopter, there is good infrastructure in the region. Mainline logging roads leading northwest from Gold Bridge extend to within 13 km of the southern extent of the IKE property. Power, railways and highways are all available in the area of Gold Bridge and the regional towns of Lillooet and Pemberton.

At IKE, limited historical drilling indicated the presence of a mineral system with characteristics that are favorable for the development of a viable porphyry copper-molybdenum-silver deposit. Three key historical drill holes (81-2, 11-1 and 11-2) spaced over 220 m apart intercepted long intervals of continuous, chalcopyrite and molybdenite mineralization with encouraging grades. These intersections include: 116 m of 0.46% copper equivalent (CuEQ)[1] comprising 0.29% Cu and 0.043% Mo; 182 m of 0.41% CuEQ comprising 0.31% Cu, 0.022% Mo and 1.9 g/t Ag; and 64 m of 0.51% CuEQ, comprising 0.37% Cu, 0.024% Mo and 4.7 g/t Ag. All three of these historical holes ended in mineralization.

Amarc has made a significant new porphyry copper-molybdenum-silver discovery at IKE. All 21 wide-spaced core holes drilled by Amarc at IKE (2014-9 holes; 2015-9 holes; 2016-3 holes for a total of 12,360 m) have intersected long intervals of chalcopyrite and molybdenite mineralization, with grades that compare favourably to the range of copper equivalent grades at operating BC porphyry copper mines. Copper, molybdenum and silver mineralization has been intersected over an increasingly broad area measuring 1.2 km m east-west by 1.0 km north-south, and 875 m vertically. The drilling indicates the potential for extensive resource volumes which remain open to expansion in all lateral directions and to depth. Notably the drilling completed to date has tested only a portion of the over plus 7 km^2 IKE hydrothermal system.

Highlights from the 2014, 2015 and 2016 drill programs include:

- 247 m of 0.42% CuEQ[1] @ 0.28% Cu, 0.030% Mo and 2.0 g/t Ag
- 123 m of 0.41% CuEQ @ 0.32% Cu, 0.017% Mo and 2.5 g/t Ag
- 92 m of 0.41% CuEQ @ 0.31% Cu, 0.020% Mo and 2.1 g/t Ag
- 194 m of 0.49% CuEQ @ 0.30% Cu, 0.046% Mo and 0.8 g/t Ag
- 308 m of 0.40% CuEQ @ 0.26% Cu, 0.032% Mo and 1.8 g/t Ag
- 97 m of 0.46% CuEQ @ 0.32% Cu, 0.030% Mo and 2.2 g/t Ag
- 124 m of 0.45% CuEQ @ 0.34% Cu, 0.022% Mo and 3.2 g/t Ag
- 214 m of 0.37% CuEQ @ 0.26% Cu, 0.023% Mo and 2.2 g/t Ag
- 592 m of 0.44% CuEQ @ 0.30% Cu, 0.032% Mo and 2.1 g/t Ag
- 86 m of 0.48% CuEQ @ 0.33% Cu, 0.032% Mo and 2.2 g/t Ag
- 111 m of 0.36% CuEQ @ 0.30% Cu, 0.010% Mo and 2.3 g/t Ag
- 148 m of 0.54% CuEQ @ 0.39% Cu, 0.030% Mo and 2.9 g/t Ag
- 287 m of 0.39% CuEQ @ 0.30% Cu, 0.017% Mo and 2.2 g/t Ag

[1]Copper equivalent (CuEQ) calculations use metal prices: Cu US$3.00/lb, Mo US$12/lb and Ag US$18/oz. Metallurgical recoveries and net smelter returns are assumed to be 100%.

Assay results from all of Amarc's 2014, 2015 and 2016 drill holes are summarized in the Management's Discussion and Analysis for the Nine Months Ended December 31, 2017 filed on www.sedar.com. In addition, a drill plan, cross sections and maps are presented in the corporate presentation on the Amarc website at www.amarcresources.com.

Notably, IP geophysical work undertaken in 2017 showed the IKE mineralized system to be much larger than originally thought and is now known to extend for at least 3.5 km east-west by 2 km north-south, as outlined by IP surveys and talus fines geochemical sampling. Central to this large

[1] Copper equivalent (CuEQ) calculations use metal prices: Cu US$3.00/lb, Mo US$12/lb and Ag US$18/oz.

sulphide-mineralized system are the 21 discovery core holes drilled by Amarc in 2014 through 2016 and as described above. Maps, cross sections and figures illustrating the newly expanded IKE mineralized system and its potential are presented in the corporate presentation on the Amarc website at www.amarcresources.com.

Hudbay, Amarc's partner at IKE, has confirmed 2018 funding of $1.6 million, which is to be focused on wide-spaced drilling within the very extensive IKE mineralized system in order to start delineating its overall geometry and copper-molybdenum-silver grade distribution. Permits from the provincial government for the 2018 field season are in hand.

Like many major porphyry deposits, the IKE deposit formed in a very active, multi-stage hydrothermal system that was extensive and robust. Geological mapping and logging of diamond drill core at IKE indicate the deposit is hosted entirely by multi-phase intrusive rocks. Its overall geological setting is similar to that of many important porphyry belts along the Cordillera in North and South America.

At IKE, chalcopyrite and molybdenite mineralization occurs as fine to relatively coarse, mostly discrete grains, mainly as disseminations and less commonly in fractures and veins. Multi-element analyses have returned consistently and unusually low concentrations of metallurgically or environmentally deleterious elements. These characteristics, and the generally low concentrations of pyrite at IKE, suggest excellent potential to produce clean, good-grade copper and molybdenum concentrates by standard flotation processing.

IKE District Targets

Important-scale porphyry copper (± gold ± molybdenum ± silver) deposit targets proximal to the IKE discovery were indicated by Amarc's exploration in 2014, 2015 and 2016, and also in reports from sporadic historical exploration in the region by previous operators.

During the 2016 field season, these targets were evaluated by geochemical and geophysical surveys with the goal of establishing and prioritizing porphyry copper deposit targets for drilling. In addition, Amarc completed comprehensive regional geological mapping of the central 130 km^2 of the IKE district in order to fully comprehend the overall mineral potential of the region.

The 2016 district surveys defined a number of significant porphyry copper deposit targets and, in addition, potential precious metal epithermal deposit targets. Age dating of porphyry mineralization discovered within the IKE district has confirmed at least four separate porphyry mineralizing events, which occurred over an exceptionally long period of 46 million years. These deposit targets are located along, to a few km inboard of, the contact of the northeastern margin of the Coastal Plutonic Complex ("CPC") with older volcano-sedimentary rocks. In general, porphyry, porphyry-related and epithermal mineralization located closer to the CPC contact tends to be more gold-bearing whereas deposits such as IKE that lie inboard of the CPC contact are copper-molybdenum-silver dominated.

Results from Amarc's 2016 district-wide, geophysical, geochemical and geological surveys are summarized in the Management's Discussion and Analysis for the Nine Months Ended December 31, 2017 filed on www.sedar.com.

In 2017 work in the IKE district focused on exploration on a select number of the regional porphyry copper deposit targets located within 10 km of the IKE deposit and as delineated in the prior field seasons. Field programs included 20 km^2 of detailed geological mapping, collection of 616 talus fines geochemical samples, completion of 82 line-km of IP surveys and exploration drilling of nine core holes totalling 2,796 m in three targets. At least five significant porphyry copper deposit targets have been established that require further exploration.

One hole was drilled at the Rowbottom porphyry copper deposit target located 4.5 km northwest of the IKE deposit. This hole intersected significant intervals of porphyry copper-molybdenum mineralization hosting elevated silver and gold values, which are cut by a number of post mineral dykes. This hole was drilled into an IP anomaly measuring 1.3 km by 1.0 km that remains open for further surveying. Additional drilling is required both laterally and to depth in order to determine the geometry and grade distribution of the Rowbottom deposit. Assay results from hole RB17001 are tabulated below.

ROWBOTTOM 2017 Assay Results										
Hole ID	Dip (^{0})	Azim (^{0})	From (m)	To (m)	Int.[2,3,4] (m)	CuEQ[1] (%)	Cu (%)	Mo (%)	Ag (g/t)	Au (g/t)
RB17001	-50	90	63	129	66	0.40	0.29	0.006	4.1	0.08
			333	354	21	0.51	0.38	0.007	4.3	0.11

Eight, very wide-spaced wildcat exploration holes in the IKE district were also completed at the Mad Major and OMG targets, a 32 km^2 area which hosts pronounced anomalous copper, molybdenum and tungsten surface geochemical anomalies combined with extensive IP chargeability results. One hole (MM17005) in this extensive target returned copper and molybdenum values within an intrusive dyke-like body, as reported below. Further work is required to determine if a large, nearby, mineralized intrusive body could be the source of the well-mineralized dyke intersection.

