AMARC RESOURCES LTD.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED
MARCH 31, 2013 and 2012

(Expressed in Canadian Dollars)

DeVISSER GRAY LLP
CHARTERED ACCOUNTANTS

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REPORT OF INDEPENDENT REGISTERED CHARTERED ACCOUNTANTS

To the Board of Directors and 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, 2013 and March 31, 2012 and the statements of comprehensive loss, changes in equity and cash flows for the years ended March 31, 2013 and March 31, 2012, 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.

Auditors' 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, 2013 and March 31, 2012 and its financial performance and its cash flows for the years ended March 31, 2013 and March 31, 2012 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

De Visser Gray LLP

INDEPENDENT REGISTERED CHARTERED ACCOUNTANTS
Vancouver, Canada
July 24, 2013

Amarc Resources Ltd.

Statements of Financial Position

(Expressed in Canadian Dollars)

	March 31, 2013	March 31, 2012
ASSETS		
Current assets		
Cash and cash equivalents (note 3)	$ 5,869,313	$ 15,475,104
Amounts receivable and other assets (note 5)	142,815	1,574,196
Marketable securities (note 6)	81,042	135,675
	6,093,170	17,184,975
Non-current assets		
Restricted cash (note 4)	266,802	246,142
Amounts receivable (note 5)	1,282,847	743,554
Mineral property interests (note 7)	2	2
Equipment (note 8)	1,205	1,721
	1,550,856	991,419
Total assets	$ 7,644,026	$ 18,176,394
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (note 9)	$ 27,780	$ 823,934
Balances due to related parties (note 12(b))	166,953	6,770
Debenture (note 10)	265,129	–
Flow-through share premium (note 11(b))	–	130,000
	459,862	960,704
Shareholders' equity		
Share capital (note 11)	58,756,410	58,740,910
Reserves	4,936,897	4,558,027
Accumulated deficit	(56,509,143)	(46,083,247)
	7,184,164	17,215,690
Total liabilities and shareholders' equity	$ 7,644,026	$ 18,176,394

Nature and continuance of operations (note 1)
Events after the reporting period (note 16)

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

/s/ Robert A. Dickinson

Robert A. Dickinson
Director

/s/ Rene G. Carrier

Rene G. Carrier
Director

Amarc Resources Ltd.

Statements of Comprehensive Loss

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

	Year ended March 31, 2013	2012
Expenses		
Exploration and evaluation (notes 12, 14)	$ 8,422,339	$ 6,659,513
Assays and analysis	769,804	402,788
Drilling	859,034	1,735,290
Equipment rental	206,047	223,812
Geological	1,634,601	2,326,459
Graphics	12,068	11,280
Helicopter	134,378	49,380
Property costs and assessments	3,125,690	120,212
Site activities	1,185,192	1,352,607
Socioeconomic	367,133	355,777
Travel and accommodation	128,392	81,908
Administration (notes 12, 14)	1,822,793	1,751,735
Depreciation (note 8)	516	27,022
Legal, accounting and audit	56,010	112,762
Office and administration	1,451,737	1,335,165
Shareholder communication	225,822	178,730
Travel	56,726	63,373
Trust and filing	31,982	34,683
Share-based payments	433,503	799,885
Share-based payments - exploration-related	172,086	332,343
Share-based payments - administration-related	261,417	467,542
	10,678,635	9,211,133
Other items		
Interest income	(128,881)	(83,337)
Interest expense (note 10)	5,129	–
Flow-through share premium (note 11(b))	(130,000)	(730,000)
Gain on sale of mineral property (note 7(b))	–	(679,050)
Gain on disposition of available-for-sale financial assets	–	(88,117)
Operator's fees (note 7(b))	–	(81,934)
Tax on flow-through shares	–	21,506
Foreign exchange loss	1,013	2,560
Loss for the year	**10,425,896**	**7,572,761**
Other comprehensive loss (income):		
Revaluation of available-for-sale financial assets	54,633	(103,042)
Change in fair value of available-for-sale financial assets transferred to gain upon disposition	–	88,117
Total other comprehensive loss (income)	54,633	(14,925)
Comprehensive loss for the year	$ 10,480,529	$ 7,557,836
Basic and diluted loss per common share	$ 0.08	$ 0.07
Weighted average number of common shares outstanding	138,602,746	102,759,226

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

Amarc Resources Ltd.

Statements of Changes in Equity

(Expressed in Canadian Dollars)

	Share capital		Reserves				
	Number of shares	Amount	Share-based payments reserve	Share warrants reserve	Investment revaluation reserve	Deficit	Total
Balance at April 1, 2011	102,728,896	$ 45,482,087	$ 870,267	$ 982,110	$ 65,749	$ (38,510,486)	$ 8,889,727
Share-based payments	–	–	799,885	–	–	–	799,885
Exercise of share purchase options	17,400	9,587	(4,019)	–	–	–	5,568
Issuance of common shares for purchase of exploration and evaluation assets (note 11(b))	100,000	41,400	–	–	–	–	41,400
Private placement, net of issuance costs and flow-through share premium (note 11(b))	35,727,765	15,036,946	–	–	–	–	15,036,946
Issuance of share purchase warrants (note 11(d))	–	(1,829,110)	–	1,829,110	–	–	–
Total other comprehensive income for the year	–	–	–	–	14,925	–	14,925
Loss for the year	–	–	–	–	–	(7,572,761)	(7,572,761)
Balance at March 31, 2012	138,574,061	$ 58,740,910	$ 1,666,133	$ 2,811,220	$ 80,674	$ (46,083,247)	$ 17,215,690
Balance at April 1, 2012	138,574,061	$ 58,740,910	$ 1,666,133	$ 2,811,220	$ 80,674	$ (46,083,247)	$ 17,215,690
Share-based payments	–	–	433,503	–	–	–	433,503
Issuance of common shares for purchase of exploration and evaluation assets (note 11(b))	50,000	15,500	–	–	–	–	15,500
Total other comprehensive loss for the year	–	–	–	–	(54,633)	–	(54,633)
Loss for the year	–	–	–	–	–	(10,425,896)	(10,425,896)
Balance at March 31, 2013	138,624,061	$ 58,756,410	$ 2,099,636	$ 2,811,220	$ 26,041	$ (56,509,143)	$ 7,184,164

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

Amarc Resources Ltd.

Statements of Cash Flows

(Expressed in Canadian Dollars)

	Year ended March 31,	
Cash provided by (used in):	**2013**	**2012**
Operating activities		
Loss for the year	$ (10,425,896)	$ (7,572,761)
Adjustments for:		
Depreciation (note 8)	516	27,022
Interest income	(128,881)	(83,337)
Interest expense (note 10)	5,129	–
Debenture obligation acquired as part of the acquisition of interest in Galaxie ZNT project, included in exploration expenses (note 10)	260,000	–
Common shares issued, included in exploration expenses	15,500	41,400
Common shares received, included in exploration expenses	–	(7,000)
Share-based payments	433,503	799,885
Flow-through share premium	(130,000)	(730,000)
Gain on disposition of available-for-sale financial assets	–	(88,117)
Changes in working capital items		
Amounts receivable and other assets	417,564	(366,600)
Restricted cash	(20,660)	(84,047)
Amounts receivable	474,524	436,458
Accounts payable and accrued liabilities	(796,154)	758,939
Balances due to or from related party	160,183	64,402
Net cash used in operating activities	(9,734,672)	(6,803,756)
Investing activities		
Interest income	128,881	73,282
Proceeds from sale of available-for-sale financial assets	–	88,117
Purchase of mineral property and equipment	–	(1,230)
Net cash provided by investing activities	128,881	160,169
Financing activities		
Proceeds from private placement, net of issuance costs (note 11(b))	–	15,301,946
Proceeds from exercise of options	–	5,568
Net cash provided by financing activities	–	15,307,514
Net increase (decrease) in cash and cash equivalents	(9,605,791)	8,663,927
Cash and cash equivalents, beginning of the year	15,475,104	6,811,177
Cash and cash equivalents, end of the year	$ 5,869,313	$ 15,475,104
Components of cash and cash equivalents are as follows:		
Cash	$ 5,869,313	$ 15,475,104
Supplementary cash flow information:		
Non cash investing and financing activities:		
Marketable securities received	$ –	$ 102,175

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

1. NATURE AND CONTINUANCE OF OPERATIONS

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 4H8.

These financial statements (the "Financial Statements") of the Company for the years ended March 31, 2013 and 2012 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. The Company has incurred losses since inception and its ability to continue as a going concern depends upon its capacity to develop profitable operations and to continue to raise adequate financing. 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. Management believes that its current liquid assets are sufficient to meet all current obligations and to maintain its mineral rights in good standing in the foreseeable future. These Financial Statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should the Company be unable to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Statement of compliance

These Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's reporting year ended March 31, 2013.

The Board of Directors of the Company authorized these Financial Statements on July 24, 2013 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.

Specific areas where significant estimates or judgements exist are:

<u>Estimates</u>

- estimate of useful lives of equipment, which affects amortization expense;
- estimate of the accrual of Mineral Exploration Tax Credit ("METC"). The METC initiative was introduced by the government of British Columbia to stimulate mineral exploration activity in the province and includes an enhanced credit for mineral exploration in areas affected by the mountain pine beetle infestation. The Company is eligible to receive refunds under this tax credit. However, the timing and amounts of refunds pursuant to the METC program are uncertain as these amounts are subject to government audit;
- estimate of any premium obtained on the issuance of flow through shares; and
- inputs used in accounting for share-based payments. The Company uses the Black-Scholes Option Pricing Model to calculate the fair value of share purchase options granted and of share purchase warrants issued. Inputs used in this model require highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's share purchase options and share purchase warrants.

<u>Judgements</u>

- assessment of the Company's ability to continue as a going concern;
- the recoverability of the carrying value of the Company's mineral property interests and other long-lived assets and whether they exceed their recoverable amount. In particular, in view of recent volatility in stock markets, management has monitored its market capitalization to determine whether there is any indication that the

carrying amount of these assets may exceed their recoverable amount. Management considers other technical and financial factors on a regular basis. However, there is inherent uncertainty surrounding the information used as a basis for its assessment and it is reasonably possible that new information may become available that suggests the recoverability of these assets may be unlikely;

- the recognition of a deferred tax asset for the Company's accumulated tax losses and resource tax pool. 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. Judgment is required in determining whether deferred tax assets are recognized, including judgment in assessing the likelihood of taxable earnings in future periods in order to utilize recognized deferred tax assets;
- the determination of categories of financial assets and financial liabilities;
- the carrying value and recoverability of the Company's marketable securities;
- the determination of the deferred tax provision (if any) and the determination of the income tax rate reconciliation; and
- information about the judgements used in the classification of the joint arrangement entered into during the year is provided in note 7(e). Judgment is required in assessing whether the arrangement is jointly controlled by all of its parties or by a group of the parties, or controlled by one of its parties alone.

(d) *Foreign currency*

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

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

(e) *Financial Instruments*

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

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

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

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

(i) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position are 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 and cash equivalents are invested in business and savings accounts which are available on demand by the Company for its programs and as such, are only subject to an insignificant risk of change in value. Cash and cash equivalents are measured at amortized cost.

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

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 spot exchange rate at the end of the reporting period. The change in fair value of AFS equity investments are recognized directly in equity.

(iii) 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 amounts receivable and other assets, and restricted cash.

Non-derivative financial liabilities

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

(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 amounts payable and other liabilities.

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.

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.

(h) *Impairment of non-financial assets*

At the end of each reporting period, the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre–tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

(i) 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 units under a private placement comprising of common shares and warrants, the fair value of the share purchase warrants as of the date of issuance is deducted from share capital and is recorded to share purchase warrants reserve within equity. For the purpose of initial recognition, the fair value of the warrants is determined using the Black-Scholes option pricing model. Any issuance costs are allocated to share capital.

