



AMARC RESOURCES LTD.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED
MARCH 31, 2017, 2016 and 2015

(Expressed in Canadian Dollars)

REPORT OF INDEPENDENT REGISTERED CHARTERED PROFESSIONAL ACCOUNTANTS

To the Shareholders of Amarc Resources Ltd.

We have audited the accompanying financial statements of Amarc Resources Ltd., which comprise the statements of financial position as at March 31, 2017 and 2016 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, 2017, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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.

Auditor's Responsibility

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). 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of 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 in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Amarc Resources Ltd. as at March 31, 2017 and 2016 and its financial performance and its cash flows for each of the years in the three year period ended March 31, 2017 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 in the financial statements which indicates that the Company is dependent upon its ability to secure new sources of financing to fund on-going exploration and development objectives. 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.



INDEPENDENT REGISTERED CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada

July 25, 2017

Amarc Resources Ltd.

Statements of Financial Position

(Expressed in Canadian Dollars)

	Note	March 31, 2017	March 31, 2016
ASSETS			
Current assets			
Cash	3	\$ 930,890	\$ 747,408
Amounts receivable and other assets	5	38,891	117,406
Marketable securities		29,468	26,404
		999,249	891,218
Non-current assets			
Restricted cash	4	112,815	205,028
		112,815	205,028
Total assets		\$ 1,112,064	\$ 1,096,246
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	7	\$ 14,841	\$ 22,357
Balances due to a related parties	10(b)	175,337	180,476
Director's loan	8	390,243	1,000,000
		580,421	1,202,833
Non-current liabilities			
Director's loan	8	940,257	234,849
		940,257	234,849
Total liabilities		1,520,678	1,437,682
Shareholders' equity (deficiency)			
Share capital	9	59,559,910	58,967,910
Reserves		5,740,875	5,357,405
Accumulated deficit		(65,709,399)	(64,666,751)
		(408,614)	(341,436)
Total liabilities and shareholders' equity (deficiency)		\$ 1,112,064	\$ 1,096,246

Nature of operations and going concern (note 1)

Event after the reporting period (note 14)

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

/s/ Robert A. Dickinson

/s/ Rene G. Carrier

Robert A. Dickinson
Director

Rene G. Carrier
Director

Amarc Resources Ltd.

Statements of Loss

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

	Note	Year ended March 31,		
		2017	2016	2015
			(note 2(b))	(note 2(b))
Expenses				
Exploration and evaluation	10 & 12	\$ 3,574,342	\$ 2,808,395	\$ 4,158,436
Assays and analysis		123,199	119,460	131,856
Drilling		263,705	746,312	726,685
Equipment rental		24,003	18,806	31,357
Geological		817,983	440,156	921,192
Helicopter		568,658	773,841	947,480
Property option payments and assessments		638,131	153,692	554,398
Property acquisition costs	6(a)	504,295	-	-
Site activities		367,000	202,373	190,708
Socioeconomic		237,781	328,716	504,608
Travel and accommodation		29,587	25,039	150,152
Administration	10 & 12	732,528	1,288,920	1,477,731
Legal, accounting and audit		34,720	83,745	61,450
Office and administration	12(b)	594,734	1,112,622	1,293,768
Shareholder communication		49,244	50,355	67,388
Travel and accommodation		14,316	10,229	22,772
Trust and regulatory		39,514	31,969	32,353
Cost recoveries		(3,581,109)	(3,102,061)	(880,501)
Pursuant to IKE Option Agreement	6(b)	(2,932,597)	(3,067,403)	-
Mineral exploration tax credits		(648,512)	(34,658)	(880,501)
		725,761	995,254	4,755,666
Other items				
Finance income		(8,323)	(10,341)	(38,189)
Transaction costs – director's loans	8	340,016	139,606	203,802
Foreign exchange loss		-	2,183	809
Gain on disposition of marketable securities		(14,806)	(7,923)	(38,064)
Loss		\$ 1,042,648	\$ 1,118,779	\$ 4,884,024
Basic and diluted loss per common share		\$ 0.01	\$ 0.01	\$ 0.04
Weighted average number of common shares outstanding		141,435,020	141,406,301	139,357,212

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

Amarc Resources Ltd.

Statements of Comprehensive Loss

(Expressed in Canadian Dollars)

	Note	Year ended March 31,		
		2017	2016	2015
Loss		\$ 1,042,648	\$ 1,118,779	\$ 4,884,024
Other comprehensive loss (income):				
Items that may be reclassified subsequently to profit and loss:				
Revaluation of marketable securities	2(e)(ii)	(22,870)	25,415	(3,954)
Reallocation of the fair value of marketable securities upon disposition	2(e)(ii)	14,806	8,023	38,517
Total other comprehensive loss		(8,064)	33,438	34,563
Comprehensive loss		\$ 1,034,584	\$ 1,152,217	\$ 4,918,587

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

Amarc Resources Ltd.

Statements of Changes in Equity (Deficiency)

(Expressed in Canadian Dollars, except for share information)

	Note	Share capital		Reserves			Deficit	Total
		Number of shares	Amount	Share-based payments reserve	Investment revaluation reserve	Share warrants reserve		
Balance at April 1, 2014		138,724,061	\$ 58,761,410	\$ 2,202,640	\$ 89,403	\$ 2,811,220	\$ (58,663,948)	\$ 5,200,725
Common shares issued – loan bonus	8	2,500,000	187,500	-	-	-	-	187,500
Common shares issued – property payment	6	100,000	6,500	-	-	-	-	6,500
Total other comprehensive income		-	-	-	(34,563)	-	-	(34,563)
Net loss		-	-	-	-	-	(4,884,024)	(4,884,024)
Balance at March 31, 2015		141,324,061	\$ 58,955,410	\$ 2,202,640	\$ 54,840	\$ 2,811,220	\$ (63,547,972)	\$ 476,138
Balance at April 1, 2015		141,324,061	\$ 58,955,410	\$ 2,202,640	\$ 54,840	\$ 2,811,220	\$ (63,547,972)	\$ 476,138
Common shares issued – property payment	6	100,000	12,500	-	-	-	-	12,500
Issuance of share purchase warrants	9(c)	-	-	-	-	322,143	-	322,143
Total other comprehensive loss		-	-	-	(33,438)	-	-	(33,438)
Net loss		-	-	-	-	-	(1,118,779)	(1,118,779)
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)
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
Total other comprehensive income		-	-	-	8,064	-	-	8,064
Net loss		-	-	-	-	-	(1,042,648)	(1,042,648)
Balance at March 31, 2017		145,424,061	\$ 59,559,910	\$ 2,202,640	\$ 29,466	\$ 3,508,769	\$ (65,709,399)	\$ (408,614)

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

Amarc Resources Ltd.

