



INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THREE AND SIX MONTHS ENDED SEPTEMBER 30, 2010

(Expressed in Canadian Dollars)

(Unaudited)

## Notice to Reader

---

In accordance with subsection 4.3(3) of National Instrument 51-102, management of the Company advises that the Company's auditors have not performed a review of these consolidated interim financial statements.

**AMARC RESOURCES LTD.**  
**Consolidated Balance Sheets**  
(Expressed in Canadian Dollars)

	<b>September 30, 2010</b>	<b>March 31, 2010</b>
	<b>(unaudited)</b>	
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and equivalents	\$ 1,799,179	\$ 4,310,460
Amounts receivable and prepaid expenses	376,710	264,318
Available-for-sale securities (note 4)	43,751	45,376
Balance due from related parties (note 8)	–	29,870
	<u>2,219,640</u>	<u>4,650,024</u>
Equipment (note 5)	33,409	37,863
Mineral property interests (note 6)	2	2
	<u>\$ 2,253,051</u>	<u>\$ 4,687,889</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 578,740	\$ 32,999
Balance due to related parties (note 8)	119,309	–
	<u>698,049</u>	<u>32,999</u>
<b>Shareholders' equity</b>		
Share capital	36,474,363	36,474,363
Contributed surplus (note 7(e))	1,852,377	1,852,377
Accumulated other comprehensive loss	(4,250)	(2,625)
Accumulated deficit	(36,767,488)	(33,669,225)
	<u>1,555,002</u>	<u>4,654,890</u>
Nature and continuance of operations (note 1)		
Subsequent events (note 9)		
	<u>\$ 2,253,051</u>	<u>\$ 4,687,889</u>

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

Approved by the Board of Directors

/s/ Robert A. Dickinson

Robert A. Dickinson  
Director

/s/ Rene G. Carrier

Rene G. Carrier  
Director

**AMARC RESOURCES LTD.****Consolidated Statements of Operations and Comprehensive Loss**

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

	<b>Three months ended September 30</b>		<b>Six months ended September 30</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
<b>Expenses</b>				
Amortization (note 5)	\$ 2,947	\$ 2,557	\$ 5,895	\$ 8,114
Exploration (schedule)	1,609,760	538,222	2,525,012	734,392
Legal, accounting, and audit	15,607	4,761	36,941	10,523
Office and administration	47,448	45,986	90,959	87,254
Salaries and benefits	181,874	72,521	338,081	178,707
Shareholder communication	46,444	25,053	80,124	43,219
Stock-based compensation (note 7(c))	–	22,077	–	54,984
Travel	17,427	7,764	19,486	13,388
Trust and filing	13,678	7,167	14,711	8,001
	1,935,185	726,108	3,111,209	1,138,582
<b>Other items</b>				
Foreign exchange loss (gain)	3,448	29,855	(2,229)	42,585
Interest income	(3,887)	(11,581)	(10,717)	(15,236)
<b>Loss for the period</b>	\$ 1,934,746	\$ 744,382	\$ 3,098,263	\$ 1,165,931
Loss for the period	\$ 1,934,746	\$ 744,382	\$ 3,098,263	\$ 1,165,931
Unrealized (income)/loss on available-for-sale-marketable securities	(4,875)	5,000	1,625	5,000
<b>Total comprehensive loss for the period</b>	\$ 1,929,871	\$ 749,382	\$ 3,099,888	\$ 1,170,931
<b>Basic and diluted loss per share</b>	\$ 0.02	\$ 0.01	\$ 0.04	\$ 0.02
<b>Weighted average number of common shares outstanding</b>	83,839,473	72,782,951	83,839,473	72,761,331

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

**AMARC RESOURCES LTD.****Consolidated Statements of Shareholders' Equity**

(Expressed in Canadian Dollars, except for number of shares)