<u>Flow–through shares</u>

Canadian tax legislation permits mining entities to issue flow–through shares to investors. Flow–through shares are securities issued to investors whereby the deductions for tax purposes related to resource eligible Canadian exploration and evaluation expenditures ("CEE") may be claimed by investors instead of the entity, pursuant to a defined renunciation process. Renunciation may occur:

- prospectively (namely, the flow–through shares are issued, renunciation occurs and CEE are incurred subsequently); or
- retrospectively (namely, the flow–through shares are issued, CEE are then incurred and renunciation occurs subsequently)

The Company finances a portion of its exploration expenditures through the issuance of flow–through shares.

Flow–through shares are recorded in share capital at the fair value of common shares on date of issue. When flow–through shares are issued, the difference, if any, between the fair value of non–flow–through common shares and the amount the investors pay for flow–through shares is recorded as deferred liability called "flow through share premium". This deferred liability is credited to profit or loss when the eligible expenditures are incurred.

(j) *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.

(k) *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.

(l) *Income taxes*

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

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

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

The following temporary differences are not provided for:

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

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

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

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

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

(m) Restoration, rehabilitation, and environmental obligations

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

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

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

The Company has no material restoration, rehabilitation and environmental obligations as at March 31, 2013.

(n) Joint venture activities and joint controlled operations

Joint control is defined as the contractually agreed sharing of control over an economic activity, and exists only when the strategic, financial and operating decisions essential to the relevant activities require the unanimous consent of the parties sharing control. When the Company enters into agreements that provide for specific percentage interests in exploration properties, a portion of the Company's exploration activities is conducted jointly with others, without establishment of a corporation, partnership or other entity.

Under IFRS 11 "Joint Arrangements", this type of joint control of mineral assets and joint exploration and/or development activities is considered as a joint operation, which is defined as a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. In its financial statements, the Company recognizes the following in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output of the joint operation; and
- its expenses, including its share of any expenses incurred jointly

(o) Operating segments

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

(p) Government assistance

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

(q) *Accounting standards, interpretations and amendments to existing standards*

Accounting policies adopted during the current year

(i) *Amendments to IFRS 7 Financial Instruments Disclosures("IFRS 7") and IAS 12 Income Taxes ("IAS 12")*

Effective April 1, 2012, the Company adopted amendments to IFRS 7 and the amendments to IAS 12 which were issued by the International Accounting Standards Board ("IASB"). The application of these amended IFRS has not had a material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

(ii) *IFRS 10 Consolidated Financial Statements ("IFRS 10") and amendments to IAS 27 Separate Financial Statements ("IAS 27")*

Effective April 1, 2012, the Company early adopted IFRS 10 and the amended IAS 27.

IFRS 10 replaces IAS 27 "Consolidated and Separate Financial Statements" and SIC-12 "Consolidation – Special Purpose Entities". Retrospective application is required, unless impracticable, in which case the Company applies it from the earliest practicable date.

IAS 27 was amended following the issuance of IFRS 10 to reflect the accounting for subsidiaries, associates and joint ventures in the separate financial statements of the parent company.

The Company has applied these new and amended standards retrospectively. The above standards did not result in material changes to the Company's financial statements.

(iii) *IFRS 11 Joint Arrangements ("IFRS 11")*

Effective April 1, 2012, the Company early adopted IFRS 11.

IFRS 11 supersedes IAS 31 "Interests in Joint Ventures" and SIC-13 "Jointly Controlled Entities – Nonmonetary Contributions by Venturers", which had allowed entities the choice to proportionately consolidate or equity account for interests in joint ventures.

IFRS 11 requires a venturer to classify its interest in a joint arrangement as either a joint venture or a joint operation. Joint ventures are accounted for using the equity method of accounting. For a joint operation, the venturer recognizes its share of the assets, liabilities, revenues and expenses of the joint operation.

The Company has adopted this standard retrospectively. The above standards did not result in material changes to the Company's previously filed financial statements.

(iv) IFRS 12 Disclosure of Interests in Other Entities ("IFRS 12")

Effective April 1, 2012, the Company early adopted IFRS 12.

IFRS 12 requires the Company to disclose the significant judgements and assumptions it has made in determining the nature of its interest in another entity or arrangement, and in determining the type of joint arrangement in which it has an interest, and information about its interests in subsidiaries, joint arrangements and associates, and other structured entities.

<u>Accounting standards issued but not yet effective</u>

(i) Effective for annual periods beginning on or after July 1, 2012

- Amendments to IAS 1, *Presentation of Items of Other Comprehensive Income*

(ii) Effective for annual periods beginning on or after January 1, 2013

- IFRS 13, *Fair Value Measurement*
- IAS 19, *Employee Benefits*
- IFRIC 20, *Stripping Costs in the Production Phase of a Surface Mine*

(iii) Effective for annual periods beginning on or after January 1, 2014

- IAS 32, *Financial Instruments: Presentation*

(iv) Effective for annual periods beginning on or after January 1, 2015

- IFRS 9, *Financial Instruments*

The Company has not early adopted these new standards, interpretations or amendments to existing standards. The Company is currently assessing the impact that the standards, which have not been early adopted, will have on the Company's financial statements.

3. CASH AND CASH EQUIVALENTS

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

4. RESTRICTED CASH

Restricted cash in the amount of $266,802 (March 31, 2012 – $246,142) 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 Company's projects.

(Expressed in Canadian Dollars, unless otherwise stated)

5. AMOUNTS RECEIVABLE AND OTHER ASSETS

	March 31, 2013	March 31, 2012
Current		
British Columbia Mineral Exploration Tax Credits ("METC")	$ –	$ 1,013,817
Value added taxes refundable	85,451	441,235
Prepaid insurance	52,801	79,263
Other receivables	4,563	39,881
Total current	$ 142,815	$ 1,574,196
Non-current		
British Columbia Mineral Exploration Tax Credits	$ 1,282,847	$ 743,554

6. MARKETABLE SECURITIES

As at March 31, 2013 and March 31, 2012 the Company held common shares in several public and private companies. These marketable securities are classified as available–for–sale financial assets and are carried at fair value.

7. MINERAL PROPERTY INTERESTS

	March 31, 2013	March 31, 2012
Ana Property, Yukon (note 7(f))	$ 1	$ 1
Mann Lake Property, Saskatchewan (note 7(f))	1	1
	$ 2	$ 2

All of the Company's active exploration properties are located in British Columbia, Canada.

(a) Silver Vista Properties

The Silver Vista Properties are located approximately 55 kilometres northeast of Smithers, British Columbia

<u>Silver Vista (MR Zone) Property</u>

In July 2012, Amarc acquired a 100% interest in the approximately 30 square kilometre Silver Vista (MR Zone) property for $800,000 cash. The mineral claims purchased are subject to an underlying 2% net smelter return royalty ("NSR"), of which 1% can be acquired by Amarc for $1 million, and thereafter the remaining 1% NSR is subject to a Right of First Refusal.

Babine North Property

In October 2012, the Company entered into an option agreement with an arm's length party, whereby the Company was granted an option (the "Babine North Option") to acquire a 100% interest in eight mineral claims comprising approximately 35 square kilometres internal and adjacent to its Silver Vista property. Pursuant to the Babine North Option, the Company can acquire a 100% interest in the property by: (a) issuing a total of 200,000 common shares in its capital; (b) making cash payments in the aggregate amount of $130,000; and (c) expending a total of $630,000 on the property over a six year period.

The mineral claims as defined in the Babine North Agreement are subject to a 2% NSR to be retained by the optionor. By making a cash payment of $1,000,000 at any time, the Company may purchase one half of the royalty (1%) and cap the remaining 1% royalty at $5,000,000.

(b) *Newton Property*

The Newton Property is located approximately 100 kilometres west of Williams Lake, British Columbia.

In August 2009, the Company entered into an agreement ("Newton Agreement") with Newton Gold Corp. ("Newton Gold") (at that time named New High Ridge Resources Inc.), whereby the Company acquired the right to earn an 80% interest in the Newton property by making certain cash and share payments to the underlying owners and funding $4,940,000 in exploration expenditures over a specified period.

The agreement with Newton Gold was subject to an underlying option agreement ("Underlying Agreement") with arm's length parties, whereby Newton Gold had the right to acquire a 100% undivided interest in all the claims held under that Underlying Agreement through a series of staged payments and share issuances (which payments and share issuances have been completed), in addition to the required exploration expenditures (which have also been completed).

All the conditions in the Newton Agreement were met in May 2011, and the Company's 80% interest in the Newton property then vested. Amarc entered into the Newton Joint Venture Agreement (the "Newton JV Agreement") with Newton Gold. In June 2011, the Company and Newton Gold agreed to incorporate adjacent mineral claims then held by the Company into the Newton JV Agreement. The Company recorded a gain of $679,050 on this transaction, as the Company's expenditures on these adjacent mineral claims had previously been expensed.

On March 1, 2012, Newton Gold ceased its pro-rata funding of this project. Consequently, all expenditures on the properties subject to the Newton JV Agreement on or subsequent to March 1, 2012 are on the account of the Company.

In May 2012, the Newton JV Agreement was terminated and the 20% participating interest of Newton Gold was converted to a 5% net profits interest. Accordingly, Amarc holds a 100% interest in the Newton Property.

The mineral claims defined in the Underlying Agreement are subject to a 2% NSR, which royalty may be purchased at any time by Amarc for $2,000,000. Advance royalty payments of $25,000 per annum commenced on January 1, 2011.

(c) *Blackwater District Properties*

The Blackwater District Properties are located approximately 75 kilometres southwest of Vanderhoof, British Columbia.

Hubble East Property

In December 2011, Amarc purchased the 70 square kilometre Hubble East exploration property for $50,000 cash and 80,000 common shares of Amarc having an aggregate fair value of $35,600.

Blackwater South Property

The Blackwater South property comprises approximately 49 square kilometres. The property is included within Amarc's Galileo property.

In September 2011, the Company entered into an option agreement with an arm's length individual (the "Optionor"), whereby the Company was granted an option (the "Blackwater South Option") to acquire an undivided 100% interest in the Blackwater South property. Under the Blackwater South Option, the Company may secure its interest in the underlying mineral claims, over a two year period, by: (a) making cash payments for an aggregate amount of $35,000; (b) issuing 140,000 of its common shares in tranches; and (c) incurring a minimum of $100,000 in exploration expenditures, of which $50,000 must be incurred prior to October 20, 2013, and the remaining $50,000 prior to October 20, 2014. To March 31, 2013, the Company had paid $15,000 and issued 60,000 of its common shares to the Optionor with aggregate fair value of $17,400, and had incurred exploration expenditures in excess of $100,000 on the Blackwater South property.

The minerals claims as defined in the Blackwater South Option are subject to a 2% NSR to be retained by the Optionor. By making a cash payment of $1,000,000 to the Optionor, the Company may, at any time, purchase one half of the royalty (1%) and cap the remaining 1% royalty at $5,000,000.

Franklin Property

Amarc holds a 100% mineral property interest in the approximately 5 square kilometre Franklin property, which was acquired in April 2012 for total consideration of $13,900 comprising a cash payment of $10,000 and the issuance 10,000 common shares of Amarc with the fair value of $3,900, based on market price on the date of issuance.

(d) Tulox Property

The Tulox Property (the "Property") is located in the Cariboo region of British Columbia. The Property was acquired by the Company in stages by staking between 2005 to 2007.

In April 2009, the Company entered into an agreement with Tulox Resources Inc. ("Tulox") (formerly named Sitec Ventures Corp.), subsequently amended on March 23, 2010 and July 27, 2010, whereby Tulox may acquire a 50% interest in the Property for consideration of 1,525,000 Tulox common shares and by incurring $1,000,000 in expenditures on the Property over three years. Under this agreement, Tulox may acquire a 100% interest by issuing an additional 1,100,000 of its common shares to Amarc and by incurring a further $1,000,000 in expenditures on the property on or before August 1, 2013.

In July 2011, Tulox assigned the option agreement to a subsidiary company, Newlox Gold Ventures Corp. ("Newlox"), as part of a corporate reorganization and Newlox entered into an amended option agreement with Amarc, which was further amended in December 2011 and January 2013. Pursuant to the latest amendments, Newlox can now acquire a 100% interest in the Property by spending $2,000,000 and by issuing 2,200,000 common shares in its capital to Amarc in tranches until December 2015.