MAD MAJOR/OMG 2017 Assay Results									
Hole ID	Dip (0)	Azim (0)	From (m)	To (m)	Int.[2,3,4] (m)	CuEQ[1] (%)	Cu (%)	Mo (%)	Ag (g/t)
MM17005	-45	250	81	90	9	0.78	0.57	0.046	3.0

[1] Copper equivalent (CuEQ) calculations in both tables above use metal prices: Cu US$3.00/lb, Mo US$12/lb, Ag US$18/oz and Au US$1,300/oz (when reported). Metallurgical recoveries and net smelter returns are assumed to be 100%. Note that Au is included in the CuEQ calculations in respect to Rowbottom and DUKE but not for the IKE deposit or Mad Major.

[2] Widths reported are drill widths, such that the true thicknesses are unknown.

[3] All assay intervals represent length weighted averages.

[4] Some figures may not sum exactly due to rounding.

IKE Project Agreements

The mineral claims comprising the Juno property were staked and are owned 100% by Amarc. The property acquisition agreements relating to the IKE, Galore and Granite properties, which together with the JUNO property comprise the IKE project, are outlined below.

The material terms of the former agreement with and the terms under which Thompson Creek Metals Inc. ("Thompson Creek") relinquished its option to earn up to a 50% interest in the IKE Project, and the three mineral property acquisition agreements relating to the IKE and district properties are set out below. The remaining royalties held by the respective vendors referenced have been capped or can be purchased by Amarc (in the $2 million to $4 million range).

IKE Project Agreement with Thompson Creek

On September 3, 2015 Amarc announced it entered into an agreement (the "Agreement") with Thompson Creek (now a wholly owned subsidiary of Centerra Gold Inc.) pursuant to which Thompson Creek could acquire, through a staged investment process within five years, a 30% ownership interest in mineral claims and crown grants covering the IKE copper-molybdenum-silver porphyry deposit and the surrounding district. Under the terms of the Agreement, Thompson Creek also received an option, after acquiring its 30% interest, to acquire an additional 20% interest in the IKE Project, subject to certain conditions, including the completion of a Feasibility Study.

Under the terms of the Agreement, Thompson Creek could earn an initial 30% interest in the IKE Project under a Stage 1 Option by funding $15 million of expenditures before December 31, 2019, of which $3 million for 2015 and $2 million for 2016 were funded. For each $5 million of project expenditures funded, Thompson Creek would incrementally earn a 10% ownership interest. As of July 14, 2016, Thompson Creek had funded $5 million in project expenditures and as such had earned a 10% ownership interest in the IKE, Granite and Juno properties and the right to earn a 10% interest in the Galore Property (see below). Stage 1 Option expenditures could be accelerated by Thompson Creek at its discretion. Amarc remained as operator during the Stage 1 earn-in period.

If Thompson Creek fully exercised the Stage 1 Option, Thompson Creek would have a one-time right under a Stage 2 Option to elect to earn an additional 20% ownership interest in the IKE Project (for a total 50% ownership interest). To fulfill its obligations under the Stage 2 Option, Thompson Creek had to commit to fund and complete a Feasibility Study for the IKE Project that could serve as the basis for a decision by an internationally recognized financial institution to finance the development of a mining project. This Feasibility Study had to be completed within a two-year period, which could be extended to three years under certain conditions. While completing the Feasibility Study work under the Stage 2 Option, Thompson Creek would also be required to meet all other expenditures necessary to maintain and advance the IKE Project.

Thompson Creek would become operator upon initiation of the Stage 2 Option period, and would remain operator so long as it holds a 50% interest. When Thompson Creek had concluded its's earn-in period, the parties expected to form a joint venture to further develop the IKE Project provided that Thompson Creek earned a minimum 10% interest. Amarc would remain operator of the Project in the instance that Thompson Creek does not earn a 50% interest.

During both the Stage 1 and Stage 2 Option periods, Amarc retained a 'co-expenditure right', whereby it could fund at its discretion additional expenditures on the IKE Project. Thompson Creek may elect to pay its 30% or 50% share of these additional expenditures upon completion of its Stage 1 Option and Stage 2 Option periods as the case may be, failing which its ownership interest would be reduced. Under the 'co-expenditure right' provision of the Agreement, the maximum amount that Amarc could recover from Thompson Creek on completion of the Stage 1 Option is capped at $6 million (i.e. 30% of $20 million). The maximum amount that Amarc could recover from Thompson Creek on completion of the Stage 2 Option is capped at $10 million (i.e. 50% of $20 million).

On January 11, 2017 Amarc announced that Thompson Creek, having been acquired by gold-focused Centerra Gold Inc., relinquished its option to earn up to a 50% interest in the IKE Project. Thompson Creek having acquired a 10% participating interest in the IKE Project by investing $6 million in exploration programs undertaken in 2015 and 2016, has elected to exchange its participating interest for a 1% Conversion Net Smelter Royalty from mine production; capped at a total of $5 million. As a result, Amarc has re-acquired 100% interest in the IKE Project.

IKE Project Agreement with Hudbay

On July 6, 2017 Amarc announced it had entered into a Mineral Property Farm-In Agreement (the "Agreement") with Hudbay, pursuant to which Hudbay may acquire, through a staged investment process, up to a 60% ownership in the IKE Project.

Under the terms of the Agreement, Hudbay can earn an initial 49% ownership interest in the IKE Project under a Stage 1 Farm-in Right by funding $25 million of expenditures before December 31, 2020, of which $3.3 million was committed for 2017 and $1.6 million is committed for 2018.

Provided its Stage 1 Farm-in Right is exercised, Hudbay can, pursuant to a Stage 2 Farm-in Right, elect to earn an additional 1% interest in the IKE Project (for a total 50% interest), by funding $15 million of additional expenditures (for a total of $40 million), also before December 31, 2020.

Stage 1 and Stage 2 Farm-in expenditures can be accelerated by Hudbay at its discretion. Amarc will be the operator during the Stage 1 and Stage 2 periods. A Joint Venture ("JV") will be formed when Hudbay has acquired a 49% interest in the IKE Project.

Provided that Hudbay has exercised its Stage 2 Farm-in Right and acquired a 50% interest in the IKE Project, it can then elect to go forward via one of two paths.

First, Hudbay can replace Amarc as operator of the JV after it funds all project expenditures and completes a Feasibility Study for the IKE Project by December 31, 2025. Having gained operatorship, Hudbay can then choose to either go forward with Amarc in a 50/50 participating JV, or can instead elect to continue with its Farm-in (the "Stage 3 Farm-in Right") to acquire an additional 10% interest in the IKE Project (for a total 60% interest). To exercise its Stage 3 Farm-in Right, Hudbay must fund all project expenditures required to submit a British Columbia Environment Assessment ("EA") application for the IKE Project and, if applicable, a Canadian EA application, with the application(s) being accepted for review by December 31, 2026. In addition, Hudbay must also continue to fund all project expenditures until the necessary EA Certificate(s) are received. Following receipt of the EA Certificate(s), all IKE Project expenditures going forward will be shared by Hudbay and Amarc on a pro rata basis (Hudbay 60%/Amarc 40%) under the JV.

As a second alternative path, Hudbay can elect, after exercising its Stage 2 Farm-in Right, to proceed directly to the Stage 3 Farm-in Right, so immediately becoming the operator, and acquire a further 10% interest (for a total 60% interest) by, as above, submitting and having accepted for review a British Columbia EA application and, if applicable, a Canadian EA application, by December 31, 2026. Again in this instance, Hudbay must also fund all project expenditures until receipt of the necessary EA Certificate(s). As with the first path, following receipt of the EA Certificate(s), all IKE Project expenditures going forward will be shared by Hudbay and Amarc on a pro rata basis (Hudbay 60%/Amarc 40%) under the JV.

Hudbay has the right to defer either of its 2019 or 2020 expenditures, for a one-year period, subject to certain conditions. If this deferral occurs, Amarc will have a “co-expenditure right”, whereby it can incur and fund approved additional expenditures on the IKE Project up to the amount of the deferred expenditures. Hudbay may elect to reimburse Amarc for these additional expenditures, thereby retaining its interest in the Project. Under either path, If Hudbay does not submit the EA application(s) by December 31, 2026, then Amarc will become operator again.

In January, 2018 the Company amended the Agreement with Hudbay to extend the Stage 1 Farm-in Right period by one year to December 31, 2021.