	<b>Six months ended</b>		<b>Year ended</b>	
	<b>September 30, 2010</b>		<b>March 31, 2010</b>	
	<i>(unaudited)</i>			
	<b><u>Number of</u></b>		<b><u>Number of</u></b>	
	<b><u>shares</u></b>		<b><u>shares</u></b>	
<b>Share capital</b>				
Balance at beginning of the period	83,839,473	\$ 36,474,363	72,739,473	\$ 31,247,065
Common shares issued pursuant to the Newton property option agreement at \$0.17 per share (note 7(b))	–	–	100,000	17,000
Private placement at \$0.50 per share, net of issue costs (note 7(b))	–	–	11,000,000	5,210,298
Balance at end of the period	83,839,473	\$ 36,474,363	83,839,473	\$ 36,474,363
<b>Contributed surplus</b>				
Balance at beginning of the period		\$ 1,852,377		\$ 1,713,992
Stock-based compensation		–		138,385
Balance at end of the period		\$ 1,852,377		\$ 1,852,377
<b>Accumulated other comprehensive loss</b>				
Balance at beginning of the period		\$ (2,625)		\$ –
Unrealized loss on available-for-sale marketable securities (note 4)		(1,625)		(2,625)
Balance at end of the period		\$ (4,250)		\$ (2,625)
<b>Accumulated deficit</b>				
Balance at beginning of the period		\$ (33,669,225)		\$ (29,567,680)
Loss for the period		(3,098,263)		(4,101,545)
Balance at end of the period		\$ (36,767,488)		\$ (33,669,225)
<b>Total Shareholders' Equity</b>		\$ 1,555,002		\$ 4,654,890

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

**AMARC RESOURCES LTD.****Consolidated Statements of Cash Flows**

(Unaudited - Expressed in Canadian Dollars)

<b>Cash provided by (used in)</b>	<b>Three months ended September 30</b>		<b>Six months ended September 30</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
<b>Operating activities</b>				
Loss for the period	\$ (1,934,746)	\$ (744,382)	\$ (3,098,263)	\$ (1,165,931)
Items not involving cash				
Amortization	2,947	2,557	5,895	8,114
Foreign exchange loss	3,134	11,488	3,136	14,964
Stock-based compensation	–	22,077	–	54,984
Common shares received, included in exploration expenses	–	(22,000)	–	(48,000)
Common shares issued, included in exploration expenses	–	17,000	–	17,000
Changes in non-cash working capital items:				
Amounts receivable and prepaid expenses	(48,630)	(292,391)	(112,392)	(186,890)
Balances due to and due from related parties	127,408	161,172	149,179	263,468
Accounts payable and accrued liabilities	323,592	455,059	545,741	476,636
<b>Cash used in operating activities</b>	<b>(1,526,295)</b>	<b>(389,420)</b>	<b>(2,506,704)</b>	<b>(565,655)</b>
<b>Investing activities</b>				
Purchase of equipment	–	–	(1,441)	–
<b>Cash used in investing activities</b>	<b>–</b>	<b>–</b>	<b>(1,441)</b>	<b>–</b>
<b>Decrease in cash and equivalents</b>	<b>(1,526,295)</b>	<b>(389,420)</b>	<b>(2,508,145)</b>	<b>(565,655)</b>
Cash and equivalents, beginning of period	3,328,608	2,795,123	4,310,460	2,971,352
	1,802,313	2,405,703	1,802,315	2,405,697
Effect of exchange rate fluctuations on cash held	(3,134)	(3,272)	(3,136)	(3,266)
<b>Cash and equivalents, end of period</b>	<b>\$ 1,799,179</b>	<b>\$ 2,402,431</b>	<b>\$ 1,799,179</b>	<b>\$ 2,402,431</b>
<b>Components of cash and equivalents are as follows:</b>				
Cash	\$ 1,799,179	\$ 2,402,431	\$ 1,799,179	\$ 2,402,431
	\$ 1,799,179	\$ 2,402,431	\$ 1,799,179	\$ 2,402,431
<b>Supplementary cash flow information:</b>				
Interest paid	\$ –	\$ –	\$ –	\$ –
Interest received	\$ 3,887	\$ 11,581	\$ 10,717	\$ 15,236
Income taxes paid	\$ –	\$ –	\$ –	\$ –
<b>Non cash investing and financing activities:</b>				
Issuance of common shares for property option fees	\$ –	\$ 17,000	\$ –	\$ 17,000
Common shares received, included in exploration expenses	\$ –	\$ 22,000	\$ –	\$ 48,000

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

**AMARC RESOURCES LTD.****Consolidated Schedules of Exploration Expenses**

(Unaudited - Expressed in Canadian Dollars)