To March 31, 2013, the Company had received $10,000 cash and 775,000 Tulox common shares under the original agreement and 450,000 Newlox common shares under the amended option agreement.

Under the agreement, the Company is entitled to receive a 3% NSR following the commencement of commercial production on the Property. In addition, the Company receives a "back–in right" whereby the Company can acquire a 60% interest in the Property by agreeing, within 90 days of the completion of a pre–feasibility study, to fund a further $10,000,000 of exploration expenditures on the Property. However, upon exercise of the "back–in right", the Company's entitlement to an NSR will reduce to 1.2% from 3%.

(e) Galaxie ZNT Project

The Galaxie ZNT Project is located approximately 8 kilometres south of Dease Lake, British Columbia.

The Company entered into a letter agreement with Quartz Mountain Resources Ltd. ("Quartz Mountain") effective November 1, 2012 (the "Letter Agreement"), with respect to Quartz Mountain's 100%-owned Galaxie and ZNT properties (the "Properties"). Quartz Mountain is a publicly listed company with certain directors in common with the Company.

Pursuant to the Letter Agreement, Amarc could earn an initial 40% ownership interest in the Properties by making a cash payment of $1 million to Quartz Mountain (completed), and by funding an additional $1 million in exploration expenditures to be incurred by Quartz Mountain relating to the Galaxie property on or before December 31, 2012 (completed). On December 31, 2012 a joint arrangement (the "Galaxie ZNT Project") was formed, in which Amarc obtained an initial interest of 40% and Quartz held an initial interest of 60%.

As at March 31, 2013, Amarc held an option to increase its ownership interest in the Galaxie ZNT Project from 40% to 50% by funding a further $1,000,000 of exploration expenditures prior to September 30, 2013. Subsequent to March 31, 2013, the Company entered into an amendment agreement whereby (i) the Galaxie ZNT Project will be divided into two separate joint arrangements, named the "Galaxie Joint Venture" and the "ZNT Joint Venture", and (ii) Amarc will have the option to increase its interest in each joint arrangement from 40% to 60% by funding exploration programs of $210,000 and $235,000, respectively, on these projects prior to October 31, 2013 (note 16).

(Expressed in Canadian Dollars, unless otherwise stated)

Quartz also transferred to the Galaxie ZNT Project its obligation under a debenture security (note 10).

A portion of the Galaxie ZNT Project, known as the Gnat property, is subject to a 1% NSR, capped at aggregate payments of $7.5 million. A portion of the Galaxie ZNT Project, known as the Hotai claims, are subject to a 2% NSR. This 2% NSR may be purchased for a maximum aggregate amount of $5,000,000, with an option to purchase 50% of the royalty in consideration of a cash payment of $1,000,000.

The following amounts were expensed in relation to the Company's initial 40% ownership interest in the Galaxie ZNT Project:

Cash payments made to Quartz Mountain pursuant to the Letter Agreement	$ 2,000,000
Assumption of 40% of the obligation in Quartz Mountain's debt security (note 10)	260,000
Amount expensed as property costs and assessments within exploration expenses	$ 2,260,000

All significant decisions regarding relevant activities of the Galaxie ZNT Project are made by a management committee, comprised of an equal number of members appointed by Amarc and Quartz Mountain. As the Galaxie ZNT Project is not structured through a separate vehicle as defined in IFRS 11 Joint Agreements, it has been accounted for as a joint operation which entails recognition of the Company's share of the assets, liabilities, income and expenses of the Galaxie ZNT Project in these Financial Statements.

(f) Yukon Territory and Saskatchewan

The Company has a 5% net profits interest ("NPI") in the 46 mineral claims comprising the Ana Property in the Yukon, and a 2.5% NPI in a mineral lease comprising the Mann Lake Property in Saskatchewan. These net profit interests have been recorded at a nominal value of $1 each. The Company has neither active exploration programs nor does it plan to undertake any new programs on these properties at the present time.

(Expressed in Canadian Dollars, unless otherwise stated)

8. EQUIPMENT

	Site equipment	Computer equipment	Total
Cost			
Balance at April 1, 2011	$ 45,498	$ 30,607	$ 76,105
Additions during the year	1,230	–	1,230
Balance at March 31, 2012	46,728	30,607	77,335
Additions during the year	–	–	–
Balance at March 31, 2013	$ 46,728	$ 30,607	$ 77,335
Accumulated Depreciation			
Balance at April 1, 2011	$ 29,040	$ 19,552	$ 48,592
Depreciation for the year	15,967	11,055	27,022
Balance at March 31, 2012	45,007	30,607	75,614
Depreciation for the year	516	–	516
Balance at March 31, 2013	$ 45,523	$ 30,607	$ 76,130
Net Carrying Values			
At March 31, 2012	$ 1,721	$ –	$ 1,721
At March 31, 2013	$ 1,205	$ –	$ 1,205

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2013	March 31, 2012
Accounts payable	$ 4,523	$ 623,104
Accrued liabilities	23,257	200,830
Total	$ 27,780	$ 823,934

10. DEBENTURE

The debenture represents the Company's proportionate share (40%) of the obligation in the principal sum of a debenture of Quartz which was assumed by the Galaxie ZNT Project pursuant to the Letter Agreement (note 7(e)), and includes accrued interest for a three month period to March 31, 2013.

	Year ended March 31, 2013	2012
Balance at beginning of year	$ –	$ –
Amarc's obligation in the principal sum acquired during the period	260,000	–
Accrued interest at the end of the year	5,129	–
Balance at end of year	$ 265,129	$ –

(Expressed in Canadian Dollars, unless otherwise stated)

The convertible debenture bears interest at a rate of 8% per annum (payable quarterly in arrears) and is convertible into common shares of Quartz Mountain Resources Ltd. ("Quartz Share(s)") at an exercise price of $0.40 per Quartz Share on or before maturity of the debenture on October 31, 2013.

11. 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, of which none have been issued. All issued common shares are fully paid.

(b) *Issuance of common shares*

Private placement of March 2012

In March 2012, the Company completed a brokered and non-brokered private placement of 35,727,765 of its common shares for aggregate gross proceeds of $16,342,494, consisting of 5,300,000 flow-through shares at a price of $0.50 and 30,427,765 non-flow-through shares at a price of $0.45 per share. Each non-flow-through share consists of one common share and one half of one share purchase warrant, with each whole warrant entitling the holder to purchase one common share at an exercise price per share of $0.60 for a period of eighteen months from the date of issuance of the warrants. The Company incurred costs of $1,040,548 in finders' fees and other expenses relating to this private placement.

The following is the continuity of the flow-through share premium, which represents the estimated value associated with the sale of tax benefits related to the flow-through financing of eligible Canadian exploration and evaluation expenditures ("CEE"):

Flow-through share premium	Year ended March 31,	
	2013	2012
Balance at beginning of year	$ 130,000	$ 595,000
Liability recognized upon issuance of flow-through shares	–	265,000
Transfer to net loss for the year	(130,000)	(730,000)
Balance at end of year	$ –	$ 130,000

(Expressed in Canadian Dollars, unless otherwise stated)

Issuance of shares pursuant to acquisition of mineral property interests

During the years ended March 31, 2013 and 2012, the Company issued its common shares pursuant to several mineral property agreements as follows:

Properties	Year ended March 31,					
	2013			2012		
	Number of shares		Fair value	Number of shares		Fair value
Galileo Property (note 7(c))	–	$	–	80,000	$	35,600
Blackwater South Property (note 7(c))	40,000		11,600	20,000		5,800
Franklin Property (note 7(c))	10,000		3,900	–		–
Total	50,000	$	15,500	100,000	$	41,400

(c) *Basic and diluted loss per share*

The calculation of basic and diluted loss per share for the year was based on the following:

	Year ended March 31,			
		2013		2012
Loss attributable to common shareholders	$	10,425,896	$	7,572,761
Weighted average number of common shares outstanding		138,602,746		102,759,226

(d) *Share purchase warrants*

The continuity of share purchase warrants (each warrant redeemable for one common share) for the year ended March 31, 2013 was:

Share purchase warrants	Year ended March 31, 2013			Year ended March 31, 2012		
	Number of warrants		Exercise price	Number of warrants		Exercise price
Outstanding – beginning of year	15,213,883	$	0.60	–	$	–
Issued	–	$	–	15,213,883	$	0.60
Outstanding – end of year	15,213,883	$	0.60	15,213,883	$	0.60

The expiry date for the outstanding share purchase warrants is September 6, 2013.

In connection with the private placement completed in March 2012 (note 11(b)), the Company issued 15,213,883 warrants. Each warrant entitles the holder to purchase one additional common share at a price of $0.60 until September 6, 2013. The value assigned to these share purchase warrants was $1,829,110, which was determined using the Black - Scholes option pricing model with the following assumptions: valuation date share price of $0.44; expected volatility of 77%; risk-free interest rate of 1.09%; expected life of 1.5 years; and no dividends.

(Expressed in Canadian Dollars, unless otherwise stated)

(e) *Share purchase option compensation plan*

The Company has a share purchase option compensation plan that allows it to grant up to 10% of the issued and outstanding shares of the Company at any one time, subject to regulatory terms and approval, to its directors, employees, officers, consultants, and service providers. The vesting schedule is determined by the Board of Directors, but share purchase options typically vest over two years. The exercise price of each option may be set equal to or greater than the closing market price of the common shares on the TSX Venture Exchange on the day prior to the date of the grant of the option, less any allowable discounts. Options can have a maximum term of ten years and terminate 90 days following the termination of the optionee's employment, except in the case of retirement or death.

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

Share purchase options	Year ended March 31, 2013		Year ended March 31, 2012	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding – beginning of year	5,658,700	$ 0.33	1,707,200	$ 0.69
Granted	–	$ –	5,564,100	$ 0.32
Exercised	–	$ –	(17,400)	$ 0.32
Forfeited	(100,100)	$ 0.32	(8,000)	$ 0.32
Expired	(120,000)	$ 0.62	(1,587,200)	$ 0.70
Outstanding – end of year	5,438,600	$ 0.32	5,658,700	$ 0.33
Exercisable – end of year	3,630,400	$ 0.32	1,957,300	$ 0.34

Awards typically vest in several tranches ranging from 6 months to 18 months.

The following table summarizes information on the Company's share purchase options outstanding at March 31, 2013:

	March 31, 2013			March 31, 2012		
Range of exercise prices	Number of share purchase options outstanding	Weighted average exercise price per share	Weighted average remaining contractual life (years)	Number of share purchase options outstanding	Weighted average exercise price per share	Weighted average remaining contractual life (years)
$0.32 – $0.40	5,438,600	$ 0.32	2.6	5,538,700	$ 0.32	3.5
$0.41 – $0.70	–	$ –	–	120,000	$ 0.62	0.5
	5,438,600	$ 0.32	2.6	5,658,700	$ 0.33	3.5

(Expressed in Canadian Dollars, unless otherwise stated)

(f) *Reserves*

Share-based payments reserve

The share-based payment reserve relates to share purchase options granted by the Company to its employees or consultants under its share purchase option compensation plan (note 11(e)).

Share warrants reserve

The share warrants reserve relates to share purchase warrants issued by the Company in connection with the private placement in March 2012 (note 11(d)).

Investment revaluation reserve

The investment revaluation reserve represents the cumulative gains and losses arising on the revaluation of available-for-sale financial assets that have been recognized in other comprehensive income, net of amounts reclassified to profit or loss when those assets have been disposed of or are determined to be impaired.

12. RELATED PARTY TRANSACTIONS

(a) *Transactions with key management personnel*

Key management personnel 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 the directors of the Company.

Transactions with key management personnel were as follows:

	Year ended March 31,			
		2013		2012
Short-term employee benefits	$	508,963	$	443,750
Share-based payments		208,622		380,582
Total	$	717,585	$	824,332

Certain key management personnel are paid through private companies controlled by such personnel. Included in the amount presented for "short-term employee benefits" are transactions with C.E.C Engineering Ltd., a private company controlled by a director of the Company, that provides administrative and technical services to the Company at market rates.