IKE Property Agreement with the Optionors

Amarc holds a 100% interest in the IKE property. In December 2013, the Company entered into an Option and Joint Venture Agreement (the "IKE Agreement") with Oxford Resources Inc. ("Oxford"), whereby the Company acquired the right to earn an 80% ownership interest in the IKE property by making cash payments totaling $125,000, issuing 300,000 shares, and by incurring approximately $1.86 million in exploration expenditures on or before November 30, 2015.

In July 2014 the IKE Agreement was amended and Oxford assigned all of its interest in the IKE property, and the underlying option agreement with respect to the IKE property, to Amarc and converted its ownership interest in the IKE property to a 1% Net Smelter Return (“NSR”) royalty in consideration of a $40,000 cash payment. The 1% NSR royalty can be purchased at any time for $2 million (payable in cash or common shares of Amarc at the Company’s sole election). The maximum aggregate amount payable under the NSR is $2 million.

As a result of the foregoing, Amarc had the right to acquire a 100% ownership interest in the IKE property directly from two unrelated individuals (formerly the underlying owners and now the “Optionors”) by making a cash payment of $40,000 (completed), issuing 100,000 shares (completed), and by incurring approximately $1.86 million in exploration expenditures (completed) on or before November 30, 2015.

The Optionors retain a 2% NSR royalty. Amarc has the right to purchase half of the royalty (1%) for $2 million ($1 million of which is payable in cash, Amarc common shares, or any such combination, at Amarc's discretion) at any time prior to commercial production. In addition, Amarc has the right to purchase the other half of the royalty (1%) for $2 million ($1 million of which is payable in cash, Amarc common shares, or any such combination, at Amarc's discretion) prior to December 31, 2018. Minimum advance royalty payments of $25,000 (payable in cash, Amarc common shares, or any such combination, at Amarc's discretion) to the Optionors annually commenced on December 31, 2015.

Amarc has agreed that upon completion of a positive feasibility study, Amarc will issue 500,000 common shares to the Optionors.

In May 2017, the Company amended the agreement with the Optionors whereby it has the right to purchase 1% of the above mentioned 2% NSR royalty originally purchasable for $2 million prior to December 31, 2018, where Amarc now has the right to purchase that 1% for $2 million ($1 million of which is payable in cash, and the balance in Amarc common shares, or any such combination of cash and shares, at Amarc's discretion) at any time on or before a commercial mine production decision has been made in respect of the IKE Property. In consideration of this amendment, beginning on December 31, 2017 the Company will make an additional Annual Advanced Royalty payment of $25,000 to the Optionors.

Granite Property Agreement

In August 2014, the Company entered into a purchase agreement with Great Quest Fertilizers Ltd. ("Great Quest"), whereby the Company can purchase a 100% ownership interest in the Granite property on or before November 30, 2014 by making staged cash payments totalling $400,000 (completed).

Great Quest holds a 2% NSR royalty on the property which can be purchased for $2 million, on or before commercial production (payable in cash, Amarc common shares, or any such combination, at Amarc’s discretion). In addition, there is an underlying 2.5% NSR royalty on certain mineral claims, which can be purchased at any time for $1.5 million less any amount of royalty already paid.

Galore Property Agreement

In July 2014, the Company entered into an option and joint venture agreement (the “Galore Option Agreement”) with Galore Resources Inc. ("Galore"), whereby the Company acquired the right to earn an initial 51% ownership interest in the Galore property by incurring $3 million in exploration expenditures within five years ($1.5 million of which may be in recordable assessment credits not directly incurred on the property), and by making staged cash payments up to a maximum of $450,000 (50% of which may be payable in Amarc common shares). Amarc may thereafter acquire an additional 19% ownership interest, for a total 70% ownership interest, by incurring $2 million in exploration expenditures within two years. Upon exercise of the initial or additional option (collectively, the "Galore Option"), Galore and Amarc have agreed to form either a 51/49 or a 70/30 joint venture, as the case may be.

The Galore mineral tenure is comprised of five claim groups and is subject to five underlying option agreements, each of which provides the relevant underlying owner with a 1.5% NSR royalty (collectively, the "NSR Royalties") each of which may be purchased for $250,000 on or before December 31, 2024, and a 10% net profits interest royalty (collectively, the "NPI Royalties") each of which may be purchased at any time until December 31, 2024 for $400,000 less any amount of an NPI Royalty already paid.

In July 2016, the Company entered into a second option agreement (the "Second Option Agreement") whereby the Company acquired the right, separate and apart from the Galore Option (the "Second Option") to acquire 100% of Galore's rights in and to the Galore property in consideration of the payment to Galore of $550,000 on a staged basis on or before January 16, 2018. Under the terms of the Second Option Agreement, upon exercise of the Second Option and the Company acquiring 100% of the Galore property, the Galore Option Agreement will terminate and be of no further force and effect.

In addition, in July 2016, the Company also reached an agreement with the underlying owners of the Galore property whereby the Company obtained the right to acquire all of the underlying owners' residual interest in and to the Galore property, including the five NSR Royalties and the five NPI Royalties, in consideration of the payment of $100,000 ($80,000 completed) on a staged basis on or before January 16, 2018, subject to the Company exercising the Second Option.

During the Second Option exercise period, all cash payment and exploration expenditure requirements set out in the Galore Option Agreement shall cease to apply, including with respect to all cash payments payable to the underlying owners.

In January 2017 Amarc announced that it had exercised the Second Option and had acquired a 100% interest in the Galore property from Galore, clear of any royalties to Galore, by making a final payment of $280,000. This transaction marks the successful completion by Amarc of a series of property dealings to acquire 100% of mineral claims and crown grants making up the entire IKE Project, subject to the final payment of $20,000 (completed January 16, 2018) to the underlying owners as noted above.

The DUKE Project

Amarc has secured a 100% interest in the DUKE mineral property as well as extensive adjacent mineral claims over nearby second-order exploration targets. DUKE is located 80 km northeast of Smithers BC, within the well-known Babine porphyry-copper district, 30 km north of former mines (Bell and Granisle) operated by Noranda Minerals Inc. between 1966 and 1992, and producing a total of 1.1 billion pounds of copper, 634,000 ounces of gold and 3.5 million ounces of silver[2]. DUKE is also just 10 km northeast of the Morrison Deposit, a 225 million tonne copper-gold-molybdenum porphyry deposit with a completed Feasibility Study[3].

The property is accessible from Smithers by road and an industrial-scale barge crossing of Babine Lake from the town of Granisle. A longer, all-road commute is available from Fort St. James, 150 km to the southeast. Power extends to the former Bell mine.

DUKE was intermittently explored between 1965 and 2010 with geochemical, IP and magnetometer surveys and 30 shallow diamond drill holes. Extensive glacial cover precludes geological surveys and hinders geochemical survey interpretation, but most of the holes drilled intersected significant lengths of porphyry-style mineralization that remains open both laterally and to depth. For example, DDH-14, intersected 87 m of 0.40% Cu, 0.021% Mo, 2.2 g/t Ag and 0.05 g/t Au from 29 m to the end of the hole. Another hole, DDH-02, located 430 m southeast of DDH-14 intersected 107 m of 0.30% Cu, 0.011% Mo, 1.2 g/t Ag, and 0.06 g/t Au from 30 m. Porphyry mineralization was encountered by drill holes over an area of 800 m by 400 m which is open laterally in several directions. The average vertical depth of all holes drilled in this mineralized area is 90 m, with the deepest being only 124 m. Eighty percent of the holes drilled in this mineralized area bottomed in porphyry copper mineralization. Additionally, an historical IP survey results indicate a significant area of prospective ground has yet to be drilled.

Seven of the eight drill holes completed by Amarc in November 2017 and in early 2018, successfully outlined porphyry copper-style mineralization over an area currently measuring approximately 400 m north-south by 600 m east-west, and open to expansion in all directions. The deposit lies below flat-lying glacial till, which varies from 4 m to 18 m thick in the holes drilled, with mineralization extending to the depth of drilling – over 360 m deep. Mineralization is mainly hosted by biotite-feldspar-porphyry intrusions into volcanic rocks. These rock types also host the Bell, Morrison and Granisle porphyry copper deposits in the region.

A single hole drilled one km north of all other Amarc holes at DUKE in order to test the geophysical IP that extends north and south from the DUKE deposit discovery area. This hole intersected substantial lengths of moderate to low grade copper and molybdenum mineralization, indicating the extensive nature of the DUKE porphyry copper system. The IP anomaly associated with the DUKE discovery measures some 4 km north-south by 1 km east-west.