<b>British Columbia, Canada Properties</b>	<b>Three months ended September 30</b>		<b>Six months ended September 30</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
Assays and analysis	\$ 243,112	\$ 37,104	\$ 381,193	\$ 57,555
Drilling	–	53,118	–	53,118
Equipment rental	33,464	13,415	59,480	14,611
Environmental	4,044	88,240	8,741	95,075
Geological	1,031,577	278,096	1,469,157	348,297
Graphics	10,888	10,763	36,670	13,558
Transportation	25,703	147,517	25,703	147,517
Mineral Exploration Tax Credit (METC-BC)	–	(252,086)	–	(252,086)
Property fees and assessments	6,403	1,476	50,800	12,084
Property option payments	–	17,000	–	77,000
Site activities	183,688	133,237	343,461	142,163
Socioeconomic	20,456	4,525	60,105	17,823
Travel and accommodation	50,425	5,817	89,702	7,677
<b>Incurred during the period</b>	<b>1,609,760</b>	<b>538,222</b>	<b>2,525,012</b>	<b>734,392</b>
Cumulative expenditures, beginning of the period	26,179,326	22,264,929	25,264,074	22,068,759
<b>Cumulative expenditures, end of the period</b>	<b>\$ 27,789,086</b>	<b>\$ 22,803,151</b>	<b>\$ 27,789,086</b>	<b>\$ 22,803,151</b>

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

# **AMARC RESOURCES LTD.**

Notes to the Interim Consolidated Financial Statements

For the three and six months ended September 30, 2010

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

---

## **1. NATURE AND CONTINUANCE OF OPERATIONS**

Amarc Resources Ltd. (the "Company") 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.

Operating results for the three months ended September 30, 2010 are not necessarily indicative of the results that may be expected for the full fiscal year ending March 31, 2011.

These interim consolidated financial statements have been prepared using Canadian generally accepted accounting principles assuming a going concern. 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. These interim consolidated financial statements do not reflect adjustments, which could be material, to the carrying values of assets and liabilities which may be required should the Company be unable to continue as a going concern.

## **2. BASIS OF PRESENTATION AND PRINCIPLES OF CONSOLIDATION**

These interim consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles and are presented in Canadian dollars. They do not include all the disclosures as required for annual financial statements under generally accepted accounting principles. However, these interim consolidated financial statements follow the same accounting policies and methods of application as the Company's most recent annual financial statements. These interim consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended March 31, 2010, which are available on SEDAR at [www.sedar.com](http://www.sedar.com).

These interim consolidated financial statements include the accounts of the Company and Precious Exploration Limited Partnership, which is subject to the Company's primary beneficial ownership.

All material intercompany balances and transactions have been eliminated.

## **3. CHANGES IN ACCOUNTING POLICIES**

### *(i) International Financial Reporting Standards ("IFRS")*

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011, although early adoption may be permitted. Due to the Company's March 31 fiscal year, the transition date for the Company is April 1, 2011. Therefore, the IFRS adoption will require the restatement for comparative purposes of amounts reported by the Company for the year ended March 31, 2011. The Company is currently in the process of establishing a steering committee, developing a formal project plan,



# AMARC RESOURCES LTD.

Notes to the Interim Consolidated Financial Statements

For the three and six months ended September 30, 2010

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

allocating internal resources and engaging expert consultants to monitor the transition from Canadian GAAP to IFRS reporting.

(ii) *Business Combinations/Consolidated Financial Statements/Non-Controlling Interests*

The AcSB adopted CICA sections 1582 "Business Combinations", 1601 "Consolidated Financial Statements", and 1602 "Non-Controlling Interests" which superseded current sections 1581 "Business Combinations" and 1600 "Consolidated Financial Statements". These new sections replace existing guidance on business combinations and consolidated financial statements to harmonize Canadian accounting for business combinations with IFRS. These Sections will be applied prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Earlier adoption is permitted. If an entity applies these sections before January 1, 2011, it is required to disclose that fact and apply each of the new sections concurrently. The Company does not plan to early adopt these sections.

## 4. AVAILABLE-FOR-SALE SECURITIES

As at September 30, 2010 and March 31, 2010, the Company held common shares in the following companies which were classified as available-for-sale securities:

	Cost	Estimated Fair Value at September 30, 2010	Estimated Fair Value at March 31, 2010
Falkirk Resources Corp.	\$ 17,000	\$ 14,000	\$ 12,000
New High Ridge Resources Inc. (note 6(a)(i))	5,000	3,750	2,375
Serengeti Resources Inc.	26,000	26,000	31,000
Tulox Resources Inc. (note 6(a)(iii))	1	1	1
Total	\$ 48,001	\$ 43,751	\$ 45,376

# AMARC RESOURCES LTD.

Notes to the Interim Consolidated Financial Statements

For the three and six months ended September 30, 2010

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

## 5. EQUIPMENT

	Cost	Accumulated Amortization	Net Book Value
September 30, 2010			
Site equipment	\$ 45,498	\$ 25,513	\$ 19,985
Computers	30,607	17,183	13,424
Total	\$ 76,105	\$ 42,696	\$ 33,409
March 31, 2010			
Site equipment	\$ 44,057	\$ 21,986	\$ 22,071
Computers	30,607	14,815	15,792
Total	\$ 74,664	\$ 36,801	\$ 37,863