Statements of Cash Flows

(Expressed in Canadian Dollars)

	Note	Year ended March 31,		
		2017	2016 (note 2(b))	2015 (note 2(b))
Operating activities				
Loss		\$ (1,042,648)	\$ (1,118,779)	\$ (4,884,024)
Adjustments for:				
Finance income		(8,323)	(10,341)	(38,189)
Transaction costs – director's loans		340,016	139,606	203,802
Common shares issued, included in exploration expenses		–	12,500	6,500
Gain on disposition of marketable securities		(14,806)	(7,923)	(38,064)
Changes in working capital items:				
Amounts receivable and other assets		78,515	854,483	(767,442)
Restricted cash		92,213	29,170	(1,532)
Accounts payable and accrued liabilities		(7,515)	(43,942)	30,898
Balances due to related parties		(5,139)	(32,166)	142,703
Net cash (used in) operating activities		(567,687)	(177,392)	(5,345,348)
Investing activities				
Interest received		8,323	10,341	38,189
Proceeds from disposition of marketable securities		19,805	7,923	39,839
Net cash provided by investing activities		28,128	18,264	78,028
Financing activities				
Proceed from director's loans	8	600,000	500,000	1,000,000
Repayment of loans payable to director	8	(100,000)	–	–
Interest paid on director's loans	8	(136,959)	(82,614)	(16,302)
Proceeds from the exercise of warrants		360,000	–	–
Net cash provided by financing activities		723,041	417,386	983,698
Net increase (decrease) in cash		183,482	258,258	(4,283,622)
Cash, beginning balance		747,408	489,150	4,772,772
Cash, ending balance		\$ 930,890	\$ 747,408	\$ 489,150
Supplementary cash flow information:				
Issuance of share purchase warrants pursuant to a loan agreement		\$ 607,406	\$ 322,143	\$ 187,500

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

Amarc Resources Ltd.

Notes to the Financial Statements

For the years ended March 31, 2017, 2016 and 2015

(Expressed in Canadian Dollars, unless otherwise stated)

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 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, 2017, the Company had cash of \$930,890, a working capital surplus, and a shareholders' deficiency.

During the year ended March 31, 2017, the Company received \$3,000,000 from Thompson Creek Metals Company Inc. ("Thompson Creek") under the IKE Option Agreement (note 6(a)) and \$500,000 from a director of the Company as a loan (note 8). After the reporting period, the Company announced it had entered into a Mineral Property Farm-In Agreement with Hudbay Minerals Inc (note 14).

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.

Amarc Resources Ltd.

Notes to the Financial Statements

For the years ended March 31, 2017, 2016 and 2015

(Expressed in Canadian Dollars, 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, 2017.

The Board of Directors of the Company authorized these Financial Statements on July 25, 2017 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.

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.

Amarc Resources Ltd.

Notes to the Financial Statements

For the years ended March 31, 2017, 2016 and 2015

(Expressed in Canadian Dollars, unless otherwise stated)

(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.

Amarc Resources Ltd.

Notes to the Financial Statements

For the years ended March 31, 2017, 2016 and 2015

(Expressed in Canadian Dollars, unless otherwise stated)

Non-derivative financial liabilities

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.

Impairment of financial assets

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.

Amarc Resources Ltd.

Notes to the Financial Statements

For the years ended March 31, 2017, 2016 and 2015

(Expressed in Canadian Dollars, unless otherwise stated)

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, 2017, all equipment had been fully depreciated. The Company did not purchase any equipment during the year ended March 31, 2017.

Amarc Resources Ltd.

Notes to the Financial Statements

For the years ended March 31, 2017, 2016 and 2015

(Expressed in Canadian Dollars, unless otherwise stated)

(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.

Amarc Resources Ltd.

Notes to the Financial Statements

For the years ended March 31, 2017, 2016 and 2015

(Expressed in Canadian Dollars, unless otherwise stated)

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.

(1) 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.

Amarc Resources Ltd.

Notes to the Financial Statements

For the years ended March 31, 2017, 2016 and 2015

(Expressed in Canadian Dollars, unless otherwise stated)

The Company has no material restoration, rehabilitation and environmental obligations as at March 31, 2017.

(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

Accounting standards issued but not yet effective

Effective for annual periods beginning on or after January 1, 2016:

- Amendments to IAS 1, Presentation of Financial Statements
- Amendments to IAS 16, Property, Plant and Equipment
- Amendments to IAS 27, Separate Financial Statements
- Amendments to IAS 28, Investments in Associates
- Amendments to IAS 38, Intangible Assets
- Amendments to IFRS 10, Consolidated Financial Statements
- Amendments to IFRS 11, Joint Arrangements
- Annual improvements to IFRS 2012 – 2014 Cycle ("AIP 2012-2014")

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

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.

Amarc Resources Ltd.

Notes to the Financial Statements

For the years ended March 31, 2017, 2016 and 2015

(Expressed in Canadian Dollars, unless otherwise stated)

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 guaranteed investment certificates 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.

5. AMOUNTS RECEIVABLE AND OTHER ASSETS

	March 31, 2017	March 31, 2016
Sales tax refundable	\$ 38,891	\$ 15,991
Other amounts receivable	-	101,415
Total	\$ 38,891	\$ 117,406

6. EXPLORATION AND EVALUATION EXPENSES AND COST RECOVERIES

(a) Projects acquired during the year

In December 2016, the Company acquired, from a private company wholly-owned by one of its directors, a 100% interest in two properties located in north-central and central BC respectively, known as JOY Project and DUKE Project, for aggregate acquisition costs of \$504,295, which was intended to reimburse the out-of-pocket costs incurred by the private company on these properties.

(b) IKE Project

During the year ended March 31, 2017, the Company's mineral exploration and evaluation activities were primarily focused on its IKE Project, which comprises the IKE and also the Granite, Juno and Galore Properties (collectively the "IKE Project").

During the year ended March 31, 2017, the Company recorded a gross amount of cost recovery of \$3,000,000 representing contributions received pursuant to a definitive agreement (the "IKE Agreement") with 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 ("Stage 1 Option") in the mineral claims and crown grants covering the IKE copper-molybdenum-silver porphyry deposit and the surrounding district. The net amount of cost recovery in the current

Amarc Resources Ltd.

Notes to the Financial Statements

For the years ended March 31, 2017, 2016 and 2015

(Expressed in Canadian Dollars, unless otherwise stated)

period, after deducting \$67,403 attributable to expenditures incurred in the prior fiscal year, was \$2,932,597. Under the terms of the IKE Agreement, subject to certain conditions, Thompson Creek also had an option to acquire an additional 20% interest in the IKE Project.

During the Company's fiscal quarter ended December 31, 2016, Thompson Creek completed the funding requirement to acquire a 10% participating interest in the IKE Project by investing an aggregate amount of \$6,000,000 into exploration programs undertaken in calendar years 2015 and 2016.