Assay results from the eight holes drilled by Amarc on the DUKE project are tabulated below. Drill-hole plans and cross sections are available on the Company's website at www.amarcresources.com. The results indicate that Amarc has discovered another important, near surface, porphyry copper-molybdenum-silver-gold deposit. Over the next few months, the Company will consider how best to

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[2] MINFILE Number 093L 146 and 093M 001 MINFILE Production Detail Report, BC Geological Survey, Ministry of Energy and Mines, BC.

[3] Pacific Booker Minerals Inc. news release February 27, 2009.

undertake the extensive further drilling required to delineate the geometry and grade distribution of this promising discovery.

The surrounding DUKE district covered by Amarc mineral claims, also hosts multiple additional porphyry copper exploration targets for future assessment.

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DUKE PROJECT
ASSAY RESULTS

Drill Hole ID	Dip (º)	Azim (º)	EOH (m)	Incl.	Form (m)	To (m)	Int. [2,3,4] (m)	CuEQ[1] (%)	Cu (%)	Mo (%)	Ag (g/t)	Au (g/t)
DK17001	59	266	519		40	130	90	0.35	0.24	0.016	1.1	0.06
				Incl.	40	73	33	0.41	0.30	0.013	1.4	0.08
					210	243	33	0.35	0.21	0.026	1.2	0.04
					268	278	10	0.31	0.20	0.018	1.3	0.03
					317	347	30	0.35	0.20	0.030	1.1	0.04
					458	519	61	0.36	0.23	0.001	2.8	0.16
				Incl.	458	479	21	0.41	0.35	0.001	3.3	0.04
				Incl.	509	519	10	0.57	0.11	0.001	3.0	0.68
DK17002	45	270	527		17	130	113	0.37	0.25	0.014	1.4	0.07
				Incl.	17	73	56	0.41	0.29	0.015	1.6	0.08
					238	268	30	0.47	0.33	0.019	1.9	0.07
					308	377	69	0.38	0.23	0.029	1.2	0.05
					477	523	47	0.40	0.26	0.025	1.4	0.04
				Incl.	477	498	22	0.51	0.31	0.040	1.6	0.04
DK18003	50	267	529		32	68	36	0.30	0.21	0.010	1.0	0.06
					142	164	22	0.33	0.20	0.018	1.5	0.06
					395	407	12	0.47	0.21	0.004	2.3	0.34
DK18004	50	90	502		88	181	93	0.30	0.22	0.012	1.0	0.04
				Incl.	94	106	12	0.41	0.32	0.012	1.5	0.04
DK18005	55	267	485		14	344	331	0.34	0.22	0.019	1.0	0.04
				Incl.	71	232	161	0.40	0.26	0.025	1.1	0.05
				and	107	232	125	0.44	0.29	0.029	1.2	0.05
				and	212	232	20	0.64	0.45	0.033	2.0	0.06
				Incl.	308	344	36	0.43	0.30	0.020	1.3	0.07
DK18006	50	267	500		98	416	318	0.33	0.24	0.012	1.1	0.05
				Incl.	227	293	66	0.42	0.30	0.016	1.2	0.07
				Incl.	347	405	58	0.46	0.34	0.017	1.5	0.06
DK18007	55	267	560		373	544	171	0.33	0.24	0.010	1.0	0.06
				Incl.	373	394	21	0.42	0.34	0.010	1.3	0.05
				Incl.	406	424	18	0.40	0.30	0.011	1.2	0.08
				Incl.	466	544	78	0.38	0.28	0.012	1.2	0.08
DK18008	50	267	487		21	158	137	0.31	0.22	0.011	0.8	0.06
				Incl.	21	86	65	0.41	0.30	0.012	1.1	0.08
					447	464	17	0.38	0.28	0.010	1.4	0.07
71-02	45	90	163		30	128	98	0.40	0.30	0.012	1.2	0.07
71-10	45	90	170		18	165	147	0.40	0.27	0.017	1.8	0.07
				Incl.	62	165	102	0.47	0.31	0.021	2.1	0.09
71-14	90	0	115		29	115	87	0.53	0.40	0.021	2.2	0.05
71-19	90	0	90		47	80	34	0.43	0.27	0.026	2.0	0.05

[1] Copper equivalent (CuEQ) calculations use metal prices: Cu US$3.00/lb, Mo US$12.00/lb, Ag US$18.00/oz and Au US$1300/oz. Metallurgical recoveries and net smelter returns are assumed to be 100%.

[2] Widths reported are drill widths, such that the true thicknesses are unknown.

[3] All assay intervals represent length weighted averages.

[4] Some figures may not sum exactly due to rounding.

DUKE Project Agreement

In November, 2016, the Company entered into a purchase agreement with a private company owned by director Robert A. Dickinson to purchase 100% of the DUKE property (16 mineral claims) at the vendor's direct acquisition costs of $168,996.

There are no royalties associated with the DUKE property.

The JOY Project (comprising the JOY and PINE Properties and the Staked Claims)

The JOY Project comprises the JOY and PINE properties and also the Staked Claims acquired directly by Amarc. In 2016, the Company acquired 100% of the JOY property in the northern portion of the Project. In addition, Amarc concluded agreements with each of Gold Fields Toodoggone Exploration Corporation ("GFTEC") and Cascadero Copper Corporation ("Cascadero") in mid-2017 which provide that Amarc can purchase 100% of the PINE property. Further to the deal with GFTEC and Cascadero being concluded Hudbay and Amarc agreed to include both the PINE property and the Staked Claims into the JOY Project.

The JOY Project is located 310 km north-northwest of Mackenzie in an area of moderate topography in the Kemess District of north-central BC, which is one of BC's best areas for the discovery of precious metals-rich porphyry deposits. Seasonal roads cross the PINE property claims (southern part of the JOY Project), accessing the Pine deposit, and by road from the Brenda porphyry copper deposit, which come within approximately 0.5 km of the JOY Project. The JOY Project is also accessed by helicopter from staging, or from the Kemess mine site located 25 km due south. Power also extends to the Kemess mine site and its 300-person camp.

The Kemess District is well-known to Amarc's technical team, as Hunter Dickinson Inc. , with which Amarc is associated, is credited as the first company to recognize its true porphyry potential – acquiring both the early-stage Kemess South and Kemess North prospects into their operated company, El Condor Resources, and developing them into significant porphyry copper-gold deposits before that company was taken over. Northgate Minerals went on to produce 3 million ounces of gold and 780 million pounds of copper over a 12-year period to 2010[4] (Kemess South). More recently in January 2018, Centerra Gold Inc. concluded the purchase of the Kemess Project from former owner Aurico Metals for $310 million thereby acquiring the Kemess Underground Project, the Kemess East Deposit and the former Kemess South Mine infrastructure[5] – news that only added to the impetus of the growing mineral exploration and discovery interest in this prodigious region. The advanced stage Kemess Underground Project has received its Environmental Assessment approval and concluded an IBA, in addition to which positive results from a Preliminary Economic Assessment were announced for Kemess East in 2017. Further, exploration drilling at the Kemess East Deposit returned intercepts such as 628 m grading 0.53 g/t Au and 0.41% Cu.

[4] MINFILE Number 094E 094, MINFILE Production Detail Report, BC Geological Survey, Ministry of Energy and Mines, BC.

[5] Centerra Gold Inc. news release January 8, 2018.

Amarc considers the JOY Project to represent the northern extension to the prolific Kemess porphyry gold-copper district. Highly favorable geology, surface geochemical sampling, along with the drilling of 136 hole by past operators, has resulted in narrowing the exploration focus to a number of important-scale, gold-copper deposit targets. One prime target area, the PINE Deposit is the subject of historical resource estimates that are not categorized as prescribed by National Instrument 43-101.

The 2017 programs at JOY included 50 km^2 of geological mapping, collection of 638 surface geochemical samples, completion of 49 line-km of ground IP and 470 line-km of airborne geophysical surveys along with drilling of 1,527 m in three core holes focused on the JOY property. This drilling tested a coincident IP geophysical and geochemical target on the JOY property claims. The three exploration holes returned strongly anomalous results in gold and zinc over significant intervals, hosted mainly within highly altered quartz monzonite intrusive and volcanic rocks. These results are comparable to those from two historical holes drilled by a previous operator some 2 km to the east on the adjoining PINE property claims. Taken together these long intervals of highly altered and anomalous core may represent a classic rock alteration style typically found flanking porphyry copper-gold deposits.

As work progressed in 2017, Amarc recognized the high potential for major gold-copper deposit discoveries on the PINE property claims. Notably, over 10 incompletely tested or untested multiple magnetic, geochemical and IP compelling porphyry gold-copper deposit targets occur in a prominent, 20 km long, northeast trending structural belt located 1.5 km south of Amarc's 2017 drilling. Amarc has identified this compelling target trend as the Finlay Magnetic Corridor, which also hosts the historical Pine porphyry gold-copper deposit (see new corporate presentation at www.amarcresources.com). As such the Company successfully concluded option agreements with GFTEC and Cascadero to acquire the PINE property claims.