## 6. MINERAL PROPERTY INTERESTS

The Company has recorded the following interests in royalties, in currently non-producing properties, at a nominal value:

	September 30 2010	March 31 2010
Ana, Yukon Territory (note 6(b))	\$ 1	\$ 1
Mann Lake, Saskatchewan (note 6(b))	1	1
Total	\$ 2	\$ 2

(a) *British Columbia, Canada*

(i) *Newton Property*

In August 2009, the Company entered into an option agreement with New High Ridge Resources Inc. ("New High Ridge"), formerly named High Ridge Resources Inc., whereby the Company has the right to earn an 80% interest in the Newton property by making a cash payment of \$60,000 (paid), issuing 100,000 of the Company's common shares (issued) to the underlying owners and funding exploration expenditures to the amount of \$240,000 on or before December 31, 2009 (completed) and an additional \$4,700,000 over seven years from the effective date of the agreement.

The agreement is subject to an underlying option agreement with arm's length parties, whereby New High Ridge has the right to acquire a 100% undivided interest in all the claims held under the agreement through a series of staged payments and share issuances, which payments and share issuances have been completed, and exploration expenditures to the amount of \$240,000 on or before December 31, 2009 (completed). The claims held under the Newton agreement are subject to a 2% net smelter royalty, which may be purchased by New High Ridge for \$2,000,000. Annual advance royalty payments of \$25,000 are required starting in 2011.

In consideration of the Company agreeing to issue to the underlying owners 100,000 common shares, New High Ridge has agreed to issue to the Company 100,000 common shares (issued).

# AMARC RESOURCES LTD.

Notes to the Interim Consolidated Financial Statements

For the three and six months ended September 30, 2010

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

---

(ii) The Plateau Gold-Copper Belt

During the period ended September 30, 2010, the Company acquired, by staking claims, a 100% interest in approximately 3,300 square kilometers of minerals properties over the Plateau Gold-Copper Belt, which extends primarily to the south, and also to the north, from the Newton property.

(iii) Tulox Property

The Tulox property (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.), an unrelated British Columbia company, whereby Tulox may acquire a 50% interest in the property for consideration of 1,600,000 Tulox's common shares (250,000 shares issued) and by incurring \$1,000,000 in expenditures on the property over three years. Tulox may acquire a 100% interest for additional consideration of 1,100,000 of its common shares and by incurring a further \$1,000,000 in expenditures on the property on or before August 1, 2013. The agreement is subject to certain conditions including regulatory approval. Under the agreement, the Company will receive a 3% net smelter returns ("NSR") royalty 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 NSR will reduce to 1.2% from 3%.

In April 2010, pursuant to the Tulox property agreement, the Company received 250,000 common shares of Tulox Resources Inc. (note 4), which the Company has recorded at a nominal value of \$1.

In July 2010, the Company and Tulox signed an amendment to the Tulox Property Option Agreement. With this amendment, Tulox agreed to issue an additional 100,000 common shares to the Company (issued in August 2010, note 4) and a further 175,000 common shares on or before November 15, 2010. The Company recorded a nil value for the 100,000 shares received in August 2010.

(b) *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 (note 6). The Company has neither active exploration programs nor does it plan to undertake any new programs on these properties at the present time.

## 7. SHARE CAPITAL

(a) *Authorized share capital*

The Company's authorized share capital consists of an unlimited number of common shares without par value.

# AMARC RESOURCES LTD.

Notes to the Interim Consolidated Financial Statements

For the three and six months ended September 30, 2010

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

## (b) Private placements

During the year ended March 31, 2010, the Company arranged a private placement of 11,000,000 of its common shares at a price of \$0.50 per share, consisting of 4,800,000 flow-through shares and 6,200,000 non-flow-through shares for aggregate gross proceed of \$5,500,000.

In accordance with the terms of the flow-through share agreements, the Company was obligated to spend the proceeds from these flow-through share issuances on eligible exploration activities before December 31, 2010. As of September 30, 2010, the Company had spent all of the proceeds on eligible exploration activities.

In August 2009, the Company issued 100,000 common shares pursuant to the Newton property agreement (note 6(a)(i)). The Company recorded this issuance and the corresponding property option fees at \$17,000, being the estimated fair value of the shares using the quoted market price on the date of issuance.