(Expressed in Canadian Dollars, unless otherwise stated)

(b) Balances and transactions with related entities

Balances due to related parties		March 31, 2013		March 31, 2012
Balance due to entity with significant influence (i)	$	46,953	$	6,770
Balance due to jointly controlled entity (ii)		120,000		–
Balance due to related parties	$	166,953	$	6,770

(i) Entity with significant influence over the Company

Management believes that Hunter Dickinson Services Inc. ("HDSI"), a private company, has power to participate in the financial or operating policies of the Company. Several directors and other key management personnel of HDSI, who are close business associates, are also key management personnel of the Company. Pursuant to certain management agreements between the Company and HDSI, the Company receives geological, engineering, corporate development, administrative, management and shareholder communication services from HDSI.

(ii) Jointly controlled entity

The Company has joint control over the Galaxie ZNT Project (note 7(e)). The balance owing to the Joint Arrangement relates to an unfunded cash call.

Transactions with related parties	Year ended March 31,			
		2013		2012
Entity with significant influence (i):				
Based on annually set rates	$	3,254,587	$	2,500,393
Reimbursement of third party expenses		176,925		203,384
Total	$	3,431,512	$	2,703,777

13. INCOME TAXES

(a) Provision for current tax

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

(b) Provision for deferred tax

As future taxable profits of the Company are uncertain, no deferred tax asset has been recognized. As at March 31, 2013, the Company had unused non-capital loss carry forwards of approximately $9.2 million (March 31, 2012 – $6.3 million) available in Canada.

(Expressed in Canadian Dollars, unless otherwise stated)

As at March 31, 2013, the Company had resource tax pools of approximately $21.2 million (March 31, 2012 –$14.9 million) available in Canada, which may be carried forward and utilized to reduce future taxes related to certain resource income.

Reconciliation of effective tax rate	March 31, 2013	March 31, 2012
Loss for the year	$ (10,425,896)	$ (7,572,761)
Total income tax expense	–	–
Loss excluding income tax	$ (10,425,896)	$ (7,572,761)
Income tax recovery using the Company's domestic tax rate	(2,606,000)	(1,979,000)
Non–deductible expenses and other	201,000	41,000
Difference in statutory tax rates	–	84,000
Temporary difference booked to reserve	(7,000)	2,000
Deferred income tax assets not recognized	2,412,000	1,852,000
	$ –	$ –

The Company's domestic tax rate was 25% (2012 – 26.13%) and its effective tax rate is nil (2012 – nil)

As at March 31, 2013, the Company had the following deductible temporary differences of 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	–	314,000	–	891,000
After five years	–	8,881,000	–	1,000,000
No expiry date	1,579,000	–	21,281,000	63,000
Total	$ 1,579,000	$ 9,195,000	$ 21,281,000	$ 1,954,000

14. EMPLOYEE BENEFITS EXPENSES

Employees' salaries and benefits included in various expenses were as follows:

	Year ended March 31, 2013	2012
Salary costs included in:		
Exploration and evaluation	$ 2,582,714	$ 1,942,782
Office and administration	1,381,161	1,654,640
Shareholder communication	179,253	196,814
Total	$ 4,143,128	$ 3,794,236

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

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

There were no changes to the Company's approach to capital management during the year ended March 31, 2013.

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 (note 6).

As At March 31, 2013 and 2012, the carrying values of the Company's financial assets and financial liabilities approximate their fair values.

(c) Financial instrument risk exposure and risk management

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

<u>Credit risk</u>

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

(Expressed in Canadian Dollars, unless otherwise stated)

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

Included in amounts receivable is the Company's claim for 2013 METC of $1,282,847.

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 and cash equivalents.

The Company has sufficient cash and cash equivalents to meet its commitments associated with its financial liabilities.

The carrying amounts of the Company's obligations, which approximate their contractual cash flows, are as follows:

Due within 12 months		March 31, 2013		March 31, 2012
Accounts payable and accrued liabilities	$	27,780	$	823,934
Balance due to related parties		166,953		6,770
Debenture		265,129		–
Total	$	459,862	$	830,704

Price risk

The Company is subject to price risk in respect of its investments in marketable securities (note 6).

16. EVENTS AFTER THE REPORTING PERIOD

Effective June 26, 2013, the Company entered into an amendment agreement (the "Amendment") whereby the Galaxie ZNT Project will be divided into two separate joint arrangements, named the "Galaxie Joint Venture" and the "ZNT Joint Venture". Each joint arrangement will continue to be governed by the terms of the previously executed Letter Agreement (note 7(e)).

Under the Amendment, Amarc has an option until October 31, 2013 to increase its interest in each of the ZNT Joint Venture and Galaxie Joint Venture from its current 40% interest to a 60% interest by funding exploration expenditures of $210,000 and $235,000, respectively.

AMARC RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED MARCH 31, 2013

1.1 DATE

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the audited financial statements of Amarc Resources Ltd. ("Amarc", or the "Company") for the year ended March 31, 2013, 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 presents its financial statements in accordance with International Financial Reporting Standards ("IFRS") and all historical financial information in this MD&A are presented in accordance with IFRS.

This MD&A is prepared as of July 24, 2013.

Cautionary Note to Investors Concerning Forward-looking Statements

This discussion 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. 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 title and delays due to third party opposition, changes in and the effect of government policies regarding mining and natural resource exploration and exploitation, 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.

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.

Cautionary Note to Investors Concerning Historical Estimates

This discussion includes a historical estimate for the Gnat deposit reported in a Canadian Stock Exchange Listing Statement in 1972, which was based on 83 AQ-size drill holes completed by Lytton and others to that time. As no technical report or other documentation of estimation parameters is known to exist, the reliability of the estimate cannot be assessed. There is no classification of "Indicated Reserves" under current standards and a Qualified Person has not done sufficient work to classify the estimate as current mineral resources or reserves, and as such, Amarc is not treating it as current.

1.2 OVERVIEW

Amarc has assembled a capable and experienced mineral exploration team to achieve its objective of discovering and developing BC's next major metal mine.

Figure 1. Location of the Company's Mineral Projects

The Company is focused on mineral exploration in central and northern British Columbia ("BC") at the ZNT and Galaxie properties which are being explored under a joint venture agreement with Quartz Mountain Resources Ltd. ("Quartz Mountain"); its 100%-owned Silver Vista silver-copper property; its 100%-owned Galileo property, located adjacent to New Gold's Blackwater gold-silver deposit; and the 100%-owned Newton gold discovery. The Company continues to monitor mineral developments throughout BC with a view to potentially making additional value-adding project acquisitions.

Amarc has the right to acquire up to a 60% interest in the ZNT and Galaxie properties, which hold significant exploration potential. At ZNT initial geochemical and geophysical surveys have defined a new and unusually strong silver and multi-element target for ground follow-up in 2013.

Integrated field surveys have on the Galaxie property identified new porphyry copper targets and a skarn silver target for follow-up. Of particular interest is the Hotai porphyry copper prospect where three discrete and large-scale Induced Polarization ("IP") geophysics chargeability anomalies lying beneath cover, which are co-incident with compelling magnetic features, have been defined. Targets have been prioritized for ground follow-up in 2013.

The Galaxie property also hosts the Gnat porphyry copper deposit where a historical estimate of an "Indicated Reserve" of 30 million tonnes grading 0.39% copper, based on drilling in the 1960s to 1970s, remains open to expansion. A first phase targeted two hole drill program to test newly identified potential extensions of the Gnat system to depth was completed in late December 2012. Although the drilling confirmed the presence of mineralization at depth returning intervals of, for example, 55.7 metres at 0.44% copper and 91.0 metres at 0.37% copper, the potential depth extension was found to be limited by a previously undefined fault. Integration of geological information and assay data received from the two 2012 drill holes with other exploration data will inform management's plans for further exploration of the Gnat deposit area.

Amarc has acquired a 100% interest in the MR zone on the Silver Vista property which has the potential to host a significant bulk tonnage silver-copper discovery. In addition, Amarc has staked approximately 720 square kilometres of mineral claims in the region to cover prospective host rocks and geochemical anomalies. Comprehensive geochemical and geophysical surveys have been completed by the Company over Silver Vista. Targets have been refined at the MR Zone, while elsewhere on the Silver Vista claim block additional prospective areas for MR-style silver-copper mineralization, as well as porphyry-style copper-molybdenum mineralization have been defined. Targets have been prioritized for ground follow-up in 2013.

Amarc's prospective 1,138 square kilometre Galileo claim package lies 16 kilometres west of New Gold's 10 million ounce-plus Blackwater gold deposit. Extensive airborne and ground-based IP surveys have identified four high quality anomalies potentially representing important sulphide systems for testing.

At the Newton discovery, gold mineralization is similar in age and geological characteristics to the mineralization at the Blackwater gold deposit. Amarc has completed an initial mineral resource estimate based on 24,513 metres of core drilling in 78 holes completed up to June 30, 2012. It 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 (further details are provided in the property section below).

Amarc is actively working to establish positive relationships with local First Nations and other communities in the areas of all its projects.

The ZNT Property

Amarc has a right to earn up to a 60% interest in the approximately 389 square kilometre ZNT project, which is located in central BC some 15 kilometres southeast of the town of Smithers. This exploration property was staked on the basis of significant zinc concentrations in regional till samples as reported by Geoscience BC. In late 2012, approximately 2,400 grid soil geochemical samples were collected and 20 line kilometres of IP ground geophysical surveying was completed. These initial exploration activities defined a new and unusually strong silver and multi-element-in-soils anomaly measuring 1.8 kilometres by 1.2 kilometres, within a more extensive and open ended anomalous trend. This significant silver anomaly is, in part, coincident with an extensive IP geophysical chargeability anomaly indicating the presence of an important scale mineralizing system. Targets have been delineated for ground follow-up in 2013. A drill permit is in hand.

The area of the ZNT property is characterized by gentle topography, easy access and other characteristics favourable to project development. The region is well-served by existing transportation and power infrastructure, and is connected via the Canadian National Railway and Highway 16 at Houston to the deep-water port at Prince Rupert. In addition, a skilled local workforce supports an active mineral exploration and mining industry in the region.

The team is actively working to establish positive relationships with local First Nations and other communities in the area of ZNT.

The Galaxie Property

Amarc has a right to earn up to a 60% interest in the approximately 1,200 square kilometre Galaxie property, located in northern BC. The Galaxie property holds significant exploration potential, and includes the Gnat porphyry copper deposit.

Geologically the Galaxie property is located within the well-endowed Stikine Terrane, which is host to a number of important copper-gold deposits with substantial mineral resources. These include the Red Chris porphyry deposit, located 42 kilometres south of Galaxie, with Proven and Probable Reserves of 302 million tonnes grading 0.36% copper and 0.27 g/t gold (Imperial Metals, November 2010), and also the Schaft Creek, Galore and Kerr-Sulphurets-Mitchell-Snowfield deposits.

In late 2012, exploration programs over five precious and base metal targets were completed. Integrated field surveys included the collection of 6,155 grid soil geochemical samples and completion of approximately 290 line kilometres of IP geophysical surveys. Several compelling porphyry copper targets and a silver skarn target are being prioritized for ground follow-up and drill testing.

Of particular interest are the Hotai and Hu porphyry copper and the Silver Lode skarn silver targets. The Hotai prospect, located in the southern part of the Galaxie property, is largely covered by glacial sediments. Three discrete and large-scale IP chargeability anomalies lying beneath cover have been defined. The southern most of these chargeability anomalies occurs over 750 metres by 1,700 metres and is coincident with a positive magnetic feature. A diorite outcrop peripheral to this chargeability anomaly hosts copper-bearing quartz veinlets. The second chargeability target to the north measures approximately 1,100 metres by 1,700 metres and is coincident with a pronounced annular magnetic high feature with a central magnetic low, a type of magnetic feature that is classically associated with porphyry copper deposits. In addition, a third potential mineralized system occurs to the northeast of these two target areas, where a significant copper and multi-element-in-soils anomaly exists over 1,000 metres by 1,750 metres. This target is associated with a strong IP chargeability anomaly. Ground follow-up of the Hotai targets is planned for 2013.