Hudbay, Amarc's partner at JOY, has confirmed 2018 funding of $3.15 million of which $1.15 million will be paid to Amarc towards its PINE property acquisition costs and $2 million is to advance the JOY Project. Amarc will be the Operator. Extensive field work is underway for 2018 including an airborne magnetics survey and systematic IP, geochemical and geological surveys over the more than 10 deposit-scale targets already identified within and adjacent to the Finlay Magnetic Corridor. Drilling is expected to follow, targeting sulphide systems delineated by the IP surveys for major gold-copper deposits. Permits from the provincial government for the current 2018 exploration activities are in hand.

JOY Project Agreements

The mineral claims comprising the Staked Claims were staked and are owned 100% by Amarc. The property acquisition agreements relating to the JOY Project, and also the JOY and PINE property claims are outlined below.

JOY Property Agreement

In November, 2016, the Company entered into a purchase agreement with a private company owned by director Robert A. Dickinson to purchase 100% of the JOY property claims (15 mineral claims) at the vendor's direct acquisition costs of $335,299, which included required claim assessment work filings.

The property is subject to an underlying NSR royalty to a former owner from production which is capped at $3.5 million.

JOY Project Agreement with Hudbay

On August 22, 2017 Amarc announced it had entered into a Mineral Property Farm-In Agreement (the "Agreement") with Hudbay, pursuant to which Hudbay may acquire, through a staged investment process, up to a 60% ownership in the JOY Project.

Under the terms of the Agreement Hudbay can earn an initial 49% interest in the JOY Project under a Stage 1 Farm-in Right by funding $15 million of expenditures before December 31, 2020, of which $1.9 million was committed for 2017 and $2 million is committed for 2018.

When its Stage 1 Farm-in Right is exercised, Hudbay can, pursuant to a Stage 2 Farm-in Right, earn an additional 1% ownership interest in the JOY Project (for a total 50% ownership interest) by funding $5 million of expenditures (for a total of $20 million) also before December 31, 2020.

Stage 1 and Stage 2 Farm-in expenditures can be accelerated by Hudbay at its discretion. Amarc will be the operator during the Stage 1 and Stage 2 periods. A Joint Venture ("JV") will be formed when Hudbay has acquired a 49% interest in the JOY Project.

Provided that Hudbay has exercised the Stage 2 Farm-in Right and acquired a 50% interest, it can then elect to go forward via one of two paths.

First, Hudbay can replace Amarc as operator of the JV after it funds all project expenditures and completes a Feasibility Study for the JOY Project by December 31, 2025. Having gained operatorship, Hudbay can then choose to either go forward with Amarc in a 50/50 participating JV or Hudbay can instead elect to continue with its Farm-in (the "Stage 3 Farm-in Right") to acquire an additional 10% interest in the JOY Project (for a total 60% ownership interest). To exercise its Stage 3 Farm-in Right, Hudbay must fund all expenditures required to submit a British Columbia environmental assessment ("EA") application for the JOY Project and, if applicable, a Canadian EA application, with the application(s) being accepted for review by December 31, 2026. In addition, Hudbay must also continue to fund all approved project expenditures until all necessary EA Certificates are received. Following receipt of the EA Certificate(s), all approved JOY Project expenditures going forward will be shared by Hudbay and Amarc on a pro rata basis (Hudbay 60%/Amarc 40%) under the JV.

As a second alternative path, after exercising its Stage 2 Farm-in Right Hudbay can elect to proceed directly to the Stage 3 Farm-in Right, so immediately becoming the operator, and acquire a further 10% interest (for a total 60% ownership interest) by, like above, submitting a British Columbia EA application and, if applicable, a Canadian EA application by December 31, 2026. Again, in this instance, Hudbay must also fund all project expenditures until receipt of the necessary EA

Certificate(s). Following receipt of project approvals from government, all approved JOY Project expenditures going forward will be shared by Hudbay and Amarc on a pro rata basis (Hudbay 60%/Amarc 40%) under the JV.

Hudbay has a one-time right to defer either of its 2019 or 2020 expenditures in the Stage 1 or Stage 2 Farm-in periods, for a one-year period, subject to certain conditions. If this deferral occurs, Amarc will have a "co-expenditure right", whereby it can incur and fund approved additional expenditures on the JOY Project up to the amount of the deferred expenditures. Hudbay may elect to reimburse Amarc for these additional expenditures, thereby retaining its interest in the Project. Under either alternative path, if Hudbay does not submit the EA application(s) by December 31, 2026, then Amarc will become operator again.

In January, 2018 the Company amended the Agreement with Hudbay to extend the Stage 1 Farm-in Right period by one year to December 31, 2021. The partners have also agreed to include Amarc's recently acquired PINE claims and the Staked Claims into the JOY Project.

PINE Property Agreements

In August, 2017 Amarc announced that it had concluded option agreements with each of GFTEC and Cascadero which enable Amarc to purchase 100% of the 323 km^2 PINE property claims (the "Property").

Agreement with Gold Fields

Amarc's wholly-owned subsidiary ("Amarc Subco") has entered into an option agreement with GFTEC (the "GFTEC Agreement") pursuant to which Amarc Subco obtained the option (the "Option") to acquire all of GFTEC's 51% interest in the Property.

Amarc Subco can exercise the Option at any time within four years from the date of the GFTEC Agreement (the "Option Period") by completing the public listing of Amarc Subco on the TSX Venture Exchange and issuing to GFTEC securities in the capital of that Company so that GFTEC holds 15% of the shares and 15% of any warrants on issue (on a fully diluted basis) following completion of the listing. GFTEC has the right to maintain its 15% pro rata interest through participation in future fundraisings and other share issuances.

To maintain the right to exercise the Option at any time over up to the four-year Option Period, Amarc must conduct in stages, up to a total of $2.75 million of exploration expenditures on the Project. But no expenditures are required after the Option to acquire GFTEC's 51% interest is exercised.

GFTEC will retain a 2.5% net profits interest royalty ("NPI") on mineral claims comprising about 96% of the Property which are subject to a net smelter return royalty payable to a former owner ("Underlying NSR") and a 1% net smelter returns royalty ("NSR") on the balance of the claims that are not subject to the Underlying NSR. The NPI can be reduced to 1.25% at any time through the payment to GFTEC of $2.5 million in cash or shares. The NSR can be reduced to 0.50% through the payment to GFTEC of $2.5 million in cash or shares. If Amarc Subco does not exercise the Option or terminates the GFTEC Agreement at any time during the four years Option Period, then Amarc Subco may be required to make a termination payment to GFTEC. The level of termination payment, if any, varies with the year of termination and the amount of any exploration expenditures completed; varying over the four-year option from a low of no payment to an absolute maximum of $1,375,000 in the event no exploration work was done by Amarc.

Agreement with Cascadero

Amarc has also entered into an option agreement (the "Cascadero Agreement") with Cascadero pursuant to which Amarc was granted an option (the "Cascadero Option") to acquire all of Cascadero's 49% interest in the Property. In order to exercise the Cascadero Option, Amarc is required to make staged cash payments to Cascadero in the aggregate amount of $1 million before October 31, 2018, and issue on a staged basis common shares in its capital to Cascadero having an aggregate value equal to $950,000 at a minimum per share value of 18 cents before October 31, 2018. In lieu of issuing any common shares, Amarc may elect to pay to Cascadero the value of the shares in cash.

The PINE property is subject to a 3% Underlying NSR royalty payable to a former owner. Amarc has reached an agreement with the former owner to cap the 3% NSR at $5 million payable from production for consideration totaling $100,000 and 300,000 Amarc shares, payable in stages through to January 31, 2019 (the "Capped Royalty Agreement").

The GFTEC Agreement, Cascadero Agreement and Capped Royalty Agreement were subject to TSX Venture Exchange approval which has been received.

Other Properties

Amarc's focus with respect to its Newton and Galileo projects is to work towards venturing them out to third parties to further advance exploration.

Galileo – Blackwater District Property

Amarc owns a 100% interest in the Galileo property, which is located within the Blackwater district, approximately 75 km southwest of Vanderhoof, BC, and 176 km southwest of northern BC's regional hub city of Prince George. The area is characterized by subdued topography and is well served by existing transportation and power infrastructure and a skilled workforce, which supports an active exploration and mining industry.