In January 2017, Thompson Creek (having been taken over by Centerra Gold Inc.) relinquished its option under the IKE Agreement 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 maintains a 100% interest in the IKE Project.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2017	March 31, 2016
Accounts payable	\$ 14,841	\$ 20,497
Accrued liabilities	-	1,860
Total	\$ 14,841	\$ 22,357

8. DIRECTOR'S LOANS

Unsecured loans payable to a director	March 31, 2017	March 31, 2016
Opening balance	\$ 1,234,849	\$ 1,000,000
Net amount advanced	500,000	500,000
Transaction costs	(607,406)	(322,143)
Amortisation of transaction costs	203,057	56,992
Closing balance	\$ 1,330,500	\$ 1,234,849

	March 31, 2017	March 31, 2016
Current portion	390,243	\$ 1,000,000
Non-current portion	940,257	234,849
Total	1,330,500	\$ 1,234,849

Amarc Resources Ltd.

Notes to the Financial Statements

For the years ended March 31, 2017, 2016 and 2015

(Expressed in Canadian Dollars, unless otherwise stated)

Transaction costs	Year ended March 31,		
	2017	2016	2015
Interest on director's loan	\$ 136,959	\$ 82,614	\$ 16,302
Amortization of transaction costs	203,057	56,992	187,500
Total	\$ 340,016	\$ 139,606	\$ 203,802

As at March 31, 2017, two unsecured loans owing to a director (the "Lender") of the Company were outstanding with the principal sums of \$500,000 (the "2015-Loan Agreement") and \$1,500,000 (the "2016-Loan Agreement") respectively; the key terms of the underlying agreements for each loan are summarized below:

2016-Loan Agreement

In December 2016, the 2016-Loan Agreement was executed, pursuant to which a previous loan agreement for a principal sum of \$1,000,000 and with a due date of November 26, 2016 was extended for three years on customary conditions, and the principal sum was increased to \$1,500,000 by way of an additional advance of \$500,000 to fund mineral property acquisitions (note 6(a)). 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.

This loan was originally advanced for a one-year term and with a principal sum of \$1,000,000 in November 2014, bearing interest at prime plus 2% per annum. The Company issued 2,500,000 of its common shares to the Lender as per the term of the original advance. The aggregate fair value of these common shares, with reference to their quoted market price on the date of issuance, was determined at \$187,500. The loan was later extended to May 26, 2016 at a 7% per annum fixed interest rate and then to November 26, 2016 at a 9% per annum fixed interest rate for the additional terms.

2015-Loan Agreement

The 2015-Loan Agreement was executed in September 2015 when a principal sum of \$500,000 was advanced to the Company with a two-year term and at an interest rate of 7% per annum. Pursuant to this loan, 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.

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.

Amarc Resources Ltd.

Notes to the Financial Statements

For the years ended March 31, 2017, 2016 and 2015

(Expressed in Canadian Dollars, unless otherwise stated)

9. CAPITAL AND RESERVES

(a) Authorized share capital

The Company's authorized share capital consists of an unlimited number of 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.

(b) 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,		
	2017	2016	2015
Outstanding – beginning of year	3,051,300	3,051,300	5,155,900
Forfeited	-	-	(32,100)
Expired	(3,051,300)	-	(2,072,500)
Outstanding and Exercisable – end of year	-	3,051,300	3,051,300

(c) Share purchase warrants

The following common share purchase warrants were outstanding at March 31, 2017 and March 31, 2016:

	Exercise price	Continuity – Number of warrants		
		March 31, 2016	Exercised	March 31, 2017
Issued pursuant to:				
the 2015-Loan Agreement ⁽ⁱ⁾ (note 8)	\$0.09	5,555,555	(4,000,000)	1,555,555
the 2016-Loan Agreement ⁽ⁱⁱ⁾ (note 8)	\$0.08	-	-	10,000,000
Total		5,555,555	(4,000,000)	11,555,555

- (i) The fair value of these warrants was determined as \$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. These warrants expire in September 2017.
- (ii) The Company determined the fair value of these warrants as \$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 December 2019.

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10. RELATED PARTY TRANSACTIONS

Balances due to related parties		March 31, 2017	March 31, 2016
Hunter Dickinson Services Inc. (note 10(b))	\$	157,282	\$ 180,476
United Mineral Services Ltd. (note 10(c))		18,055	-
	\$	175,337	\$ 180,476

(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,		
	2017	2016	2015
Directors fees paid directly by the Company	\$ -	\$ 35,000	\$ 57,000
Directors fees paid to HDSI	-	187,000	212,000
Total	\$ -	\$ 222,000	\$ 269,000

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 3 directors in common with HDSI, namely: Robert Dickinson, Ronald Thiessen, and Scott Cousens. 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. 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

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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,		
	2017	2016	2015
Services received from HDSI and as requested by the Company	\$ 1,042,000	\$ 1,389,000	\$ 2,099,000
Directors fees paid to HDSI(note 10(a))	-	187,000	212,000
Information technology-infrastructure and support services	60,000	111,000	153,000
Reimbursement, at cost, of third party expenses incurred by HDSI on behalf of the Company	\$ 35,000	\$ 73,000	\$ 76,000

(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,		
	2017	2016	2015
Acquisition of mineral property interests	\$ 504,295	\$ -	\$ -
Reimbursement of third-party expenses incurred on behalf of the Company	18,458	-	-
	\$ 522,753	\$ -	\$ -

11. INCOME TAXES

(a) *Provision for current tax*

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

Amarc Resources Ltd.

Notes to the Financial Statements

For the years ended March 31, 2017, 2016 and 2015

(Expressed in Canadian Dollars, unless otherwise stated)

(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, 2017, the Company had unused non-capital loss carry forwards of approximately \$15.3 million (March 31, 2016 - \$14.4 million; March 31, 2015 - \$13.3 million).

As at March 31, 2017, the Company had resource tax pools of approximately \$23.8 million (March 31, 2016 - \$24.6 million; March 31, 2015 - \$24.5 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, 2017	March 31, 2016	March 31, 2015
Loss for the year	\$ (1,042,648)	\$ (1,118,779)	\$ (4,884,024)
Total income tax expense	-	-	-
Loss excluding income tax	\$ (1,042,648)	\$ (1,118,779)	\$ (4,884,024)
Income tax recovery using the Company's tax rate	(273,000)	(291,000)	(1,261,000)
Non-deductible expenses and other	341,000	3,000	(207,000)
Change in deferred tax rates	-	-	-
Temporary difference booked to reserve	1,000	(4,000)	(2,000)
Deferred income tax assets not recognized	(71,000)	292,000	1,470,000
	\$ -	\$ -	\$ -

The Company's statutory tax rate was 26% (2016 - 26%; 2015 - 26%) and its effective tax rate is nil (2016 - nil; 2015 - nil).

As at March 31, 2017, 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	-	-	-	-
After five years	-	15,297,000	-	1,011,000
No expiry date	1,372,000	-	23,803,000	76,000
Total	\$ 1,372,000	\$ 15,297,000	\$ 23,803,000	\$ 1,087,000

Amarc Resources Ltd.