## (c) Share purchase option compensation plan

The Company has a share purchase option compensation plan approved by the shareholders that allows the Company to grant up to 10% of the issued and outstanding shares of the Company at any one time, typically vesting over up to two years, subject to regulatory terms and approval, to its directors, employees, officers, and consultants. 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 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 continuity of share purchase options for the period ended September 30, 2010 was:

Expiry date	Exercise price	March 31 2010	Granted	Exercised	Expired/ Cancelled	September 30 2010
July 19, 2011	\$ 0.70	1,615,200	–	–	(23,000)	1,592,200
April 28, 2012	\$ 0.70	70,000	–	–	–	70,000
March 30, 2013	\$ 0.51	50,000	–	–	–	50,000
Total		1,735,200	–	–	(23,000)	1,712,200
Weighted average exercise price	–	\$ 0.69	–	–	\$ 0.70	\$ 0.69

The continuity of share purchase options for the year ended March 31, 2010 was:

Expiry date	Exercise price	March 31 2009	Granted	Exercised	Expired/ Cancelled	March 31 2010
July 19, 2011	\$ 0.70	1,713,600	–	–	(98,400)	1,615,200
April 28, 2012	\$ 0.70	–	70,000	–	–	70,000
March 30, 2013	\$ 0.51	–	50,000	–	–	50,000
Total		1,713,600	120,000	–	(98,400)	1,735,200
Weighted average exercise price	–	\$ 0.70	\$ 0.62	–	\$ 0.70	\$ 0.69

# AMARC RESOURCES LTD.

Notes to the Interim Consolidated Financial Statements

For the three and six months ended September 30, 2010

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

Using an option pricing model with the assumptions noted below, the estimated fair value of all options granted or vesting during the three months ended September 30, 2010, and which have been reflected in the consolidated statements of operations, is as follows:

	Three months ended September 30		Six months ended September 30	
	2010	2009	2010	2009
Exploration:				
Engineering	\$ –	\$ 1,640	\$ –	\$ 3,716
Environmental, socioeconomic and land	–	237	–	613
Geological	–	4,092	–	10,350
Exploration	–	5,969	–	14,679
Administration	–	16,108	–	40,305
Total compensation cost recognized in operations, credited to contributed surplus	\$ –	\$ 22,077	\$ –	\$ 54,984

The fair value of options was estimated using the Black-Scholes option pricing model, based upon the following assumptions: risk free interest rate of 2.4%; weighted average expected life of 3.0 years; expected volatility of 84.7%; and expected dividends of nil.

(d) *Share purchase warrants*

The continuity of share purchase warrants (each warrant redeemable for one common share) for the three months ended September 30, 2010 was:

Expiry date	Exercise Price	March 31 2010	Issued	Exercised	Expired/ Cancelled	September 30 2010
February 9, 2011	\$ 0.10	5,000,000	–	–	–	5,000,000
Weighted average exercise price		\$ 0.10	–	–	–	\$ 0.10

Subsequent to September 30, 2010, all the share warrants outstanding at September 30, 2010 were exercised on October 28, 2010 (note 9).

The continuity of share purchase warrants (each warrant redeemable for one common share) for the year ended March 31, 2010 was:

Expiry date	Exercise Price	March 31 2009	Issued	Exercised	Expired/ Cancelled	March 31 2010
February 9, 2011	\$ 0.10	5,000,000	–	–	–	5,000,000
Weighted average exercise price		\$ 0.10	–	–	–	\$ 0.10

# AMARC RESOURCES LTD.

Notes to the Interim Consolidated Financial Statements

For the three and six months ended September 30, 2010

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

(e) *Contributed surplus*

The components of contributed surplus were:

	September 30 2010	March 31 2010
Fair value of warrants	\$ 982,110	\$ 982,110
Cumulative stock-based compensation	1,275,363	1,275,363
Contributed surplus transferred to share capital relating to options exercised	(405,096)	(405,096)
Total	\$ 1,852,377	\$ 1,852,377

## 8. RELATED PARTY BALANCES AND TRANSACTIONS

Balances due (to) from a related party	September 30 2010	March 31 2010
Hunter Dickinson Services Inc. (a)	\$ (119,309)	\$ 29,870

Transactions	Three months ended September 30		Six months ended September 30	
	2010	2009	2010	2009
Services received and expenses reimbursed:				
Hunter Dickinson Services Inc. (a)	\$ 797,336	\$ 551,907	\$ 1,480,656	\$ 843,812

- (a) Hunter Dickinson Services Inc. ("HDSI") is a private company which until recently was owned equally by several public companies, one of which was the Company. During the year ended March 31, 2010, the Company sold its interest in HDSI for nominal value. HDSI has certain directors in common with the Company and, pursuant to an agreement dated June 1, 2008, provides geological, corporate development, administrative and management services to, and incurs third party costs on behalf of, the Company on a full cost recovery basis. Transactions with HDSI are measured at the exchange amount based on the agreement. On July 2, 2010, the HDSI services agreement was amended whereby services will be provided based on annually set rates.