The Company has completed an approximately 5,120 line-km of helicopter-borne, magnetic and electromagnetic geophysical survey over certain properties in the Blackwater district, from which epithermal gold-silver and porphyry gold-copper-type targets were identified for ground evaluation. At Galileo the results of more than 230 line-km of IP ground geophysical surveys, combined with information from soil geochemical surveys and prospecting have identified four principle target areas with the potential to represent important sulphide systems for drill testing.

The Galileo property is located approximately 35 kilometres from New Gold's Blackwater gold deposit (Proven and Probable Reserves of 344.4 million tonnes at an average grade of 0.74 g/t gold containing 8.2 million gold ounces, and 5.5 g/t silver containing 60.8 million silver ounces; New Gold news release December 12, 2013).

Amarc has undertaken consultation with local First Nations. All parties worked together in a diligent manner in order to develop a positive working relationship.

The Newton Property

Amarc made a drill discovery at its 100% owned Newton bulk-tonnage gold-silver project in late 2009 and subsequently conducted exploration and delineation drilling at the deposit until June 2012.

An initial mineral resource estimate announced in September 2012, based on 24,513 m of core drilling in 78 holes completed up to June 30, 2012, confirms that Newton is a significant bulk tonnage gold discovery that remains open to further expansion. At a 0.25 g/t gold cut-off, Inferred Mineral Resources comprise 111.5 million tonnes grading 0.44 g/t gold and 2.1 g/t silver, containing 1.6 million ounces of gold and 7.7 million ounces of silver.

Inferred Mineral Resources at various cut-off grades are summarized in the table below.

NEWTON GOLD PROJECT – INFERRED MINERAL RESOURCES

Cut-Off Grade	Size	Grade		Contained Metal	
(g/t Au)	Tonnage (000 t)	Gold (g/t)	Silver (g/t)	Gold (000 oz)	Silver (000 oz)
0.20	147,069	0.38	1.9	1,818	8,833
0.25	111,460	0.44	2.1	1,571	7,694
0.30	85,239	0.49	2.4	1,334	6,495
0.35	65,384	0.54	2.7	1,130	5,635
0.40	49,502	0.59	2.9	938	4,596

Notes:
1. CIM definitions were followed for this mineral resource estimate. An "Inferred Mineral Resource" is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.
2. Inferred Mineral Resources were estimated using a long-term gold price of US$1,750 per ounce, a long-term silver price of US$25 per ounce, and a US$/C$ 1.00 exchange rate.
3. Bulk density is 2.71 tonnes per cubic metre.
4. Numbers may not add due to rounding.
5. The Effective Date of the Mineral Resource is July 4, 2012; the Effective Date being defined as the date when Roscoe Postle Associates Inc. was in receipt of full data which informed the resource.

The Newton Inferred Mineral Resources was prepared using geostatistical methods by technical staff at HDI and audited by geological and mining consultants at Roscoe Postle Associates Inc. under the direction of Reno Pressacco, P. Geo., an independent Qualified Person. Sample preparation and analysis of drill core samples from Newton were completed at the ISO 9001:2008 accredited and ISO-IEC 17025:2005 accredited Acme Analytical Laboratories (Vancouver) Ltd. A technical report providing further details of the estimate has been filed on www.sedar.com.

The current Newton resource extends over an area of approximately 800 m by 800 m and to a depth of 560 m, and is open to expansion to the northwest, west and to depth. It is located within the southeast segment of an extensive seven square kilometre sulphide system that is characterized by widespread gold enrichment indicating good potential for the development of substantial additional resources. This large, fertile mineral system extends well beyond the limits of the current resource and is largely concealed under shallow cover.

Newton exhibits key characteristics that typify significant hydrothermal gold deposits. The deposit lies within a large, gold-enriched epithermal system that formed approximately 72 million years ago contemporaneously with felsic volcanic and intrusive rocks, which were emplaced into a structurally-active graben environment. Gold, silver and associated base metal mineralization was precipitated with extensive zones of strong quartz-sericite alteration. The alteration types, metal associations and geological setting at Newton are nearly identical to those which characterize several major intrusion-related epithermal gold deposits in BC – including the important Blackwater-Davidson, and Snowfields deposits.

Exploration and resource expansion potential are clearly indicated at Newton by the large scale of the hydrothermal system, the structurally- and magmatically-active nature of the geological setting at the time of mineralization, the intensity of the hydrothermal alteration and the strong, widespread metal anomalies that have been confirmed by widely-spaced wildcat drilling. In addition, the Newton deposit occupies only one portion of an extensive IP geophysics chargeability anomaly. It is important to note that, beyond the currently delineated Newton resource, anomalous concentrations of metals have been intersected in almost all exploration holes drilled on the property. Large portions of the system remain untested or have been tested only by widely-spaced reconnaissance drilling.

Amarc's Newton property is located some 100 km west of the City of Williams Lake, BC, in a region characterized by gently rolling hills and other characteristics favorable for project development. The district is well served by existing transportation and power infrastructure and a skilled workforce, which support a number of operating mines, as well as late-stage mineral development and exploration projects.

Amarc has undertaken significant consultation with local First Nations. All parties worked together in a diligent manner in order to develop a positive and respectful working relationship with respect to the Newton property

Newton Property Agreement

Amarc holds a 100% interest in the Newton Property. Newton Gold Corp. holds a 5% net profits interest royalty. In addition, the mineral claims defined in an underlying agreement are subject to a 2% NSR royalty, which royalty may be purchased by Amarc for $2 million at any time. Advance NSR royalty payments of $25,000 per annum commenced on January 1, 2011.

Corporate Update

Subsequent to March 31, 2018, Jeffrey Mason resigned as a director of the Company.

Market Trends

Average annual prices for copper, molybdenum, gold and silver during last 5 years are shown in the following table:

	Average metal price (US$)			
Calendar year	Copper	Molybdenum	Gold	Silver
2013	3.34/lb	10.40/lb	1,397/oz	23.82/oz
2014	3.11/lb	11.59/lb	1,264/oz	19.09/oz
2015	2.50/lb	6.73/lb	1,160/oz	15.69/oz
2016	2.21/lb	6.56/lb	1,251/oz	17.14/oz
2017	2.88/lb	7.26/lb	1,275/oz	17.01/oz
2018 (to the date of this document)	3.10/lb	11.65/lb	1,308/oz	16.54/oz

1.3 SELECTED ANNUAL INFORMATION

The following information is derived from the Company's annual financial statements which have been prepared in accordance with IFRS as issued by the IASB effective for the respective reporting years of the Company and are expressed in Canadian Dollars. The Company's audited financial statements are publicly available on SEDAR at www.sedar.com.

($ 000's, except loss per share)		2018		2017		2016
Total assets	$	3,625	$	1,112	$	1,096
Non-current liabilities	$	764	$	940	$	235
Net loss for the year	$	2,072	$	1,043	$	1,119
Basic and diluted loss per common share	$	0.01	$	0.01	$	0.01

1.4 SUMMARY OF QUARTERLY RESULTS

These amounts are expressed in thousands of Canadian Dollars, except per share amounts. Minor differences are due to rounding.

	Fiscal Quarter Ended							
($ 000's)	Mar 31, 2018	Dec 31, 2017	Sep 30, 2017	Jun 30, 2017	Mar 31, 2017	Dec 31, 2016	Sep 30, 2016	Jun 30, 2016
Net (income) loss	$ 283	$ 1,068	$ (67)	$ 788	$ 126	$ 651	$ 148	$ 118
Basic and diluted (income) loss per share	$ 0.00	$ 0.01	$ (0.00)	$ 0.01	$ 0.00	$ 0.00	$ 0.00	$ 0.00

The variations in net results over the fiscal quarters presented above were caused be the Company's mineral exploration and evaluation activities, which typically ramp-up in the summer during the 3rd calendar quarters. See the following section of the MD&A for additional discussions.

1.5 RESULTS OF OPERATIONS

The Company recorded an increase in net loss of $1,029,000, from a net loss of $1,043,000 during the year ended March 31, 2017 to a net loss of $2,072,000 during the year ended March 31, 2018, due in large part to increased exploration and evaluation activities at the Company's properties.

The following table provides changes in expenditures and cost recoveries in the current periods presented compared to the prior periods:

Expenditures/recoveries		Year ended March 31, 2018		Year ended March 31, 2017
Increase in exploration and evaluation expenditures	$	3,808,000	$	766,000
Increase (Decrease) in administrative expenditures		320,000		(556,000)
Increase in cost recoveries		3,311,000		479,000

The above noted changes in the level of expenditures and cost recoveries in the current periods presented compared to the prior periods are commensurate with the increase in the Company's operating and financing activities as discussed herein.