Notes to the Financial Statements

For the years ended March 31, 2017, 2016 and 2015

(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,		
	2017	2016	2015
Salaries and benefits included in the following:			
Exploration and evaluation expenses	\$ 676,000	\$ 748,000	\$ 1,296,000
General and administration expenses ⁽ⁱ⁾	478,000	882,000	1,066,000
Total	\$ 1,154,000	\$ 1,630,000	\$ 2,362,000

(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,		
	2017	2016	2015
Salaries and benefits	\$ 445,219	\$ 845,695	\$ 1,019,118
Insurance	78,533	146,802	105,463
Data processing and retention	61,083	111,743	155,634
Other office expenses	9,899	8,382	13,553
Total	\$ 594,734	\$ 1,112,622	\$ 1,293,768

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.

Amarc Resources Ltd.

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For the years ended March 31, 2017, 2016 and 2015

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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, 2017.

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, 2017 and 2016, 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:

Credit risk

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.

Liquidity risk

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.

Interest rate risk

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

Amarc Resources Ltd.

Notes to the Financial Statements

For the years ended March 31, 2017, 2016 and 2015

(Expressed in Canadian Dollars, unless otherwise stated)

interest rates when cash mature impact interest income earned. As at March 31, 2017 and 2016, 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, 2017 and 2016, the Company's exposure to price risk was not significant to relation to these Financial Statements.

14. EVENT AFTER THE REPORTING PERIOD

On July 6, 2017, the Company announced it had entered into a Mineral Property Farm-In Agreement (the "Agreement") with Hudbay Minerals Inc. ("Hudbay"). Under the terms of the Agreement Hudbay may acquire, through a staged investment process, up to a 60% ownership interest in the IKE Project (note 6(b)).



AMARC RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED MARCH 31, 2017

AMARC RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
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AMARC RESOURCES LTD.
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FOR THE YEAR ENDED MARCH 31, 2017

1.1 DATE

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the audited financial statements ("Financial Statements") of Amarc Resources Ltd. ("Amarc", or the "Company") for the year ended March 31, 2017, 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 25, 2017.

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.

AMARC RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
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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") porphyry copper mines. By combining strong projects and financing with successful management, Amarc has created a solid platform to commence the value creation life cycle of a mining exploration company.

Amarc is advancing its 100% owned IKE, DUKE and JOY porphyry copper deposit districts, located in southern, central and northern BC, respectively, each with proximity to industrial infrastructure, power, rail and highways. These projects represent 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. Over the last three years, Amarc has made a significant new porphyry copper-molybdenum-silver discovery. It completed over 12,000 metres of drilling in 21 wide-spaced core holes in the IKE deposit that indicate the potential for extensive resource volumes which remain open to expansion in all lateral directions and to depth. Extensive regional surveys have also identified numerous porphyry copper (±molybdenum±silver±gold) mineralized systems and deposit targets; all within 10 kilometres of IKE. Amarc believes the IKE Project has the potential to possess the grades and tonnages to develop into an important mining camp. Amarc has received all required permits from the provincial government and has mobilized crews to the field for its 2017 drilling season.

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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, 2020. Amarc is the current operator.

Amarc's DUKE deposit and an adjacent 190 km² porphyry copper district is located 80 km northeast of Smithers, BC and 30 kilometres north of former mines (Bell and Granisle) operated by Noranda Mines. The DUKE Project area is logging road accessible from Smithers or Fort St. James.

Historically, DUKE has been explored with surface geochemical and geophysical surveys, as well as 30 shallow diamond drill holes. Many of the holes drilled intersected significant lengths of porphyry copper-molybdenum-silver-gold mineralization which remains open both laterally and to depth. The surrounding district hosts multiple, second-order porphyry copper deposit targets. Plans are to drill the DUKE deposit target in fall 2017.

Amarc's 72 km² JOY mineral property is located 310 kilometres north of Mackenzie BC, and 25 kilometres north of the Kemess South Mine site, where AuRico Resources' recently secured a BC EA Certificate for its Underground Project.

Past operators conducted prospecting-style work on the JOY claims. Some 3,000 soil samples, 800 rock samples and 30 silt samples were collected, but no drilling was done. The surface surveys clearly indicate a number of substantial porphyry copper-gold and epithermal silver-gold deposit targets across the JOY property, which are considered by Amarc to be a northern extension to the prolific Kemess porphyry gold-copper district. Most importantly, historical soil and rock sampling, along with a recent Amarc soil survey, has revealed a regionally significant 7 km² copper, gold, molybdenum, silver and zinc geochemical anomaly, which potentially reflects a large and shallowly buried porphyry copper-gold deposit.

The Company is planning to complete surface exploration surveys including Induced Polarization ("IP") and then drill test this exceptional target in the current summer season.

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 and the Granite, Juno and Galore District Properties (collectively the IKE Project)

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 (\pm molybdenum \pm silver \pm gold) targets that remain to be drill tested, 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 these compelling deposit targets, as well as potential infrastructure sites.

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IKE Deposit

The IKE deposit is located approximately 33 kilometres 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 metres apart intercepted long intervals of continuous, chalcopyrite and molybdenite mineralization with encouraging grades. These intersections include: 116 metres of 0.44% copper equivalent (CuEQ) comprising 0.29% Cu and 0.043% Mo; 182 metres of 0.41% CuEQ comprising 0.31% Cu, 0.022% Mo and 1.9 g/t Ag; and 64 metres 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.

Over the last three years, 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 metres) 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 1,200 metres east-west by 1,000 metres north-south, and 875 metres vertically. The drilling indicates the potential for extensive resource volumes which remain open to expansion in all lateral directions and to depth. Notable the drilling completed to date has tested only a portion of the over 6 km² IKE hydrothermal system. Highlights from the 2014, 2015 and 2016 drill programs include:

- 247 metres of 0.41% CuEQ¹ @ 0.28% Cu, 0.030% Mo and 2.0 g/t Ag
- 123 metres of 0.41% CuEQ @ 0.32% Cu, 0.017% Mo and 2.5 g/t Ag
- 92 metres of 0.40% CuEQ @ 0.31% Cu, 0.020% Mo and 2.1 g/t Ag
- 194 metres of 0.47% CuEQ @ 0.30% Cu, 0.046% Mo and 0.8 g/t Ag
- 308 metres of 0.39% CuEQ @ 0.26% Cu, 0.032% Mo and 1.8 g/t Ag
- 97 metres of 0.45% CuEQ @ 0.32% Cu, 0.030% Mo and 2.2 g/t Ag
- 124 metres of 0.45% CuEQ @ 0.34% Cu, 0.022% Mo and 3.2 g/t Ag
- 214 metres of 0.37% CuEQ @ 0.26% Cu, 0.023% Mo and 2.2 g/t Ag
- 592 metres of 0.44% CuEQ @ 0.30% Cu, 0.032% Mo and 2.1 g/t Ag
- 86 metres of 0.47% CuEQ @ 0.33% Cu, 0.032% Mo and 2.2 g/t Ag
- 111 metres of 0.36% CuEQ @ 0.30% Cu, 0.010% Mo and 2.3 g/t Ag
- 148 metres of 0.53% CuEQ @ 0.39% Cu, 0.030% Mo and 2.9 g/t Ag
- 287 metres of 0.38% CuEQ @ 0.30% Cu, 0.017% Mo and 2.2 g/t Ag

¹Copper equivalent (CuEQ) calculations use metal prices: Cu US\$2.25/lb, Mo US\$8.00/lb and Ag US\$17.00/oz. Metallurgical recoveries and net smelter returns are assumed to be 100%.