## 9. SUBSEQUENT EVENTS

Subsequent to September 30, 2010, pursuant to the exercise of 5,000,000 share warrants (the "Warrants") the Company issued 5,000,000 flow-through shares on October 28, 2010 for aggregate gross proceeds of \$500,000. Prior to the exercise of the Warrants, the Company and the holders of the Warrants (the "Holders") agreed to amend the terms of the Warrants whereby the Holders were entitled to acquire flow through shares instead of non-flow through shares as had been originally stipulated in the terms of the Warrants. Consequently, the Company also entered into flow through share agreements with the Holders, whereby the Company agreed to spend the proceeds from the issuance of the flow-through shares on eligible exploration activities before December 31, 2011.



**SIX MONTHS ENDED SEPTEMBER 30, 2010**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**AMARC RESOURCES LTD.**  
**SIX MONTHS ENDED SEPTEMBER 30, 2010**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

---

1.1	Date.....	1
1.2	Overview.....	1
1.3	Selected Annual Information .....	7
1.4	Summary of Quarterly Results.....	7
1.5	Results of Operations.....	8
1.6	Liquidity.....	8
1.7	Capital Resources .....	9
1.8	Off-Balance Sheet Arrangements .....	9
1.9	Transactions with Related Parties.....	9
1.10	Fourth Quarter.....	9
1.11	Proposed Transactions .....	10
1.12	Critical Accounting Estimates .....	10
1.13	Changes in Accounting Policies including Initial Adoption.....	10
1.14	Financial Instruments and Other Instruments .....	10
1.15	Other MD&A Requirements.....	10
1.15.1	Additional Disclosure for Venture Issuers without Significant Revenue .....	10
1.15.2	Disclosure of Outstanding Share Data.....	11
1.15.3	Internal Controls over Financial Reporting and Disclosure Controls.....	11
1.16	International Financial Reporting Standards ("IFRS") .....	11



**AMARC RESOURCES LTD.  
SIX MONTHS ENDED SEPTEMBER 30, 2010  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

---

## **1.1 Date**

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited interim consolidated financial statements of Amarc Resources Ltd. ("Amarc", or the "Company") for the period ended September 30, 2010 and the audited consolidated financial statements for the year ended March 31, 2010, which are publicly available on SEDAR at [www.sedar.com](http://www.sedar.com).

This MD&A is prepared as of November 22, 2010.

This discussion includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical facts, that address future production, reserve potential, exploration drilling, exploitation activities and events or developments that the Company expects 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, exploitation and exploration successes, 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.

## **1.2 Overview**

Amarc is focused on mineral exploration in south-central British Columbia ("BC"). Its aim is the discovery and development of bulk-tonnage gold or gold-copper deposits with the potential to deliver value to the Company.

In order to achieve its objective, the Company has assembled a capable and experienced mineral exploration team.

Through its property evaluation efforts, Amarc has acquired by option agreement, the Newton gold-copper property located in south-central BC. In late 2009, the Company completed a successful discovery drill program at Newton. In addition, Amarc has acquired by staking, a 100% interest over approximately 3,300 square kilometres in the prospective Plateau Gold-Copper Belt, which extends south and northwest from the Newton property.

**AMARC RESOURCES LTD.  
SIX MONTHS ENDED SEPTEMBER 30, 2010  
MANAGEMENT'S DISCUSSION AND ANALYSIS**



Figure 1. Location of Amarc's Newton property and Plateau Gold-Copper Belt

### The Newton Property

The Newton property is located approximately 110 kilometres southwest of the City of Williams Lake, BC (see Figure 1). Core drilling by previous operators at the Newton property tested for porphyry-style copper mineralization which in general returned low grade copper results. However, four drill holes (06-12, 06-03, 92-04 and 06-11), positioned in the easternmost part of the area drilled, intercepted 105 metres of 1.20 g/t gold (including 49 metres at 2.33 g/t gold), 95 metres at 0.51 g/t Au, 60 meters of 0.69 g/t gold and 46 meters of 0.54 g/t gold, respectively. Holes 06-12 and 06-03 also bottomed in mineralization. Geological interpretation by Amarc suggests the presence of a bulk-tonnage gold environment.