At Hu, located in the northwest portion of the Galaxie property, a copper and multi-element-in-soils anomaly is coincident with a 750 metre by 1,200 metre IP chargeability anomaly. Chalcopyrite-rich veins hosted by andesitic volcanics rocks have been observed along the flanks of the anomalous zone.

Finally, at the Silver Lode target area, located approximately eight kilometres north of Hotai, a significant and coincident geochemical-geophysical anomaly has been identified, again covered by glacial debris. An IP chargeability anomaly approximately 500 metres in diameter is associated with exceptionally strong silver concentrations in stream sediment geochemical samples, as well as a significant silver and multi-element-in-soils anomaly over the target. Outcrop in the general area indicates a broad zone of skarn-altered calcareous volcaniclastic and sedimentary rocks. A broad IP chargeability feature lying under cover, continues southward from the Silver Lode skarn target for some two kilometres and may represent an extension to the known skarn target.

In addition, historical exploration at Galaxie, including geological, geochemical and geochemical surveys, as well as trenching and drilling, identified several copper occurrences, including the Gnat porphyry deposit. A historical estimate for the Gnat porphyry deposit comprising "Indicated Reserves" of 30,387,850 tonnes grading 0.39% copper, including 20% dilution by wallrock grading 0.15% copper, was completed by Lytton Minerals Ltd. in 1972. This historical estimate, reported in a Canadian Stock Exchange Listing Statement in 1972, was based on 83 AQ-size drill holes completed by Lytton and others to that time. As no technical report or other documentation of estimation parameters is known to exist, the reliability of the estimate cannot be assessed. There is no classification of "Indicated Reserves" under current standards and a Qualified Person has not done sufficient work to classify the estimate as current mineral resources or reserves, and as such Amarc is not treating it as current.

Information from the historical drilling of the Gnat deposit area illustrates that the copper mineralization potentially remains open to expansion, including to depth. An Induced Polarization ("IP") ground geophysical survey completed during 2012 over the immediate deposit area, combined with the re-logging of historical drill core, has refined targets. A first phase drill test of this target, comprising 1,164 metres in two drill holes was completed in late 2012. Significant intercepts from the two drill holes completed are summarized in the Table of Assay Results below.

GNAT DEPOSIT
TABLE OF ASSAY RESULTS

Drill Hole ID	Incl.	From (m)	To (m)	Int. (m)	Cu %	Au (g/t)	Ag (g/t)
GT12001		44.0	73.0	29.0	0.31	0.02	0.7
		95.0	244.0	149.0	0.28	0.02	0.2
	incl.	181.3	244.0	62.7	0.37	0.03	0.2
		360.0	415.7	55.7	0.44	0.02	1.1
		487.0	508.2	21.2	0.35	0.06	0.9
GT12002		41.0	68.0	27.0	0.20	0.10	0.1
		94.0	185.0	91.0	0.37	0.04	0.7
	incl.	152.0	185.0	33.0	0.52	0.03	0.7

Notes
Widths reported are drill widths, such that true thicknesses are unknown.
All assay intervals represent length weighted averages.

Hole GT12001 encountered mineralization below the historical resource, including 55.7 metres grading 0.44% copper intercepted from 360.0 metres below surface. Located in the northern sector of the Gnat deposit, hole GT12001 indicates the potential to extend the known porphyry copper system to the west and northwest, and to depth.

Geological information from GT12002 drilled to test the southern sector of the deposit to depth indicates that mineralization is limited vertically by a previously undefined fault, which has brought older mineralized rocks over younger unmineralized rocks. The technical team is currently integrating geological information and assay data received from the initial two drill holes with other exploration data to inform management's plans for further exploration of the Gnat deposit area.

The Galaxie Project is located some eight kilometres south of Dease Lake, BC, within a region where mining and mineral exploration is the principal industry. The district is well served by an existing transportation system, a developing power infrastructure, and a skilled workforce. Highway 37 passes through the center of the Galaxie Project and provides year-around direct access to the Gnat deposit, which is located in an area of flat to gently rolling topography. Construction of BC Hydro's $700-million Northwest Transmission Line project has commenced, which is to include a new 287-kV transmission line to a new substation near Bob Quinn Lake, approximately 180 kilometres by road south of Dease Lake. The Northwest Transmission Line is scheduled to connect in early 2014 to the Red Chris copper-gold porphyry mine development project 42 kilometres south of Galaxie.

The team is actively working to establish positive relationships with local First Nations and other communities in the area of Galaxie.

Galaxie and ZNT Properties Agreement

The Company entered into a Letter Agreement with Quartz Mountain dated effective November 1, 2012 ("Letter Agreement"), with respect to Quartz Mountain's 100%-owned Galaxie and ZNT properties (the "Properties"), located in northern and central BC. Quartz Mountain is publicly listed company with certain directors in common with the Company.

Pursuant to the Letter Agreement Amarc acquired an initial 40% ownership interest in the Properties by making a cash payment of $1 million to Quartz Mountain (completed), and by funding an additional $1 million in exploration expenditures relating to the Galaxie property prior to December 31, 2012. On December 31, 2012, the jointly controlled "Galaxie ZNT Project" was formed, in which Amarc obtained an initial ownership interest of 40%. This strategic investment provides Amarc with a cost effective opportunity to participate in projects with strong drill targets.

Under the terms of the Letter Agreement, Amarc had an option to increase its ownership interest in the Galaxie ZNT Project from 40% to 50% by funding a further $1 million of exploration expenditures on or before September 30, 2013. On June 26, 2013, the Company entered into an amendment agreement (the "Amendment") whereby, among other things, the Galaxie ZNT Project will be divided into two separate joint ventures, named the "Galaxie Joint Venture" and the "ZNT Joint Venture". Each joint venture will continue to be governed by the terms of the previously executed agreement.

Under the Amendment, Amarc has an option, until October 31, 2013, to increase its interest in each of the ZNT Joint Venture and Galaxie Joint Venture from its current 40% interest to a 60% ownership interest by funding exploration expenditures of $210,000 and $235,000, respectively.

Amarc has been appointed manager of both joint ventures.

Quartz Mountain has also transferred to the Galaxie Joint Venture its obligation under a convertible debenture security issued to a former owner of the Gnat property. The Gnat property is subject to a 1% net smelter returns royalty, capped at aggregate payment of $7.5 million, retained by an arm's length party.

Effective July 17, 2013, Quartz Mountain and the holder of the debenture entered into an agreement to amend the debenture whereby, among other things, the amount of the debenture was reduced to $600,000, the interest rate was increased to 10%, and the maturity date was extended to October 31, 2014.

Hotai Property Agreement

In July 2012, Quartz Mountain, through a mineral property sale and purchase agreement, acquired a 100% interest in nine mineral claims covering approximately 38 square kilometres that are adjacent to, and now form part of the Galaxie Project (the "Hotai Claims") from Crucible Resources Ltd. and Michael Rowley (together, the "Hotai Vendors") (the "Hotai Agreement") dated as of July 27, 2012.

Pursuant to the terms of the Hotai Agreement, the consideration payable by Quartz Mountain to the Hotai Vendors in aggregate consists of:

1. on the closing date, $5,000 payable in cash and $5,000 payable by the issuance of shares in the capital of Quartz Mountain (paid) and the issuance of a 2% NSR royalty which is capped at $5,000,000 (issued);

2. on August 23, 2013, $10,000 payable in cash and $10,000 payable by the issuance of shares in the capital of Quartz Mountain; and

3. on August 23, 2014 and August 23, 2015 $20,000 payable in cash and $20,000 payable by the issuance of shares in the capital of Quartz Mountain.

Quartz Mountain is required to incur staged expenditures on the Hotai Claims of at least $1 million prior to August 23, 2015. Quartz Mountain is also required to pay the Hotai Vendors a 2% NSR royalty on the Hotai Claims, up to a maximum of $5 million and with an option to buy out 50% of the royalty in consideration for a cash payment of $1 million.

Under the terms of the Galaxie Joint Venture and in order to maintain its interest, Amarc is liable for its proportional share of any cash payments and share issuances incurred after November 1, 2012.

The Silver Vista Property

In July 2012, Amarc acquired a 100% interest in the approximately 30 square kilometre MR Zone on the Silver Vista property, located in west-central BC. Previous exploration at the MR Zone indicates the potential for a significant bulk tonnage silver-copper discovery. In addition, Amarc has staked approximately 720 square kilometres of mineral claims in the region to cover prospective host rocks.

Results from comprehensive geochemical surveys over the MR Zone have defined a strong silver with copper-in-soils anomaly, which now extends over an area of approximately 1.2 kilometres by 1.4 kilometres. This expanded target area includes a 600 metre long zone of known mineralization defined by historic drilling that remains open laterally and to depth. Targets have been delineated and prioritized for ground follow-up in 2013. A permit to trench and drill is in hand.

The historical drilling, located at the northern end of the MR Zone, resulted in nine of 14 shallow core holes drilled, intercepting significant intervals of disseminated silver and copper mineralization (reported to be native silver and chalcocite) hosted by sedimentary rocks. Intercepts included 36.6 metres at 32.3 g/t silver and 0.50% copper including 3.5 metres at 163.9 g/t silver and 3.03% copper; 45.5 metres at 45.4 g/t silver and 0.06% copper; and 63.1 metres at 40.1 g/t silver and 0.11% copper. In addition, some of the holes bottomed in mineralization.

In 2012, Amarc completed 2,700 line kilometres of helicopter-borne magnetic geophysical surveys, 700 silt geochemical samples, 175 rock geochemical samples and approximately 6,700 grid soil geochemical samples over both the MR Zone and the 720 square kilometres of mineral claims in the Silver Vista region.

The Company believes that Silver Vista has potential to host important bulk tonnage silver mineralization, similar to the Montanore deposit in Montana (Measured & Indicated Resources of 82 million tonnes at 58 g/t silver and 0.75% copper and Inferred Resources 35 million tonnes at 58 g/t silver and 0.71% copper; Mines Management Inc. website).

Elsewhere on the Silver Vista claim block, geophysical and geochemical surveys have defined additional prospective areas for MR-style silver-copper mineralization, as well as porphyry-style copper-molybdenum mineralization. Targets have been prioritized for ground follow-up in 2013.

The Silver Vista property is located approximately 55 kilometres northeast of the town of Smithers, and 300 kilometres northwest of northern BC's regional hub city of Prince George. The project is characterized by gentle topography, easy access and other characteristics favourable to project development. The region is well-served by existing transportation and power infrastructure, and is connected via the Canadian National Railway and Highway 16 at Smithers to the deep-water port at Prince Rupert. In addition, a skilled local workforce supports an active mineral exploration and mining industry in the region.

Amarc is actively working to establish positive relationships with local First Nations and other communities in the area of the Silver Vista Property.

Silver Vista (MR Zone) Property Agreement

In July 2012 Amarc acquired 100% interest in the approximately 30 square kilometre Silver Vista (MR Zone) property from Metal Mountain Resources Inc. for $800,000. The mineral claims purchased are subject to an underlying 2% net smelter return royalty ("NSR"), of which 1% can be acquired by Amarc for $1 million, and thereafter the remaining 1% NSR is subject to a Right of First Refusal.

Babine North Property Agreement

In October 2012, the Company entered into an option agreement with an arm's length party, whereby the Company was granted an option (the "Babine North Option") to acquire a 100% interest in eight mineral claims comprising approximately 35 square kilometres internal and adjacent to its Silver Vista property. The Company can acquire a 100% interest in the property by issuing a total of 200,000 common shares in its capital, making cash payments in the aggregate amount of $130,000 and expending a total of $630,000 on the property over a six year period.

The mineral claims as defined in the Babine North Property Agreement are subject to a 2% NSR to be retained by the optionor. By making a cash payment of $1,000,000 at any time, the Company may purchase one half of the royalty (1%). The remaining 1% of the royalty is capped at $5,000,000.