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Assay results from all of Amarc's 2014, 2015 and 2016 drill holes are summarized in the table below. In addition, a drill plan, cross section, maps and further results are presented in the corporate presentation on the Amarc website at <http://www.amarcresources.com>.

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. The footprint of the hydrothermal system at IKE is over six square kilometres.

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.

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IKE DISCOVERY TABLE OF 2014, 2015 and 2016 DRILL CORE ASSAY RESULTS⁴

Drill Hole ID	Dip (°)	Azim (°)	EOH (m)	Incl.	From (m)	To (m)	Int. ^{1,2} (m)	CuEQ ³ (%)	Cu (%)	Mo (%)	Ag (g/t)
IK14001	-45	0	742.2		55.0	213.7	158.7	0.37	0.27	0.020	2.5
					242.0	489.0	247.0	0.41	0.28	0.030	2.0
				incl.	242.0	275.0	33.0	0.43	0.35	0.011	4.1
				incl.	284.6	362.5	77.9	0.43	0.31	0.027	2.0
				incl.	372.9	395.2	22.3	0.43	0.25	0.045	1.7
				incl.	404.1	489.0	84.9	0.48	0.30	0.045	1.7
					528.0	634.6	106.6	0.28	0.23	0.009	1.9
IK14002	-45	100	551.1		57.3	180.1	122.8	0.41	0.32	0.017	2.5
					206.0	494.6	288.6	0.39	0.24	0.038	1.6
				incl.	206.0	440.0	234.0	0.42	0.26	0.040	1.7
				and	206.0	364.0	158.0	0.44	0.26	0.046	1.7
				and	368.5	440.0	71.5	0.40	0.27	0.031	1.7
					521.7	551.1	29.4	0.42	0.15	0.076	0.6
IK14003	-60	180	419.4		10.2	102.0	91.8	0.40	0.31	0.020	2.1
					282.0	365.0	83.0	0.19	0.08	0.029	0.7
IK14004	-50	90	388.6		128.0	189.0	61.0	0.27	0.13	0.036	0.9
IK14005	-60	0	772.7		32.0	80.0	48.0	0.27	0.23	0.007	1.4
					269.4	552.3	282.9	0.43	0.29	0.038	0.7
				incl.	269.4	463.2	193.8	0.47	0.30	0.046	0.8
					602.9	616.1	13.2	0.33	0.29	0.009	0.6
IK14006	-45	90	681.8		9.0	75.0	66.0	0.25	0.21	0.008	1.3
					124.0	574.3	450.3	0.36	0.24	0.028	1.7
				incl.	124.0	432.2	308.2	0.39	0.26	0.032	1.8
				and	124.0	207.8	83.8	0.42	0.31	0.026	2.2
				and	216.4	258.0	41.6	0.42	0.30	0.024	2.8
				and	381.9	432.2	50.4	0.69	0.35	0.088	1.8
				incl.	441.9	490.0	48.1	0.44	0.27	0.044	1.8
					671.0	681.8	10.8	0.33	0.28	0.007	2.0
IK14007	-60	90	688.5		7.9	24.9	17.0	0.30	0.22	0.020	1.1
					139.5	167.0	27.5	0.24	0.06	0.051	0.5
					223.0	274.0	51.0	0.22	0.05	0.048	0.5
					304.0	411.9	107.9	0.23	0.12	0.030	0.7
IK14008	-45	90	788.8		135.4	168.0	32.6	0.30	0.24	0.009	2.0
					233.0	258.5	25.5	0.33	0.23	0.023	1.5
					278.1	567.0	288.9	0.36	0.27	0.022	1.6
				incl.	287.7	384.3	96.6	0.45	0.32	0.030	2.2
				incl.	418.7	462.8	44.0	0.38	0.31	0.015	1.8
				incl.	484.0	564.0	80.0	0.38	0.30	0.018	1.6
	605.0	648.0	43.0	0.25	0.20	0.012	1.0				
IK14009	-45	270	376.1		10.5	200.0	189.5	0.23	0.16	0.018	1.1
				incl.	10.5	98.0	87.5	0.28	0.20	0.019	1.4
IK15010	-45	88	615.0		207.0	417.0	210.0	0.40	0.30	0.018	2.9
				incl.	207.0	268.0	61.0	0.40	0.31	0.016	2.9
				incl.	293.0	417.0	124.0	0.45	0.34	0.022	3.2
				and	293.0	358.0	65.0	0.53	0.39	0.028	3.7
				and	378.0	417.0	39.0	0.41	0.32	0.016	2.9

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Drill Hole ID	Dip (°)	Azim (°)	EOH (m)	Incl.	From (m)	To (m)	Int. ^{1,2} (m)	CuEQ ³ (%)	Cu (%)	Mo (%)	Ag (g/t)
					444.0	603.0	159.0	0.28	0.22	0.011	2.1
IK15011	-45	88	486.3		20.1	60.0	40.0	0.42	0.31	0.023	2.5
IK15012	-45	88	675.0		213.0	516.0	303.0	0.34	0.25	0.018	2.1
				incl.	213.0	286.0	73.0	0.33	0.28	0.008	2.2
				incl.	301.9	516.0	214.2	0.37	0.26	0.023	2.2
				and	301.9	371.3	69.4	0.45	0.32	0.028	3.0
				and	423.0	516.0	93.0	0.39	0.29	0.022	2.0
					549.5	558.0	8.5	0.47	0.35	0.026	3.0
IK15013	-45	88	693.3		33.0	693.3	660.3	0.41	0.28	0.030	2.0
				incl.	75.0	666.5	591.5	0.44	0.30	0.032	2.1
				and	75.0	99.0	24.0	0.42	0.24	0.044	1.9
				and	129.0	300.5	171.5	0.44	0.32	0.025	2.2
				and	435.5	666.5	231.0	0.56	0.37	0.045	2.7
IK15014	-45	88	480.9		249.7	335.2	85.5	0.47	0.33	0.032	2.2
IK15015	-50	268	423.3		312.3	420.3	108.0	0.41	0.15	0.067	1.5
				incl.	312.3	378.3	66.0	0.51	0.19	0.085	1.9
IK15016	-45	88	483.3		243.0	369.3	126.3	0.27	0.14	0.031	1.5
				incl.	285.0	360.3	75.3	0.29	0.17	0.029	1.7
IK15017	-45	88	441.3		15.0	75.0	60.0	0.29	0.26	0.005	1.6
					201.0	355.7	154.7	0.30	0.17	0.031	1.1
				incl.	240.0	355.7	115.7	0.33	0.18	0.039	1.2
IK15018	-45	88	441.3		138.0	159.0	21.0	0.33	0.25	0.016	1.5
					201.0	312.4	111.4	0.36	0.30	0.010	2.3
				incl.	216.0	288.3	72.3	0.43	0.35	0.013	2.5
				and	216.0	243.3	27.3	0.51	0.42	0.015	2.6
					471.3	730.5	259.2	0.25	0.20	0.010	1.3
				incl.	471.3	540.3	69.0	0.33	0.25	0.017	1.8
				and	651.3	730.5	79.2	0.29	0.23	0.012	1.5
IK16019	-45	85	477.0		201.9	222.0	20.1	0.27	0.16	0.022	1.9
IK16020	-45	85	699.0		123.0	156.0	33.0	0.36	0.27	0.019	1.8
					314.5	462.0	147.5	0.53	0.39	0.030	2.9
					549.0	596.2	47.2	0.51	0.20	0.082	2.5
IK16021	-45	80	747.0		81.0	126.0	45.0	0.26	0.24	0.003	1.2
					174.0	201.0	27.0	0.37	0.25	0.028	2.3
					219.8	288.0	68.3	0.32	0.22	0.019	2.5
					340.3	627.3	287.0	0.38	0.30	0.017	2.2
				incl.	340.3	432.0	91.7	0.43	0.30	0.027	2.7
				incl.	479.1	555.0	75.9	0.48	0.39	0.018	2.3