An initial 14-hole diamond drill program completed by Amarc in late 2009 returned broad continuous intervals of bulk-tonnage style gold, silver, copper and zinc mineralization. Significant assay results from drill hole sampling are tabulated below. The gold system remains open in all directions.

**AMARC RESOURCES LTD.**  
**SIX MONTHS ENDED SEPTEMBER 30, 2010**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

NEWTON PROJECT  
ASSAY RESULTS FROM 14-HOLE, 2009 DRILL PROGRAM

Drill Hole ID	Incl.	Hole Dip (degrees)	Hole Direction (degrees)	From (m)	To (m)	Int. (m)	Au (g/t)	Ag (g/t)	Cu (%)	Zn (%)	AuEQ <sup>1</sup> (g/t)
9001		-45	90	3.0	39.0	36.0	0.60	0.9	0.01	0.00	0.63
9001		-45	90	228.0	297.0	69.0	1.41	10.9	0.12	0.05	1.85
9001	incl.	-45	90	233.1	234.0	0.9	11.19	22.2	0.21	0.87	12.49
9001	incl.	-45	90	252.8	297.0	44.2	1.74	15.9	0.17	0.02	2.34
9001		-45	90	441.0	477.0	36.0	0.34	0.6	0.03	0.01	0.42
9002		-90	0	222.0	255.2	33.2	0.96	2.8	0.07	0.01	1.16
9002	incl.	-90	0	234.0	252.0	18.0	1.10	3.3	0.09	0.01	1.33
9003		-90	0	3.0	224.5	221.5	0.60	5.6	0.07	0.08	0.87
9003	incl.	-90	0	18.0	39.0	21.0	0.71	2.3	0.01	0.00	0.77
9003	incl.	-90	0	96.0	224.5	128.5	0.84	8.9	0.10	0.13	1.26
9003	and	-90	0	156.0	198.0	42.0	1.25	16.8	0.20	0.11	1.98
9004		-90	0	6.0	195.0	189.0	1.56	7.9	0.08	0.17	1.95
9004	incl.	-90	0	54.0	195.0	141.0	2.01	10.0	0.10	0.22	2.49
9004	and	-90	0	96.0	195.0	99.0	2.76	12.2	0.12	0.26	3.36
9004	and	-90	0	126.0	195.0	69.0	3.79	9.1	0.08	0.30	4.26
9004	and	-90	0	129.0	132.0	3.0	13.47	14.4	0.17	0.12	14.10
9004	and	-90	0	168.9	195.0	26.1	5.54	12.5	0.07	0.31	6.08
9005		-90	0	12.0	27.0	15.0	0.32	1.4	0.04	0.02	0.43
9005		-90	0	41.0	54.0	13.0	0.44	4.4	0.06	0.30	0.81
9005		-90	0	76.0	163.2	87.2	0.50	7.1	0.03	0.55	1.01
9005	incl.	-90	0	88.0	89.0	1.0	16.56	221.6	0.30	2.55	22.38
9005		-90	0	279.0	303.0	24.0	0.34	0.8	0.07	0.01	0.48
9006		-90	0	9.0	306.5	297.5	0.26	2.3	0.03	0.13	0.44
9006	incl.	-90	0	78.0	192.2	114.2	0.32	3.7	0.03	0.25	0.60
9006	incl.	-90	0	264.0	306.5	42.5	0.43	0.6	0.05	0.01	0.53
9007		-90	0	48.0	252.0	204.0	0.33	4.5	0.05	0.11	0.57
9007	incl.	-90	0	48.0	66.0	18.0	0.49	1.9	0.04	0.02	0.60
9007	incl.	-90	0	135.0	216.0	81.0	0.46	8.0	0.07	0.20	0.85
9007	and	-90	0	183.0	216.0	33.0	0.62	13.4	0.12	0.16	1.17
9008		-90	0	18.0	42.0	24.0	0.44	6.4	0.07	0.07	0.73
9008		-90	0	123.7	129.0	5.3	0.44	8.0	0.08	0.44	1.00
9009		-90	0	15.0	147.9	132.9	0.25	5.9	0.02	0.28	0.55
9009	incl.	-90	0	66.0	114.0	48.0	0.36	6.3	0.02	0.28	0.68
9010		-90	0	35.4	189.0	153.6	0.29	3.0	0.03	0.23	0.52
9010	incl.	-90	0	35.4	69.0	33.6	0.52	3.2	0.05	0.06	0.72
9011		-90	0	83.4	207.0	123.6	0.44	2.3	0.04	0.11	0.62
9011	incl.	-90	0	149.0	207.0	58.0	0.60	2.4	0.04	0.06	0.75
9011	and	-90	0	186.0	207.0	21.0	1.13	2.9	0.05	0.01	1.28
9012	No reportable intercepts										
9013	No reportable intercepts										
9014		-90	0	72.0	210.0	138.0	0.74	4.2	0.06	0.05	0.95
9014	incl.	-90	0	147.0	210.0	63.0	1.17	6.8	0.08	0.05	1.47
9014	and	-90	0	168.0	207.0	39.0	1.45	6.5	0.10	0.06	1.79
9014	and	-90	0	204.0	207.0	3.0	11.70	50.8	0.45	0.06	13.44