A breakdown of the Company's exploration and evaluation expenses for the year ended March 31, 2018 is as follows:

	IKE	JOY	DUKE	Other	Total
Assays and analysis	$ 115,547	$ 101,521	$ 28,415	$ (21,250)	$ 224,233
Drilling	538,475	215,024	446,429	–	1,199,928
Equipment rental	34,100	20,739	18,790	–	73,629
Geological	808,037	518,365	168,453	14,000	1,508,855
Helicopter and fuel	965,992	553,037	–	–	1,519,029
Property costs and assessments	71,729	1,427,000	5,672	49,200	1,553,601
Site activities	384,257	344,248	177,466	–	905,971
Socioeconomic	46,235	170,494	93,547	113	310,389
Travel and accommodation	51,227	17,324	17,730	–	86,281
Total	$ 3,015,599	$ 3,367,752	$ 956,502	$ 42,063	$ 7,381,916

Refer to 1.2 Overview for inclusion of the PINE property into the JOY Project.

The Company's mineral exploration and evaluation activities presented above were concentrated in the second quarter of the year. During the year ended March 31, 2017, exploration and evaluation expenses primarily related to the Company's IKE project.

During the current year, the IKE Project and the JOY Project exploration and evaluation activities were funded primarily by Hudbay; accordingly, the Company recorded cost recoveries related to the IKE Project and the JOY Project of $3,245,000 and $2,952,000, respectively, representing such funding.

A breakdown of the Company's exploration and evaluation expenses for the three months ended March 31, 2018 is as follows:

	IKE	JOY	DUKE	Other	Total
Assays and analysis	$ 5,097	$ 34,948	$ 2,720	$ (6,250)	$ 36,515
Drilling	–	–	268,921	–	268,921
Equipment rental	482	481	6,262	–	7,225
Geological	42,373	44,028	72,071	1,575	160,047
Helicopter and fuel	–	–	–	–	–
Property costs and assessments	21,531	627,000	–	–	648,531
Site activities	3,482	20,244	81,061	–	104,787
Socioeconomic	12,126	37,904	38,083	–	88,113
Travel and accommodation	56	125	6,433	–	6,614
Total	$ 85,147	$ 764,730	$ 475,551	$ (4,675)	$ 1,320,753

During the fourth quarter of the prior year, the Company incurred $471,000 in exploration and evaluation expenses primarily focused on the IKE Project.

The Financial Statements provide a breakdown of the Company's general and administration expenses for the year. The Company's general and administration expenses for the fourth quarter were as follows:

	Fourth Quarter ending March 31,	
General and Administration Expenses	**2018**	**2017**
Legal, accounting and audit	$ 21,000	$ 1,000
Office and administration(i)	144,000	158,000
Shareholder communication	33,000	8,000
Travel and accommodation	11,000	11,000
Trust and regulatory	13,000	7,000
Total	$ 222,000	$ 185,000

(i) Office and administration expenses for the quarter include salaries and benefits of $124,000 (fourth quarter of the prior year: $144,000)

1.6 LIQUIDITY

Historically, the Company's sole source of funding has been provided from the issuance of equity securities for cash, primarily through private placements to sophisticated investors and institutions, and from director loans. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding to finance the Company's ongoing

At March 31, 2018, the Company had a cash balance of $3,308,000 and working capital of approximately $1,836,000. The Company plans its cash spending based on availability of funds.

In September 2017, the Company announced a private placement financing, issuing 13,045,500 Common Shares at a price of $0.20 per Common Share for gross proceeds of $2,609,100, and incurred share issuance costs of $127,800 for net proceeds of $2,481,300.

Further advancement and development of the Company's mineral property interests will require additional funding from a combination of the Company's shareholders, existing or potential new partners, and debt financing. As the Company is currently in the exploration stage, it does not have any revenues from operations. Therefore, the Company relies on funding from its partners for its continuing financial liquidity and the Company relies on the equity market and debt financing as sources of funding. The Company continues to focus on preserving its cash resources while maintaining its operational activities.

The Company does not have any material capital lease obligations, purchase obligations or any other long-term obligations.

1.7 CAPITAL RESOURCES

The Company has no lines of credit or other sources of financing which have been arranged or utilized.

The Company has no "Purchase Obligations" defined as any agreement to purchase goods or services that is enforceable and legally binding on the Company that specifies all significant terms, including: fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transaction.

1.8 OFF-BALANCE SHEET ARRANGEMENTS

None.

1.9 TRANSACTIONS WITH RELATED PARTIES

The required quantitative disclosure is provided in the Financial Statements, which are publicly available on SEDAR at www.sedar.com.

Hunter Dickinson Inc.

Hunter Dickinson Inc. ("HDI") and its wholly owned subsidiary Hunter Dickinson Services Inc. ("HDSI") are private companies established by a group of mining professionals engaged in advancing mineral properties for a number of publicly-listed exploration companies, one of which is the Company.

The Company has 2 directors in common with HDSI, namely: Robert Dickinson and Ronald Thiessen. Also, the Company's President and Director, Chief Financial Officer, and Corporate Secretary are employees of HDSI and work for the Company under an employee secondment arrangement between the Company and HDSI.

Pursuant to an agreement dated July 2, 2010, HDSI provides technical, geological, corporate communications, regulatory compliance, and administrative and management services to the

Company, on a non-exclusive basis as needed and as requested by the Company. As a result of this relationship, the Company has ready access to a range of diverse and specialized expertise on a regular basis, without having to engage or hire full-time employees or experts. The Company benefits from the economies of scale created by HDSI which itself serves several clients.

The Company is not obligated to acquire any minimum amount of services from HDSI. The monetary amount of the services received from HDSI in a given period of time is a function of annually set and agreed charge-out rates for and the time spent by each HDSI employee engaged by the Company.

HDSI also incurs third-party costs on behalf of the Company. Such third party costs include, for example, directors and officers insurance, travel, conferences, and communication services. Third-party costs are billed at cost, without markup.

There are no ongoing contractual or other commitments resulting from the Company's transactions with HDSI, other than the payment for services already rendered and billed. The agreement may be terminated upon 60 days' notice by either the Company or HDSI.

The details of transactions with HDSI and the balance due to HDSI as a result of such transactions are provided in the Financial Statements, along with the details of borrowings from Mr. Dickinson.

United Mineral Services Ltd.

United Mineral Services Ltd. ("UMS") is a privately held company wholly-owned by one of the Company's directors. UMS is engaged in the acquisition and exploration of mineral property interests. UMS incur third party expenses on behalf of the Company.

Details of transactions with UMS and the balance due to UMS as a result of such transactions are provided in the Financial Statements.

1.10 FOURTH QUARTER

See 1.5 Results of Operations above.

1.11 PROPOSED TRANSACTIONS

Except as discussed in this MD&A, there are no proposed transactions requiring disclosure under this section.

1.12 CRITICAL ACCOUNTING ESTIMATES

Not required. The Company is a venture issuer.

1.13 CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

There were no changes in accounting policies or new accounting policies adopted during the period covered by this MD&A.

1.14 FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The carrying amounts of cash, amounts receivable, available-for-sale marketable securities, accounts payable and accrued liabilities, balance due to a related party, and loan payable to director approximate their fair values due to their short-term nature.

1.15 OTHER MD&A REQUIREMENTS

Additional information relating to the Company is available on SEDAR at www.sedar.com.

1.15.1 ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

(a)	capitalized or expensed exploration and development costs	See 1.5 Results of Operations above.
(b)	expensed research and development costs	Not applicable.
(c)	deferred development costs	Not applicable.
(d)	general and administration expenses	See 1.5 Results of Operations above.
(e)	any material costs, whether capitalized, deferred or expensed, not referred to in (a) through (d)	None.

1.15.2 DISCLOSURE OF OUTSTANDING SHARE DATA

The following table details the share capital structure as of the date of this MD&A:

	Number
Common shares	168,786,227
Share purchase warrants	5,000,000

1.15.3 DISCLOSURE CONTROLS AND PROCEDURES

The Company has disclosure controls and procedures in place to provide reasonable assurance that any information required to be disclosed by the Company under securities legislation is recorded, processed, summarized and reported within the appropriate time periods and that required information is accumulated and communicated to the Company's management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, so that decisions can be made about the timely disclosure of that information.

1.15.4 INTERNAL CONTROLS OVER FINANCIAL REPORTING PROCEDURES

The Company's management, including the Chief Executive Officer and the Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision of the Chief Executive Officer and Chief Financial Officer, the Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

There has been no change in the design of the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting during the period covered by this Management's Discussion and Analysis.

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of March 31, 2018. In making the assessment, it used the criteria set forth in the Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on their assessment, management has concluded that, as at March 31, 2018, the Company's internal control over financial reporting was effective based on those criteria.