Notes:

¹Widths reported are drill widths, such that the true thicknesses are unknown.

²All assay intervals represent length weighted averages.

³Copper equivalent (CuEQ) calculations use metal prices: Cu US\$2.25/lb, Mo US\$8.00/lb and Ag US\$17.00/oz.

Metallurgical recoveries and net smelter returns are assumed to be 100%.

⁴ Some figures may not sum exactly due to rounding.

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IKE District Targets

Important-scale porphyry copper (\pm gold \pm molybdenum \pm silver) deposit targets proximal to the IKE discovery were indicated by both Amarc's exploration in 2014 and 2015, and 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 km² of the IKE district in order to fully comprehend the overall mineral potential of the region.

The surveys have defined a number of significant porphyry copper deposit targets and, in addition, potential precious metal epithermal deposit targets. 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 dominated.

Results from Amarc's district-wide, geophysical, geochemical and geological surveys are presented in the Company's corporate presentation on Amarc's website. Summary descriptions of the main district targets are provided below.

Mad Major

The Mad Major porphyry copper target, located 6 kilometres east of IKE, is associated with an approximately 10 km² copper-molybdenum-tungsten geochemical anomaly, as compared to a similar style 6 km² anomaly at IKE. Within this target area, talus fines and rock chip geochemical sampling have collectively defined an anomaly characterized by high concentrations of copper and molybdenum, combined with anomalous concentrations of tungsten and extensive potassic alteration. Like the IKE deposit, copper mineralization is hosted by multiple intrusive phases. Notably, continuous talus fines samples collected over a length of 3.5 kilometres across the anomalous area returned copper concentrations in the range of 0.10% to 0.50%, and as high as 0.80%. Some 1 kilometre east of these talus fines, six reconnaissance composite chip samples, each collected over lengths of approximately 30 metres, returned copper results of 0.15% to 0.22%. The Mad Major porphyry copper-molybdenum target is ready for exploration drilling.

OMG

The OMG porphyry copper deposit target is located just to the north of Mad Major, and 5 kilometers northeast of IKE. This covered target is characterized by a 4 kilometre by 3 kilometre oval-shaped magnetic low - a unique feature that stands out and disrupts the regional magnetic trend. A 4 km² IP chargeability anomaly is coincident with the magnetic low and remains open to expansion. This intriguing magnetic low may well represent a felsic intrusion or hydrothermal alteration; both features are prospective for porphyry-style mineralization, especially given the coincident IP chargeability anomaly, indicating the presence of sulphide mineralization.

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Reconnaissance geochemical samples collected over this IP chargeability anomaly have returned anomalous concentrations of copper, molybdenum and silver. There is no historical drilling reported in the OMG area and no rock outcrops have been noted. The geological setting, combined with the results of Amarc's geophysical and geochemical surveys indicate an important-scale, covered porphyry copper deposit target that is ready for exploration drilling.

Rowbottom

The Rowbottom porphyry deposit target is located 4.5 kilometres north-northwest of IKE and 2.5 kilometres south of the known Empress porphyry copper-gold deposit. An historical estimate, not categorized as prescribed by National Instrument 43-101, of about 10 million tonnes grading 0.61% Cu and 0.79 g/t Au was reported in 1991 for Empress. Sufficient work to classify the Empress estimate as a current mineral resource or mineral reserve has not been completed by a qualified person, and Amarc is not treating the historical estimate as current.

Eleven historical percussion holes have been drilled in the Rowbottom area and eight of these intercepted porphyry copper mineralization. All of these holes were shallow (generally \pm 60 metres) with a number of holes terminating in mineralization. The best holes intersected 56 metres of 0.53% CuEQ⁵ @ 0.41% Cu and 0.034% Mo, 55 metres of 0.35% CuEQ @ 0.25% Cu and 0.028% Mo, and 88 metres of 0.38% CuEQ @ 0.36% Cu and 0.006% Mo. Notably, although the historical drill samples were analysed only for copper and molybdenum, the presence of gold in Amarc's surface samples indicates the potential for the Rowbottom porphyry system to be gold-bearing.

In 2016an IP survey confirmed a chargeability anomaly measuring 1.3 kilometres by 1 kilometre outwards from the mineralized historical percussion holes. This anomaly is unconstrained to the west. The Rowbottom porphyry deposit target is ready for delineation drilling.

⁵ Copper equivalent (CuEQ) calculations use metal prices: Cu US\$2.25/lb and Mo US\$8.00/lb. Metallurgical recoveries and net smelter returns are assumed to be 100%.

Quinn

Quinn is a newly emerging porphyry copper-gold-silver target located between Rowbottom and the Empress deposit, where regional mapping identified intermittently exposed copper mineralized felsic intrusions. Talus fines and rock chip samples over this target area have defined an extensive multi-element copper-gold-silver anomaly over an area of approximately 3 kilometres by 2 kilometres. Two reconnaissance composite chip samples collected from outcrop, each over lengths of about 50 metres, grade 0.28% Cu and 0.08 g/t Au and 0.32% Cu and 0.36 g/t Au. The Quinn target requires confirmation by surface IP surveys, followed by exploration drilling.

Buzzer

The Buzzer porphyry copper-gold target is located 6 kilometres north of IKE and 3.5 kilometres northwest of OMG. Historical drilling at Buzzer has returned some significant intervals of copper, gold, silver and molybdenum, including 65 metres of 0.60 CuEQ⁶ @ 0.34% Cu, 0.18 g/t Au, 6.2 g/t Ag and 0.019% Mo, and 44 metres of 1.24% CuEQ @ 0.67% Cu, 0.50 g/t Au, 5.3 g/t Ag and 0.045% Mo. Although this mineralization appears closed off by historical drilling, IP surveys conducted by Amarc over a covered area 800 metres north of the known Buzzer mineralization has defined an

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open-ended 2.5 kilometre long by 600 metre wide IP chargeability anomaly which is now ready for drill testing.