The Blackwater District Properties – Galileo, Hubble, Franklin and Darwin

Amarc owns a 100% interest in the approximately 1,400 square kilometre Galileo, Hubble, Franklin and Darwin properties, which are located within the Blackwater district, 75 kilometres southwest of Vanderhoof, BC.

The Company has completed an approximately 5,120 line kilometres of helicopter-borne, magnetic and electromagnetic geophysical survey over its Blackwater properties, 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. Drill permits have been received.

At the Hubble property, located approximately 35 kilometres northeast of New Gold's Blackwater deposit, an initial 700 metre diamond drill program completed last year tested a three square kilometre chargeability anomaly defined by IP ground geophysical surveys. The drilling encountered broad intervals of pyrite-bearing lithologies but no economic mineralization.

The Galileo, Hubble, Franklin and Darwin properties are located approximately 17 to 35 kilometres from New Gold's Blackwater gold deposit (Indicated Resources of 230 million tonnes at an average grade of 0.96 g/t gold containing 7.1 million gold ounces; and Inferred Resource of 98 million tonnes at an average grade of 0.77 g/t gold containing 2.4 million gold ounces; New Gold news release June 18, 2012).

Amarc's Blackwater district properties lie approximately 135 kilometres southwest, of the town of Vanderhoof 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.

Amarc is actively working to establish positive relationships with local First Nations and other communities in the area of its Blackwater District Properties.

The Franklin Property

In March 2012, Amarc acquired by purchase agreement the approximately 5 square kilometre Franklin exploration property. The Franklin property lies 17 kilometres north of the Blackwater deposit.

Franklin Agreement

Amarc holds 100% of the mineral property interest in the approximately 5 square kilometre Franklin property, which was acquired in April 2012 for total consideration of $13,900 comprising a cash payment of $10,000 and the issuance of 10,000 common shares.

The Hubble East Property

In December 2011, Amarc acquired by purchase agreement the 70 square kilometre Hubble East exploration property. Hubble East is included within the 100% Amarc owned Hubble Property.

Hubble East Agreement

In December 2011, Amarc purchased the 70 square kilometre Hubble East exploration property for $50,000 cash and 80,000 common shares of Amarc.

The Blackwater South Property

In September 2011, Amarc acquired by option agreement the 49 square kilometre Blackwater South exploration property. The Blackwater South property, which lies directly to the south of Silver Quest's 3T's vein gold deposit, is included within Amarc's 100% owned Galileo Property.

Blackwater South Agreement

In September 2011, Amarc entered into an option agreement with an arm's length individual (the "Optionor"), whereby the Company was granted an option to acquire an undivided 100% interest in the Blackwater South property. Amarc can acquire its interest in the Blackwater South property by making cash payments of $35,000 and issuing 140,000 common shares over two years and expending $100,000 in exploration expenditures over a three year period.

The mineral claims as defined in the Blackwater South option agreement are subject to a 2% NSR to be retained by the Optionor. By making a cash payment of $1 million at any time, the Company may purchase one half of the royalty (1%) and cap the remaining 1% royalty at $5 million.

The Newton Property

Amarc made a drill discovery at its 100% owned Newton bulk-tonnage gold-silver project in late 2009 and has conducted exploration and delineation drilling at the deposit since that time.

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.

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

Newton Gold Project – Inferred Mineral Resources

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

Notes:

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

The Newton estimate 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 plus-seven square kilometre sulphide system that is characterized by widespread gold enrichment indicating high 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, Brucejack and Snowfields deposits.

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

Amarc's Newton property is located some 100 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 have worked together in a diligent manner in order to develop a positive work relationship.

<u>Newton Property Agreement</u>

In August 2009, the Company entered into an agreement ("Newton Agreement") with Newton Gold Corp. ("Newton Gold") (at that time named High Ridge Resources Inc.), whereby the Company acquired the right to earn an 80% interest in the Newton property by making certain cash and share payments to the underlying owners and funding $4,940,000 in exploration expenditures over a specified period.

The agreement with Newton Gold was subject to an underlying option agreement ("Underlying Agreement") with arm's length parties, whereby Newton Gold had the right to acquire a 100% undivided interest in all the claims held under that Underlying Agreement through a series of staged payments and share issuances (which payments and share issuances have been completed), in addition to the required exploration expenditures (which have also been completed).

All the conditions in the Newton Agreement were met in May 2011, and the Company's 80% interest in the Newton property then vested. Amarc entered into the Newton Joint Venture Agreement (the "Newton JV Agreement") with Newton Gold. In June 2011, the Company and Newton Gold agreed to incorporate adjacent mineral claims then held by the Company into the Newton JV Agreement. The Company recorded a gain of $679,050 on this transaction, as the Company's expenditures on these adjacent mineral claims had previously been expensed.

A $4.9 million exploration program budget was approved, executed, and completed by the Newton Joint Venture during the latter half of calendar 2011 and the beginning of calendar 2012. In January 2012, a further $4.4 million program and budget was approved by the Newton Joint Venture in relation to the ongoing delineation drilling.

On March 1, 2012, Newton Gold ceased funding the Newton Joint Venture. Consequently, expenditures on the properties subject to the Newton JV Agreement on or subsequent to March 1, 2012 are on the account of the Company.

In May 2012, the Newton JV Agreement was terminated and the 20% participating interest of Newton Gold was converted to a 5% net profits interest. Accordingly, Amarc holds a 100% interest in the Newton Property.

The mineral claims defined in the Underlying Agreement are subject to a 2% NSR, which royalty may be purchased by Amarc for $2,000,000 at any time. Advance royalty payments of $25,000 per annum commenced on January 1, 2011.

The Tulox Property

The Tulox property is located in the Cariboo region and covers an area of 54 square kilometres acquired over the period from 2005 to 2007. The Tulox property is underlain by Mesozoic volcanic and sedimentary rocks that have been intruded by Mesozoic intrusive rocks. These rocks are overlain by Cenozoic volcanic and pyroclastic rocks. The Tulox property hosts gold and gold indicator element anomalies, as assessed from geochemical surveys.

The Tulox Property Agreement

In April 2009, the Company entered into an agreement with Tulox Resources Inc. ("Tulox") (formerly named Sitec Ventures Corp.), and amended the agreement on March 23, 2010 and July 27, 2010, whereby Tulox may acquire a 50% interest in the Tulox Property for consideration of 1,525,000 Tulox common shares and by incurring $1 million in expenditures on the Tulox Property over three years. Under this agreement, Tulox may acquire a 100% interest by issuing an additional 1,100,000 of its common shares to Amarc and by incurring a further $1 million in expenditures on the property on or before August 1, 2013.

In July 2011, Tulox assigned the option agreement to a subsidiary company, Newlox Gold Ventures Corp. ("Newlox"), as part of a corporate reorganization and Newlox entered into an amended option agreement with Amarc, which was amended in December 2011 and further amended in January 2013. Pursuant to the latest amendments, Newlox can acquire a 100% interest in the Tulox Property by spending a total of $2,000,000 in exploration expenses on the Tulox Property and issuing a total of 2,200,000 common shares in its capital to Amarc in tranches ending December 2015.

To March 31, 2013, the Company had received $10,000 cash and 1,225,000 common shares (775,000 Tulox common shares under the original agreement and 450,000 Newlox common shares under the amended option agreement).

Under the agreement, the Company is entitled to receive a 3% NSR following the commencement of commercial production on the Tulox Property. In addition, the Company has a "back–in right" whereby the Company can acquire a 60% interest in the Tulox Property by agreeing, within 90 days of the completion of a pre–feasibility study, to fund a further $10 million of exploration expenditures. However, upon exercise of the "back–in right", the Company's entitlement to an NSR will reduce to 1.2% from 3%.

Market Trends

Copper prices declined in late 2008 as a result of the global economic downturn but began to recover in 2009. Copper prices generally increased from 2009 until the end of January 2012, with prices reaching as high as US$4.65/lb. Since then, copper prices have declined, trading within a range of approximately US$3.00/lb. and US$4.00/lb.

In response to the global economic uncertainty that began in mid-2008, gold prices increased in 2009 and generally continued to do so until August 2011, where prices reached as high as

$1,912/oz. From August 2011 to September 2012, gold prices traded within a range of approximately US$1,500/oz. and US$1,900/oz. Since then, gold prices have declined, with the most significant decline occurring during 2013, with prices reaching as low as US$1,180/oz.

Silver prices were impacted by economic volatility in 2008 and 2009. However, prices increased significantly from September 2010 to April 2011 as prices reached as high as approximately US$50/oz. Since then, prices have been volatile, declining from a high of approximately US$50/oz. to US$18/oz.

Average annual prices for copper, gold and silver are shown in the table below:

	Average metal price (US$)		
Calendar year	Copper	Gold	Silver
2008	3.16/lb	871/oz	14.99/oz
2009	2.34/lb	974/oz	14.67/oz
2010	3.42/lb	1,228/oz	20.19/oz
2011	4.00/lb	1,572/oz	35.12/oz
2012	3.61/lb	1,670/oz	31.17/oz
2013 (up to July 24, 2013)	3.41/lb	1,487/oz	26.01/oz

1.3 SELECTED ANNUAL INFORMATION

The following selected annual information is from the Company's annual financial statements which have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC") 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.

	As at March 31,		
Statements of Financial Position	2013	2012	2011
Current assets	$ 6,093,170	$ 17,184,975	$ 8,180,099
Non-current assets	1,550,856	991,419	1,369,623
Total assets	$ 7,644,026	$ 18,176,394	$ 9,549,722
Current liabilities	$ 459,862	$ 960,704	$ 659,995
Shareholders' equity	7,184,164	17,215,690	8,889,727
Total liabilities and shareholders' equity	$ 7,644,026	$ 18,176,394	$ 9,549,722

	Years ended March 31		
Statements of Comprehensive Loss	2013	2012	2011
Expenses (income):			
Exploration and evaluation	$ 8,422,339	$ 6,659,513	$ 5,484,435
Administration	1,822,793	1,751,735	1,272,813
Share-based payments	433,503	799,885	-
Other items (i)	(252,739)	(1,638,372)	(290,905)
Net loss for the year	10,425,896	7,572,761	6,466,343
Other comprehensive loss (income) (ii)	54,633	(14,925)	(68,374)
Comprehensive loss for the year	$ 10,480,529	$ 7,557,836	$ 6,397,969
Basic and diluted loss per share	$ 0.08	$ 0.07	$ 0.07
Weighted average number of common shares outstanding (millions)	138.6	102.8	89.1

(i) Includes interest income, interest expense, flow-through share premium, gain on sale of mineral property, gain on disposition of available-for-sale financial assets, operator's fees, provision for bad debt, tax on flow-through shares and foreign exchange loss (gain).

(ii) Includes revaluation of available-for-sale financial assets and change in fair value of available-for-sale financial assets transferred to gain upon disposition

1.4 SUMMARY OF QUARTERLY RESULTS

These amounts are expressed in thousands of Canadian Dollars, except per share amounts and the weighted average number of common shares outstanding. Minor differences are due to rounding.

	Fiscal Quarter Ended							
	Mar 31, 2013	Dec 31, 2012	Sept 30, 2012	Jun 30, 2012	Mar 31, 2012	Dec 31, 2011	Sep 30, 2011	Jun 30, 2011
Expenses (income):								
Exploration and evaluation	$ 2,592	$ 760	$ 2,333	$ 2,737	$ 2,345	$ 2,564	$ 1,417	$ 252
Administration	401	425	498	499	615	414	412	311
Share-based payments	58	55	155	165	169	172	458	–
Other items (i)	(13)	(24)	(44)	(171)	(239)	(307)	(265)	(746)
Net loss (income)	3,038	1,216	2,942	3,230	2,890	2,843	2,022	(183)
Other comprehensive loss (income) (ii)	9	(20)	6	60	97	(1)	(64)	(47)
Comprehensive loss (income)	$ 3,047	$ 1,196	$ 2,948	$ 3,290	$ 2,987	$ 2,842	$ 1,958	$ (230)
Basic and diluted loss per share	$ 0.02	$ 0.01	$ 0.02	$ 0.02	$ 0.03	$ 0.03	$ 0.02	$ (0.00)
Weighted average number of common shares outstanding (millions)	138.6	138.6	138.6	138.6	112.7	102.7	102.7	102.7

(i) Includes interest income, interest expense, flow-through share premium, gain on sale of mineral property, gain on disposition of available-for-sale financial assets, operator's fees, tax on flow-through shares and foreign exchange loss (gain).