1.15.5 LIMITATIONS OF CONTROLS AND PROCEDURES

The Company's management, including its Chief Executive Officer and Chief Financial Officer, believe that any system of disclosure controls and procedures or internal control over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Furthermore, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty and breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

1.16 RISK FACTORS

The risk factors associated with the principal business of the Company are discussed below. Briefly, these include the highly speculative nature of the mining industry characterized by the requirement for large capital investment from an early stage and a very small probability of finding economic mineral deposits. In addition to the general risks of mining, there are country-specific risks associated with operations, including political, social, and legal risk.

Due to the nature of the Company's business and the present stage of exploration and development of its projects, the Company may be subject to significant risks. Readers should carefully consider all such risks set out in the discussion below. The Company's actual exploration and operating results may be very different from those expected as at the date of this MD&A.

Exploration and Mining Risks

Resource exploration, development, and operations are highly speculative, characterized by a number of significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. Few properties that are explored are ultimately developed into producing mines. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the operation of mines and the conduct of exploration programs. The Company will rely on consultants and others for exploration, development, construction and operating expertise. Substantial expenditures are required to establish mineral resources and mineral reserves through drilling, to develop metallurgical processes to extract the metal from mineral resources, and in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining.

No assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are:

- the particular attributes of the deposit, such as size, grade and proximity to infrastructure;
- metal prices, which may be volatile, and are highly cyclical; and
- government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection.

The exact effect of these factors cannot accurately be predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

The Company will carefully evaluate the political and economic environment in considering any properties for acquisition. There can be no assurance that additional significant restrictions will not be placed on the Company's projects and any other properties the Company may acquire, or its operations. Such restrictions may have a material adverse effect on the Company's business and results of operation.

First Nations

Our properties are located within First Nations asserted traditional territories, and the exploration and development of these properties may affect, or be perceived to affect, asserted aboriginal rights and title, which has the potential to manifest permitting delays or opposition by First Nations communities.

The Company is working to establish positive relationships with First Nations. As part of this process the Company may enter into agreements commensurate with the stage of activity, with First Nations in relation to current and future exploration and any potential future production. This could reduce expected earnings.

Future Profits/Losses and Production Revenues/Expenses

The Company has no history of operations and expects that its losses will continue for the foreseeable future. No deposit that has been shown to be economic has yet been found on the Company's projects. There can be no assurance that the Company will be able to acquire any additional properties. There can be no assurance that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years as needed consultants, personnel and equipment associated with advancing exploration, development and commercial production of the Company's projects and any other properties the Company may acquire, are added. The amounts and timing of expenditures will depend on:

- the progress of ongoing exploration and development;
- the results of consultants' analyses and recommendations;
- the rate at which operating losses are incurred;
- the execution of any joint venture agreements with strategic partners; and
- the acquisition of additional properties and other factors, many of which are beyond the Company's control.

The Company does not expect to receive revenues from operations in the foreseeable future, if at all. The Company expects to incur losses unless and until such time as the projects the Company advances, or any other properties the Company may acquire, enter into commercial production and generate sufficient revenues to fund its continuing operations.

The development of mineral properties will require the commitment of substantial resources to conduct the time-consuming exploration and development of the properties. There can be no assurance that the Company will generate any revenues or achieve profitability. There can be no assurance that the underlying assumed levels of expenses will prove to be accurate.

Additional Funding Requirements

The Company has limited working capital as at the current reporting date.

Further exploration on, and development of, the Company's projects will require additional resources and funding. The Company currently does not have sufficient funds to fully develop these projects.

In addition, a positive production decision, if achieved, would require significant funding for project engineering and construction. Accordingly, the continuing development of the Company's properties will depend upon the Company's ability to obtain financing through debt financing, equity financing, the joint venturing of projects, or other means.

There is no assurance that the Company will be successful in obtaining the required financing for these or other purposes, including for general working capital.

Competitors in the Mining Industry

The mining industry is competitive in all of its phases, including financing, technical resources, personnel and property acquisition. It requires significant capital, technical resources, personnel and operational experience to effectively compete in the mining industry. Because of the high costs associated with exploration, the expertise required to analyze a project's potential and the capital required to develop a mine, larger companies with significant resources may have a competitive advantage over Amarc. Amarc faces strong competition from other mining companies, some with greater financial resources, operational experience and technical capabilities than those that Amarc possesses. As a result of this competition, Amarc may be unable to maintain or acquire financing, personnel, technical resources or attractive mining properties on terms Amarc considers acceptable or at all.

Risks That Are Not Insurable

Hazards such as unusual or unexpected geological formations and other conditions are involved in mineral exploration and development. Amarc may become subject to liability for pollution, cave-ins or hazards against which it cannot insure. The payment of such liabilities could result in increases in Amarc's operating expenses which could, in turn, have a material adverse effect on Amarc's financial position and its results of operations. Although Amarc maintains liability insurance in an amount which it considers adequate, the nature of these risks is such that the liabilities might exceed policy limits, the liabilities and hazards might not be insurable against, or Amarc might elect not to insure itself against such liabilities due to high premium costs or other reasons. In these events, Amarc could incur significant liabilities and costs that could materially increase Amarc's operating expenses.

Environmental Matters

All of the Company's operations will be subject to environmental regulations, which can make operations more expensive or potentially prohibit them altogether.

The Company may be subject to the risks and liabilities associated with potential pollution of the environment and the disposal of waste products that could occur as a result of its activities.

To the extent the Company is subject to environmental liabilities, the payment of such liabilities or the costs that it may incur to remedy environmental pollution would reduce funds otherwise available to it and could have a material adverse effect on the Company. If the Company is unable to fully remedy an environmental problem, it might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy. The potential exposure may be significant and could have a material adverse effect on the Company.

All of the Company's activities are or will be subject to regulation under one or more environmental laws and regulations. Many of the regulations require the Company to obtain permits for its activities. The Company must update and review its permits from time to time, and is subject to environmental impact analyses and public review processes prior to approval of the additional activities. It is possible that future changes in applicable laws, regulations and permits or changes in their enforcement or regulatory interpretation could have a significant impact on some portion of the Company's business, causing those activities to become economically unattractive at that time.

Market for Securities and Volatility of Share Price

There can be no assurance that an active trading market in the Company's securities will be established or sustained. The market price for the Company's securities is subject to wide fluctuations. Factors such as announcements of exploration results, as well as market conditions in the industry, may have a significant adverse impact on the market price of the securities of the Company. Shares of the Company are suitable only for those who can afford to lose their entire investment. The stock market has from time to time experienced extreme price and volume fluctuations, which have often been unrelated to the operating performance of particular companies.

Conflicts of Interest

Certain of the Company's directors and officers may serve as directors or officers of other companies or companies providing services to the Company or they may have significant shareholdings in other companies. Situations may arise where these directors and/or officers of the Company may be in competition with the Company. Any conflicts of interest will be subject to and governed by the law applicable to directors' and officers' conflicts of interest. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

Payment of Dividends Unlikely

There is no assurance that the Company will pay dividends on its shares in the near future. The Company will likely require all its funds to further the development of its business.

Lack of Revenues; History of Operating Losses

The Company does not have any operational history or earnings and has incurred net losses and negative cash flow from its operations since incorporation. Although the Company will hope to eventually generate revenues, significant operating losses are to be anticipated for at least the next several years and possibly longer. To the extent that such expenses do not result in the creation of appropriate revenues, the Company's business may be materially adversely affected. It is not possible to forecast how the business of the Company will develop.

General Economic Conditions

Market conditions and unexpected volatility or illiquidity in financial markets may adversely affect the prospects of the Company and the value of its shares.

Reliance on Key Personnel

The Company will be dependent on the continued services of its senior management team, and its ability to retain other key personnel. The loss of such key personnel could have a material adverse effect on the Company. There can be no assurance that any of the Company's employees will remain with the Company or that, in the future, the employees will not organize competitive businesses or accept employment with companies competitive with the Company.

Furthermore, as part of the Company's growth strategy, it must continue to hire highly qualified individuals. There can be no assurance that the Company will be able to attract, assimilate or retain qualified personnel in the future, which would adversely affect its business.

Changes in Federal and Provincial Government Rules, Regulations or Agreements, or Their Application, May Negatively Affect the Company’s Ownership Rights, Its Access to or Its Ability to Advance the Exploration and Development of its Mineral Properties

The federal and provincial governments currently have in place or may in the future implement laws, regulations, policies or agreements that may negatively affect the Company’s ownership rights with respect to its mineral properties or its access to the properties. These may restrain or block the Company’s ability to advance the exploration and development of its mineral properties or significantly increase the costs and timeframe to advance the properties.