⁶ Copper equivalent (CuEQ) calculations use metal prices: Cu US\$2.25/lb, Au US\$1,100/oz, Ag US\$17.00/oz and Mo US\$8.00/lb. Metallurgical recoveries and net smelter returns are assumed to be 100%.

Mewtwo

At Mewtwo, an historical ASTER satellite survey outlined a prominent, north-northwest trending zone of kaolinite-illite alteration coincident with a rhyolite dyke swarm located west of the IKE deposit. Talus fines and rock chip samples have outlined a 5.5 kilometre long silver-lead-zinc±gold geochemical anomaly. Two selected rock grab samples in this area returned 173 g/t and 505 g/t Ag. This extensive silver (± gold) epithermal-style anomalous zone requires further exploration to determine its importance.

Amarc is working with governments, First Nations and stakeholders toward the responsible development of the IKE Project, while protecting water and other natural resources in the project area and making contributions to the sustainability of local communities.

The Company is committed to progressive Health & Safety protocols to protect the well-being of its employees and contractors. It has a zero tolerance for alcohol and drugs. Amarc's specialized consultant, Jim Douglas of Raven Rescue, contracted to review its Health & Safety program stated: *"Amarc's culture of safety is truly impressive. Project Managers, Supervisors, Contractors and Employees seem to be very well engaged."*

The Company's commitment to regulatory compliance and environmental responsibility informs every aspect of its exploration activities, from program planning and permitting, through to exploration program implementation and reclamation. The Company employs a range of progressive practices to ensure that any impacts associated with the exploration activities are minor, localized and temporary. These practices have included, for example, full helicopter-support of all field programs in order to avoid drill road-building and stream crossings, environmental monitoring systems, water quality sampling and the plugging of all drill holes. In addition, Amarc has voluntarily cleaned up historical exploration camps abandoned by previous operators in the IKE region, removing waste materials by helicopter.

Amarc manages an ongoing program of outreach to local communities, stakeholders and First Nations and advances an agenda that supports the delivery of shared prosperity. In addition to one-on-one and small group meetings, the Company's efforts include the provision of jobs, training programs, contract opportunities, capacity funding and sponsorship of community events.

Engagement with local First Nations has contributed to the development of several capacity building programs consistent with Amarc's Local Benefits Policy, including:

- Partnering with a First Nation to supply core boxes for the exploration program consistent with an Agreement signed between Amarc and a First Nation; and

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- Collaboration on a Job Skills Workshop and a First Aid Training Certification initiative with another First Nation.

In addition, Aboriginal and local community members comprised about 40% of Amarc site team in 2016, while approximately 70% of contracts let were awarded to local and regional-based companies. The Company also sponsored community events such as the Cariboo Aboriginal Youth Hockey Championship, and assisted with enhancements to the Bralorne community baseball field.

Amarc favours establishing progressive agreements with local First Nations that provide for shared decision making through project planning committees and participation in the Board, ownership possibilities, and meaningful economic benefits in relation to development of the IKE property. Amarc desires to advance these comprehensive partnership discussions at the earliest stages of project development based on a view that the best outcomes are achieved in a climate of respect and mutual understanding, constructive dialogue and common interest.

Amarc proactively supports government's duty to consult First Nations, to contribute to meaningful engagement opportunities and facilitate timely, fair and defensible permitting. After providing draft applications to First Nations for a period of initial review and after a rigorous review process by the provincial government, the Company in 2017 timely received two five-year, area-based permits for exploration activities at the IKE Project prior to the field season. A 300-hole drill permit and deemed authorization for 250 line-kilometres of IP surveys, provide Amarc with regulatory certainty and operational flexibility at site. Amarc has mobilized crews to the field for the 2017 drilling season at IKE.

IKE District Property Agreements

The mineral claims comprising the Juno property were staked and are owned 100% by Amarc.

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).

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 may 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 has 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 can earn an initial 30% interest in the Project under a Stage 1 Option by funding \$15 million of expenditures before December 31, 2019, of which \$3 million for 2015 and the \$2 million for 2016 have been funded. For each \$5 million of project expenditures funded, Thompson Creek will 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

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in the Galore Property (see below). Stage 1 Option expenditures can be accelerated by Thompson Creek at its discretion. Amarc will remain as operator during the Stage 1 earn-in period.

If Thompson Creek fully exercises the Stage 1 Option, Thompson Creek will 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 must 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 must be completed within a two-year period, which can 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 Project.

Thompson Creek will become operator upon initiation of the Stage 2 Option period, and will remain operator so long as it holds a 50% interest. When Thompson Creek has concluded its earn-in period, the parties expect to form a joint venture to further develop the IKE Project provided that Thompson Creek earns a minimum 10% interest. Amarc will 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 will retain a 'co-expenditure right', whereby it can 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 can 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 can 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 a 100% interest in the 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 million¹ of expenditures before December 31, 2020, of which \$3.3 million is committed for 2017.

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 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 Project.

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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.

If Hudbay does not submit the EA application(s) by December 31, 2026, then Amarc will become operator again.

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.

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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, Amarc common shares, or any such combination, 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.

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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 to the underlying owners as noted above.

The DUKE Property

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 kilometres northeast of Smithers BC, within the well-known Babine porphyry-copper district, 30 kilometres north of former mines (Bell and Granisle) operated by Noranda Minerals Inc. between 1966 and

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1992, and producing a total of 1.1 billion pounds of copper, 634,000 ounces of gold and 3.5 million ounces of silver¹. DUKE is also just 10 kilometres northeast of the Morrison Deposit, a 225 million tonne copper-gold-molybdenum porphyry deposit with a completed Feasibility Study².

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 kilometres 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 metres of 0.40% Cu, 0.021% Mo, 2.2 g/t Ag and 0.05 g/t Au from 29 metres to the end of the hole. Another hole, DDH-02, located 430 metres southeast of DDH-14 intersected 107 metres of 0.30% Cu, 0.011% Mo, 1.2 g/t Ag, and 0.06 g/t Au from 30 metres. Porphyry mineralization was encountered by drill holes over an area of 800 metres by 400 metres which is open laterally in several directions. The average vertical depth of all holes drilled in this mineralized area is 90 metres, with the deepest being only 124 metres. Eighty percent of the holes drilled in this mineralized area bottomed in porphyry copper mineralization. Additionally, IP survey results indicate a significant area of prospective ground has yet to be drilled.

Amarc has engaged early with First Nations to develop a permit application which has been submitted to the provincial government for drilling at DUKE.

Notes:

1. MINFILE Number 093L 146 and 093M 001 MINFILE Production Detail Report, BC Geological Survey, Ministry of Energy and Mines, BC.
2. Pacific Booker Minerals Inc. news release February 27, 2009.