(ii) Includes revaluation of available-for-sale financial assets and change in fair value of available-for-sale financial assets transferred to gain upon disposition

Exploration and evaluation ("E&E") expenses have fluctuated from quarter to quarter. Beginning in the September 2011 quarter up until the end of the September 2012 quarter, the Company was engaged in its exploration programs for its various properties. During the last two quarters, there has been a decline in exploration activity as part of the Company's cash conservation efforts. E&E expenses in the March 2013 quarter include $2.26 million relating to the acquisition of a 40% interest in the Galaxie ZNT Project and related properties.

Administration expenses have remained relatively constant over the last several quarters, with the exception being the March 2012 quarter, during which a large number of administration and stewardship activities took place. The March 2012 private placement, matters involving the Newton project, legal and administrative time relating to mineral property acquisitions, and greater-than-usual corporate communications and travel activity were key contributors to the cost increase during the March 2012 quarter.

Expenses for share-based payments typically fluctuate based on the timing of share purchase option grants and the vesting periods associated with these grants. The fair value of share purchase options is determined at the grant date and the compensation expense for each tranche is recognized over the period during which the share purchase options vest. The share-based payments expense recognized during the September 2011 quarter relates to share purchase options issued mainly to employees and directors of the Company during that quarter. In subsequent quarters, the trend in share-based payments represents amortization of the fair value of these share purchase options.

1.5 RESULTS OF OPERATIONS

The Company recorded a net loss of $10,425,896 for the year ended March 31, 2013, compared to a net loss of $7,572,761 for the prior year.

During the current year, the Company incurred approximately $3 million for interests in mineral properties, including its 40% interest in the Galaxie ZNT Project and 100% interest in the Silver Vista property. In addition, during the prior year, the Company credited the majority of its flow-through share premium to income and recognized a gain on sale of a 20% interest in certain mineral claims to the Newton Joint Venture. These items were primary contributors to the increase in net loss for the year.

	Year ended March 31,		
	2013 ($ 000's)	2012 ($ 000's)	Discussion
Exploration expenses	8,422	6,660	Exploration and evaluation expenses were higher during 2013 mainly due to the Company incurring approximately $3 million in mineral property costs, namely $2.26 million for Galaxie ZNT and $0.80 million for Silver Vista. However, direct exploration activity was higher in 2012, during which time the Company worked primarily on the Newton and Blackwater properties. Although exploration activity at these properties remained high during 2013, the Company's exploration program was focused on more properties during the current year, particularly its Silver Vista property where the Company continues its work program to delineate and develop the property.
Administration expenses	1,823	1,752	The minor increase in administration expenses was mainly due to (1) an increase in administration and stewardship activities associated with maintaining and developing the Company's projects; and (2) an increase in corporate communications and business development activities.

Share-based payments	434	800	During the prior year, the Company granted stock options to its employees and directors. The decrease in share-based payments expense during the year was due to the fair value amortization of a fewer number of share purchase options compared to the prior year.
Interest income	(129)	(83)	The increase was due to a higher average cash balance on hand during the year. The Company completed an equity financing transaction in late fiscal 2012 and as a result, a larger portion of interest was earned on the funds during fiscal 2013 compared to fiscal 2012.

Exploration and evaluation expenses

The following tables provide a breakdown of exploration costs incurred during the year ended March 31, 2013 and 2012:

	Year ended March 31, 2013					
	Blackwater	Newton	Galaxie	Silver Vista	General exploration and other(i)	Total
Assays and analysis	$ 131,444	$ 390,325	$ 9,495	$ 237,614	$ 926	$ 769,804
Drilling	112,244	746,790	–	–	–	859,034
Equipment rental	25,447	146,485	1,433	32,682	–	206,047
Geological	935,490	625,540	65,359	755,283	(747,071)	1,634,601
Graphics	298	2,848	4,709	910	3,303	12,068
Helicopter	114,082	–	–	20,296	–	134,378
Property fees and assessments	21,790	25,000	2,260,000	805,000	13,900	3,125,690
Site activities	232,607	762,514	2,981	181,570	5,520	1,185,192
Socioeconomic	137,551	140,799	1,378	58,063	29,342	367,133
Travel and accommodation	17,877	43,059	19	53,846	13,591	128,392
Total	$ 1,728,830	$ 2,883,360	$2,345,374	$ 2,145,264	$ (680,489)	$ 8,422,339

	Year ended March 31, 2012			
	Blackwater	Newton	General exploration and other(i)	Total
Assays and analysis	$ 120,680	$ 280,568	$ 1,540	$ 402,788
Drilling	41,498	1,693,792	–	1,735,290
Equipment rental	18,533	205,279	–	223,812
Geological	1,904,582	809,324	(387,447)	2,326,459
Graphics	4,444	5,184	1,652	11,280
Helicopter	20,078	29,302	–	49,380
Property fees and assessments	100,211	20,001	–	120,212
Site activities	210,842	1,136,342	5,423	1,352,607
Socioeconomic	65,385	264,810	25,582	355,777
Travel and accommodation	26,751	53,774	1,383	81,908
Total	$ 2,513,004	$ 4,498,376	$ (351,867)	$6,659,513

(i) Recorded under geological expenses are cost recoveries pertaining to Mineral Exploration Tax Credits from the provincial government of British Columbia

Administration expenses

The following table provides a breakdown of administration expenses incurred during the year ended March 31, 2013 and 2012:

	Year ended March 31,	
	2013	2012
Depreciation	$ 516	$ 27,022
Legal, accounting and audit	56,010	112,762
Office and administration	1,451,737	1,335,165
Shareholder communication	225,822	178,730
Travel	56,726	63,373
Trust and filing	31,982	34,683
Total	$ 1,822,793	$ 1,751,735

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. 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, 2013, the Company had working capital of \$5.6 million compared to working capital of \$16.2 million as at March 31, 2012. The decrease in working capital since March 31, 2012 is mainly due to the continued funding of the Company's exploration programs for its various properties as well as ongoing operating expenses. The Company's current working capital is sufficient to fund its known commitments due within the next twelve months.

The following obligations existed as at March 31, 2013:

	Payments due by period		
	Total	Less than 1 year	1 – 5 years
Accounts payable and accrued liabilities	$ 27,780	$ 27,780	$ –
Balances due to related parties	166,953	166,953	–
Debenture	265,129	265,129	–
Total	$ 459,862	$ 459,862	$ –

The Company has no long-term debt, capital lease obligations, operating leases or any other long-term obligations.

The Company will continue to advance its exploration projects by finding the right balance between advancing the projects and preserving its cash.

Development of any of the Company's mineral properties will require additional equity and possibly debt financing. As the Company is an exploration stage company, it does not have revenues from operations and, except for interest income from its cash and cash equivalents, the Company relies on equity funding for its continuing financial liquidity.

A summary of the Company's cash flows is as follows:

	Year ended March 31,	
	2013	2012
Net cash used in operating activities	$ (9,734,672)	$ (6,803,756)
Net cash provided by investing activities	128,881	160,169
Net cash provided by financing activities	–	15,307,514
Net increase (decrease) in cash and cash equivalents	$ (9,605,791)	$ 8,663,927

Operating activities

Cash used in operating activities was attributable primarily to the Company's ongoing exploration and administrative activities.

Investing activities

Investing activities relate to the receipt of interest on funds held with financial institutions.

Financing activities

The Company did not have any material financing activities during the year. During the prior year, the Company completed a private placement of its common shares.

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 disclosure is presented in note 12 of the accompanying audited financial statements as at and for the year ended March 31, 2013, which are publicly available on SEDAR at www.sedar.com.

1.10 FOURTH QUARTER

The Company recorded a net loss of $3,038,523 for the quarter ended March 31, 2013, compared to a net loss of $2,890,117 during the same quarter in fiscal 2012. The increase in net loss was mainly due to the Company's acquisition of a 40% interest in the Galaxie ZNT Project for which $2,260,000 was recognized as exploration and evaluation expense.

Exploration and evaluation expenses

The following tables provide a breakdown of exploration costs incurred during the three months ended March 31, 2013 and 2012:

	Three months ended March 31, 2013					
	Blackwater	Newton	Galaxie	Silver Vista	General exploration and other	Total
Assays and analysis	$ 460	$ 1,946	$ 9,495	$ 2,167	$ 500	$ 14,568
Drilling	–	–	–	–	–	–
Equipment rental	3,114	293	1,433	(1,554)	–	3,286
Geological	36,681	8,722	63,064	44,281	86,011	238,759
Graphics	85	–	4,709	43	1,084	5,921
Helicopter	–	–	–	–	–	–
Property costs & assessments	–	–	2,260,000	–	–	2,260,000
Site activities	6,722	7,529	2,981	2,007	158	19,397
Socioeconomic	5,903	16,147	1,378	14,339	3,525	41,292
Travel and accommodation	2,660	–	19	902	5,544	9,125
Total	$ 55,625	$ 34,637	$2,343,079	$ 62,185	$ 96,822	$2,592,348

	Three months ended March 31, 2012			
	Blackwater	Newton	General exploration and other(i)	Total
Assays and analysis	$ 44,936	$ 207,695	$ 1,414	$ 254,045
Drilling	41,497	952,104	–	993,601
Equipment rental	1,332	95,035	–	96,367
Geological	101,780	161,939	(100,724)	162,995
Graphics	–	4,384	692	5,076
Helicopter	19,012	13,796	–	32,808
Property fees and assessments	85,601	–	–	85,601
Site activities	99,524	473,392	–	572,916
Socioeconomic	32,163	84,725	16,298	133,186
Travel and accommodation	8,903	21,279	(328)	29,854
Total	$ 434,748	$ 2,014,349	$ (82,648)	$ 2,366,449

(i) Recorded under geological expenses are cost recoveries pertaining to Mineral Exploration Tax Credits from the provincial government of British Columbia

1.11 PROPOSED TRANSACTIONS

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

The required disclosure is provided in note 2 of the accompanying audited financial statements as at and for the year ended March 31, 2013, which are publicly available on SEDAR at www.sedar.com.

1.14 FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The carrying amounts of cash and cash equivalents, amounts receivable, available-for-sale marketable securities, accounts payable and accrued liabilities, balances due to related parties, and debenture approximate their fair values due to their short-term nature. The required disclosure is provided in note 15 of the accompanying audited financial statements as at and for the year ended March 31, 2013, which are publicly available on SEDAR at www.sedar.com.

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 and 1.10 Fourth Quarter 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 and 1.10 Fourth Quarter 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	138,624,061
Share purchase options	5,369,800
Share purchase warrants	15,213,883

1.15.3 Internal Controls over Financial Reporting Procedures

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

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

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

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of March 31, 2013. In making the assessment, it used the criteria set forth in the Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on their assessment, management has concluded that, as of March 31, 2013, the Company's internal control over financial reporting was effective based on those criteria.

1.15.4 Disclosure Controls and Procedures

The Company's management, with the participation of its Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of the Company's disclosure controls and procedures. Based on that evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this report, the Company's disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed by the Company under securities legislation is recorded, processed, summarized and reported within the appropriate time periods and 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.

1.15.5 Limitations of Controls and Procedures

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

1.16 RISK FACTORS

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

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.

An investment in the Company's common shares is highly speculative and subject to a number of risks. Only those persons who can bear the risk of the entire loss of their investment should participate. An investor should carefully consider the risks described below and the other information that the Company furnishes to, or files with, securities regulators before investing in the Company's common shares. The risks described below are not the only ones faced by the Company.

Additional risks that management is aware of or that the Company currently believes are immaterial may indeed become important factors that affect the Company's business. If any of the following risks occur, or if others occur, the Company's business, operating results and financial condition could be seriously harmed and the investor may lose all of his investment.