Duke 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 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 Property

Amarc has acquired 100% of the JOY mineral property, located 310 kilometres 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 and epithermal deposits. The JOY property is accessed by helicopter from seasonal roads that come within 0.5 kilometres of the JOY property boundary, or from the Kemess mine site located 25 kilometre due south. Power also extends to the Kemess mine site and its 300-person camp.

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The Kemess District is well-known to Amarc's technical team, as Hunter Dickinson Inc. ("HDI"), with whom 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 2010³ (Kemess South), and Aurico Metals recently announced a 628 metres intercept grading 0.53 g/t Au and 0.41% Cu⁴ (Kemess East). Amarc considers the JOY porphyry copper-gold deposit target to be an extension to the prolific Kemess porphyry gold-copper district.

Geological timing is key to making a discovery of a major copper-gold porphyry deposit in the Kemess region with a close overlap in time between porphyry copper-gold mineralization (ca. 203-194 Ma) and the Black Lake Intrusions (ca. 205-191 Ma). An ideal setting for discovery occurs at JOY with the Jock Creek Pluton, one of the Black Lake Intrusions, located in the north-central portion of the JOY property. The Jock Creek Pluton has been dated at 196.7 Ma, approximately the same age as the 199.6 Ma host of the Kemess South deposit, which hosted a 50,000 tonnes per day past producing mine.

Recorded prospecting-style work by various past operators on the JOY claims began in 1968 and continued intermittently through to 2004. Over 2,000 soil samples, 840 rock samples and 30 silt samples were collected, but no ground geophysical surveys or drilling have been done. However, a number of porphyry copper-gold and epithermal silver-gold deposit targets are clearly evident across the mineral property. Most importantly, compilation of all historical sampling along with a recently completed confirmation soil survey at site, has revealed the presence of a 7 km² area of strong, coincident and overlapping soil and rock anomalies. This outstanding and important scale porphyry copper-gold deposit target is named Deposit Target 1. The extensive and coincident copper, molybdenum, gold, silver, lead and zinc soil anomalies outlining this target are interpreted to be reflecting a large and shallowly buried, copper-gold porphyry deposit.

Amarc has engaged early with First Nations to develop permit applications that have been submitted to the provincial government drilling at JOY. An IP permit for 100 line kilometres of survey work has already been received from the provincial government and that work is underway.

Notes:

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

4. Aurico Metals news release November 8, 2016.

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 (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 from production which is capped at \$3.5 million.

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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, 75 kilometres southwest of Vanderhoof, BC, and 176 kilometres 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 kilometres of helicopter-borne, magnetic and electromagnetic geophysical survey over 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 kilometres 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 metres 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.

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

NEWTON GOLD PROJECT - INFERRED MINERAL RESOURCES

Cut-Off Grade (g/t Au)	Size Tonnage (000 t)	Grade		Contained Metal	
		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 Hunter Dickinson Inc. ("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 metres by 800 metres and to a depth of 560 metres, 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.

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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 kilometres 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.

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.

Market Trends

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

Calendar year	Average metal price (US\$)			
	Copper	Molybdenum	Gold	Silver
2012	3.61/lb	12.81/lb	1,670/oz	31.17/oz
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 (to the date of this document)	2.62/lb	7.18/lb	1,237/oz	17.16/oz

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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)	2017		2016		2015	
Total assets	\$	1,112	\$	1,096	\$	1,755
Non-current liabilities	\$	940	\$	235	\$	-
Net loss for the year	\$	1,043	\$	1,119	\$	4,884
Basic and diluted loss per common share	\$	0.01	\$	0.01	\$	0.04

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.

(\$ 000's)	Fiscal Quarter Ended							
	Mar 31, 2017	Dec 31, 2016	Sep 30, 2016	Jun 30, 2016	Mar 31, 2016	Dec 31, 2015	Sep 30, 2015	Jun 30, 2015
Net loss (income)	\$ 126	\$ 651	\$ 148	\$ 118	\$(2,430)	\$ 925	\$ 2,009	\$ 615
Basic and diluted loss (income) per share	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ (0.02)	\$ 0.01	\$ 0.02	\$ 0.00

The variations in net results over the fiscal quarters presented above were caused by 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 a reduction in net loss of \$76,000, from a net loss of \$1,119,000 during the year ended March 31, 2016 to a net loss of \$1,043,000 during the year ended March 31, 2017, due in large part to cost recoveries recorded during the current year in respect of Mineral Exploration Tax Credits.

Expenditures/recoveries	Year ended March 31, 2017
Increase in exploration and evaluation expenditures	\$ 766,000
Decrease in administrative expenditures	556,000
Increase in cost recoveries	479,000

As discussed in section [1.2 Overview](#), the Company's mineral exploration and evaluation activities were focused on its IKE Property during the current fiscal year as well as during the prior year. The Financial Statements provide a breakdown of the Company's exploration and evaluation expenses, which primarily related to the IKE Project. During the current year and the prior year, the IKE Project exploration and evaluation activities were funded primarily by Thompson Creek; accordingly, the

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Company recorded cost recoveries representing such funding. During the current year, the Company incurred property costs of \$335,000 and \$169,000 on JOY and DUKE properties respectively.

During the fourth quarter of the current year the Company incurred \$471,000 in exploration and evaluation expenses, compared to \$139,000 in the fourth quarter of the prior year, primarily relating to IKE Project's geological and property assessment activities.

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:

General and Administration Expenses	Fourth Quarter ending March 31,	
	2017	2016
Legal, accounting and audit	\$ 1,000	\$ 17,000
Office and administration ⁽ⁱ⁾	158,000	208,000
Shareholder communication	8,000	5,000
Travel and accommodation	11,000	2,000
Trust and regulatory	7,000	5,000
Total	\$ 185,000	\$ 237,000

(i) Office and administration expenses for the quarter include salaries and benefits of \$144,000 (fourth quarter of the prior year: \$130,000)

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 operations.

As at March 31, 2017, the Company had a cash balance of \$931,000 and a working capital of approximately \$419,000. During the year ended March 31, 2017, the company received \$3.0 million from Thompson Creek under the IKE Agreement and \$0.5 million from a director's loan. The Company plans its cash spending based on availability of funds.

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.

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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 3 directors in common with HDSI, namely: Robert Dickinson, Ronald Thiessen, and Scott Cousens. 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.

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 technology 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.

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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 required disclosure of remuneration of key management personnel of the Company and 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 directors of the Company, namely Robert A. Dickinson. UMS is engaged in the acquisition and exploration of mineral property interests.

UMS provides initial assessment work on certain mineral targets. As a result of this relationship, the Company accessed a portfolio of potential positive 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 an aggregate acquisition costs of \$504,295. Subsequent to the acquisition of these mineral properties, UMS 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.

There are no ongoing contractual or other commitments resulting from the Company's transactions with UMS, other than the payment for services already rendered and billed.

Transactions and amounts due to UMS are provided in the accompanying Financial Statements, which are publically available on SEDAR at www.sedar.com.

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.

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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	145,424,061
Share purchase warrants	11,555,555

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:

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- 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.

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.

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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.

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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.

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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.

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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.

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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.