The Company Does Not Currently Have Any Properties On Which Mineral Reserves Have Been Outlined.

All of the Company's mineral projects are in the exploration stage as opposed to the development stage, and have no known body of economic mineralization. The known mineralization at these projects has not been determined to be economic ore. There is no certainty that the expenditures to be made by Amarc in the exploration of the Company's mineral properties will result in discoveries of commercially recoverable quantities of ore. There can be no assurance that a commercially mineable ore body exists on any of the Company's properties.

The Exploration for and Development of Mineral Deposits Involves Significant Risks.

It is impossible to ensure that the current exploration programs planned by Amarc will result in a profitable commercial mining operation. Resource exploration is a speculative business and involves a high degree of risk. The exploration for and development of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Although the discovery of an ore body may result in substantial rewards, few properties explored are ultimately developed into producing mines.

The commercial viability of any mineral deposit that is identified will be dependent upon a number of factors. These include deposit attributes such as size, grade and proximity to infrastructure, current and future metal prices (which can be cyclical), and government regulations, including those relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and necessary supplies, and environmental protection. The complete effect of these factors, either alone or in combination, cannot be entirely predicted, and their impact may result in Amarc not receiving an adequate return on invested capital.

The Company may be subject to land claims by aboriginal groups. Some of our properties are located near First Nations communities, and the exploration and development of these properties may be subject to aboriginal rights and title, and opposition by First Nations communities.

If it is determined that First Nations have aboriginal rights in the area the Company would enter into consultation with them and potentially, agreements generally referred to as Impact Benefits Agreements would be negotiated.

We may be required to enter into other agreements with such First Nations in order to explore or develop our properties, which could reduce the expected earnings from future production, if any.

Even If Exploration Efforts Are Successful, Significant Capital Investment Will Be Required To Achieve Commercial Production.

Significant expenditures may be required to locate and establish ore reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. Therefore, even if exploration efforts are successful, significant capital investment will be required to achieve commercial production. Among other things, it will be necessary to complete final comprehensive feasibility studies and, possibly, further associated exploration and other work that concludes a potential mine is likely to be economically viable. In order to carry out exploration and development programs of any economic ore body and place it into commercial production, the Company will be required to raise substantial additional funding.

As the Company Does Not Have Revenues, the Company Will Be Dependent Upon Future Financings To Continue the Company's Plan of Operation.

Amarc has not generated any significant revenues since inception. The Company's plan of operations involves the completion of exploration programs on the Company's mineral properties. Even if commercially exploitable mineral deposits are discovered, the Company will require substantial additional financing in order to carry out the full exploration and development of the Company's mineral properties before the Company is able to achieve revenues from sales of any mineral resources that the Company is able to extract.

The Loss of Management or Other Key Personnel Could Harm the Company's Business.

The Company's success depends on its management and other key personnel. The loss of the services of one or more of such key personnel could have a material adverse effect on the Company's business. The Company's ability to execute its plan of operations, and hence its success, will depend in large part on the efforts of these individuals. The Company cannot be certain that it will be able to retain such personnel or attract a high caliber of personnel in the future.

The Company Has A History of Losses and No Foreseeable Earnings.

Amarc has a history of losses and expects to incur losses in the foreseeable future. There can be no assurance that the Company will ever be profitable. The Company anticipates that the Company will retain any future earnings and other cash resources for the future operation and development of the Company's business. The Company has not paid dividends since incorporation and the Company does not anticipate paying dividends in the foreseeable future. Payment of any future dividends is at the discretion of the Company's board of directors after taking into account many factors including the Company's operating results, financial conditions and anticipated cash needs.

The Company's Financial Statements Have Been Prepared Assuming the Company Will Continue On A Going Concern Basis, But There Can Be No Assurance That the Company Will Continue As A Going Concern.

Although at March 31, 2013 the Company had working capital of approximately $5.6 million, the costs required to complete exploration and development of the Company's projects may be well in excess of this amount. Accordingly, unless additional funding is obtained, the going concern assumption may have to change. If Amarc is unable to obtain adequate additional financing, the Company will be required to curtail operations and exploration activities. Furthermore, failure to continue as a going concern would require that Amarc's assets and liabilities be restated on a liquidation basis which could differ significantly from the going concern basis.

A Substantial or Extended Decline In the Prices of the Minerals for Which the Company Explores Would Have A Material Adverse Effect On the Company's Business.

The Company's business is, to an extent, dependent on the prices of gold, copper, zinc, and other metals, which are affected by numerous factors beyond the Company's control. Factors tending to put downward pressure on the prices of these metals include:

- Sales or leasing of gold by governments and central banks;
- A strong U.S. Dollar;
- Global and regional recession or reduced economic activity;
- Speculative trading;
- Decreased demand for industrial uses, use in jewellery or investment;
- High supply from production, disinvestment and scrap;
- Sales by producers in forward transactions and other hedging transactions; and
- Devaluing local currencies (relative to metal priced in U.S. Dollars) leading to lower production costs and higher production in certain regions.

In addition, sustained low metal prices can:

- Reduce revenues further through production cutbacks due to cessation of the mining of deposits or portions of deposits that have become uneconomic at the then-prevailing gold or copper price;
- Halt or delay the development of new projects;
- Reduce funds available for exploration, with the result that depleted reserves are not replaced; or
- Reduce existing reserves, by removing ores from reserves that cannot be economically mined or treated at prevailing prices.

Mining Operations Generally Involve A High Degree of Risk.

Amarc's current exploration activities are, and any future mining operations will be, subject to all the hazards and risks normally encountered in the exploration, development and production of minerals. These include unusual and unexpected geological formations, rock falls, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Future mining operations will also be subject to hazards such as equipment failure or failure of retaining dams which may result in environmental pollution and consequent liability. Although precautions to minimize risk in accordance with industry standards will be taken, such hazards and risks cannot be completely eliminated. Such occurrences could have a material adverse effect on the Company's business and results of operation and financial condition.

The Company's Business Could Be Adversely Affected By Government Regulations Related To Mining.

Amarc's exploration activities are regulated in all countries in which the Company operates under various federal, state, provincial and local laws relating to the protection of the environment, which generally includes air and water quality, hazardous waste management and reclamation. Environmental hazards may exist on the properties in which the Company holds interests which are unknown to Amarc at present and which have been caused by previous or existing owners or operators of the properties. Environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. Delays in obtaining or failure to obtain government permits and approvals may adversely impact the Company's operations. The regulatory environment in which the Company operates could change in ways that would substantially increase costs to achieve compliance, or otherwise could have a material adverse effect on the Company's operations or financial position. In particular, the Company's operations and exploration activities in British Columbia are subject to national and provincial laws and regulations governing protection of the environment. These laws are continually changing and, in general, are becoming more restrictive. There can be no certainty that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and operations at the Company's projects.

Although the Company Has No Reason To Believe That the Existence and Extent of Any of the Company's Properties Is In Doubt, Title To Mining Properties Is Subject To Potential Claims By Third Parties Claiming An Interest In Them.

Amarc's mineral properties may be subject to previous unregistered agreements or transfers, and title may be affected by undetected defects or changes in mineral tenure laws. The Company's mineral interests consist of mineral claims, which have not been surveyed, and therefore, the precise area and location of such claims or rights may be in doubt. The failure to comply with all applicable laws and regulations, including the failure to pay taxes or to carry out and file assessment work, may invalidate title to portions of the properties where the Company's mineral rights are held.

The Company Is Not Able To Obtain Insurance for Many of the Risks That the Company Faces.

In the course of exploration, development and production of mineral properties, several risks and, in particular, unexpected or unusual geological or operating conditions, may occur. It is not always possible to fully insure against such risks, and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise they could reduce or eliminate any future profitability and result in an increase in costs and a decline in value of the Company's securities.

The Company is not insured against environmental risks. Insurance against environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) has not been generally available to companies within the industry. The Company will periodically evaluate the cost and coverage of the insurance against certain environmental risks that is available to determine if it would be appropriate to obtain such insurance. Without such insurance, and if the Company becomes subject to environmental liabilities, the payment of such liabilities would reduce or eliminate the Company's available funds or could exceed the funds the Company has to pay such liabilities and result in bankruptcy. Should the Company be unable to fund fully the remedial cost of an environmental problem, the Company might be required to enter into interim compliance measures pending completion of the required remedy.

The Company May Be Dependent On Joint Venture Partners for the Development of Certain of the Company's Properties.

Amarc may choose to hold a portion of the Company's assets in the form of participation interests in joint ventures. The Company's interest in these projects is subject to the risks normally associated with the conduct of joint ventures. The existence or occurrence of one or more of the following circumstances and events could have a material adverse impact on the Company's profitability or the viability of the interests held through joint ventures, which could have a material adverse impact on the Company's future cash flows, earnings, results of operations and financial condition: (i) disagreement with joint venture partners on how to proceed with exploration programs and how to develop and operate mines efficiently; (ii) inability of joint venture partners to meet their obligations to the joint venture or third parties; and (iii) litigation between joint venture partners regarding joint venture matters.

The Industry In Which the Company Operates Is Highly Competitive.

The mineral exploration and mining business is competitive in all of its phases. The Company competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources, in the search for and the acquisition of attractive mineral properties. Amarc's ability to acquire properties in the future will depend not only on the Company's ability to develop its present properties, but also on the Company's ability to select and acquire suitable producing properties or prospects for mineral exploration. There is no assurance that the Company will continue to be able to compete successfully with its competitors in acquiring such properties or prospects.

The Company's Share Price Has Historically Been Volatile.

The market price of a publicly traded stock, especially a junior resource issuer like Amarc, is affected by many variables not directly related to the Company's exploration success, including the market for junior resource stocks, the strength of the economy generally, the availability and attractiveness of alternative investments, and the breadth of the public market for the stock. The effect of these and other factors on the market price of the common shares on the stock exchanges on which the Company trade, suggest the Company's shares will continue to be volatile.

Amarc's Directors and Officers Are Part-Time and Serve As Directors and Officers of Other Companies.

Some of the Company's directors and officers are engaged, and will continue to be engaged, in the search for additional business opportunities on their own behalf and on behalf of other companies, and situations may arise where these directors and officers will be in direct competition with us. Conflicts, if any, will be dealt with in accordance with the relevant provisions of the Business Corporations Act (British Columbia). In order to avoid the possible conflict of interest which may arise between the directors' duties to Amarc and their duties to the other companies on whose boards they serve, the Company's directors and officers have agreed that participation in other business ventures offered to them will be allocated between the various companies on the basis of prudent business judgment, and the relative financial abilities and needs of the companies to participate.

There Is No Assurance That the Company Will Be Successful In Obtaining the Funding Required for the Company's Operations.

Amarc's operations consist almost exclusively of cash consuming activities given that the Company's main mineral projects are in the exploration stage. The further exploration and development of the various mineral properties in which the Company holds interests is dependent upon the Company's ability to obtain financing through debt financing, equity financing or other means - the availability of which, on terms acceptable to the Company, cannot be assured.

If the Company Raises Additional Funding Through Equity Financings, Then the Company's Current Shareholders Will Suffer Dilution.

The Company will require additional financing in order to complete full exploration of the Company's mineral properties. Management anticipates that the Company will have to sell additional equity securities including, but not limited to, its common stock, share purchase warrants or some form of convertible security. The effect of additional issuances of equity securities will result in the dilution of existing shareholders' percentage ownership interests.

The Company's Shareholders Could Face Significant Potential Equity Dilution.

As of July 24, 2013, Amarc had approximately 5.4 million share purchase options outstanding. Amarc has a share purchase option plan which allows the management to issue options to its employees and non-employees based on the policies of the Company. If further options are issued, they will likely act as an upside damper on the trading range of the Company's shares. As a consequence of the passage of time since the date of their original sale and issuance, none of the Company's shares remain subject to any hold period restrictions in Canada or the United States. The unrestricted resale of outstanding shares from the exercise of dilutive securities may have a depressing effect on the market for the Company's shares.