Gold equivalent (AuEQ) is calculated using a gold price of US\$900/oz, a silver price of US\$15/oz, a copper price of US\$2.50/lb and a zinc price of US\$0.80/lb. Metal recoveries are assumed to be 100%.

**AMARC RESOURCES LTD.**  
**SIX MONTHS ENDED SEPTEMBER 30, 2010**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

---

The most intensively developed mineralization includes disseminated sulphides, and appears to be preferentially localized within pervasively altered volcanoclastic and epiclastic rock units. These host rocks are characterized by both a high permeability and wide geographic distribution – a permissive environment for bulk-tonnage style mineralization.

Surface exploration programs which were completed in 2010 included induced polarization ("IP") geophysical and soil sampling surveys, together with geological mapping. This work defined a significant bulk-tonnage gold target extending over an area of approximately eight square kilometres. The approximately 200 metre by 200 metre area drill-tested by Amarc in 2009 is located in the southeastern sector of the extensive new anomaly.

The results of the 2010 surface exploration work have been combined with information from the 2009 drill program and historical data in order to define the 2010 drill targets. The permit application for a 25-hole diamond drill program, which was submitted to the BC provincial government in December 2009, has been approved. The 2010 drill program commenced at Newton in late November.

#### *Newton Property Agreement*

In August 2009, Amarc entered into an Option and Joint Venture Agreement (the "Newton Agreement") with New High Ridge Resources Inc. ("High Ridge") on the Newton property. Under the terms of the Newton Agreement, Amarc has the right to earn an 80% interest in the Newton property by making a \$60,000 cash payment (paid) and issuing 100,000 Amarc shares (issued) to the underlying owners, funding \$240,000 in exploration expenditures on or before December 31, 2009 (completed) and funding an additional \$4.7 million in exploration expenditures over seven years from the effective date of the agreement. On exercise of the option by Amarc, the two parties are to enter into a joint venture agreement. The Newton Agreement is subject to an underlying option agreement and accompanying amending agreements with arm's length parties. Pursuant to these underlying agreements, High Ridge has acquired a 100% undivided interest in all claims held under the underlying agreement through a series of staged payments, share issuances and exploration expenditures. The claims held under the Newton Agreement are subject to a 2% net smelter royalty, which may be purchased for \$2 million. Advance annual royalty payments of \$25,000 are required starting in 2011.

#### **The Plateau Gold-Copper Belt**

Amarc has staked approximately 3,300 square kilometres of additional minerals claims over the under-explored and prospective Plateau Gold-Copper Belt. The belt extends primarily to the south, and also to the north, from the Newton property. The Plateau Gold-Copper Belt claims are owned 100% by Amarc. Public domain information indicates that the region has favourable geology and geochemistry for Newton-style gold deposits and porphyry gold-copper deposits. Amarc has completed a 7,000 line-kilometre ZTEM (Z-axis Tipper Electromagnetic system) airborne geophysical survey over the Newton property, other regional anomalies and the sector of the Plateau Gold-Copper Belt which extends south of the Newton property. The ZTEM technology is an innovative airborne electromagnetic system that provides unparalleled resolution and depth of investigation and can detect conductors more than one kilometre below surface. High-sensitivity magnetometry data is collected concurrently.

The geophysical signatures of the Newton mineralization and other known mineral occurrences in the region have been established, and Amarc is utilizing this comparative data to assist in the definition of previously unrecognized deposit targets within the belt.

**AMARC RESOURCES LTD.**  
**SIX MONTHS ENDED SEPTEMBER 30, 2010**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

---

Initial field evaluations, including prospecting, soil geochemical sampling and IP geophysical surveys, have been completed on selected targets. Information received to date from the field surveys has defined three significant copper-molybdenum multi-element geochemical and coincident IP geophysical anomalies. Permit applications to drill test all three copper-molybdenum porphyry targets were submitted to the provincial government in early September.

The Newton Property and the Plateau Gold-Copper Belt are located near the City of Williams Lake, a full service regional centre which is approximately 250 kilometres northeast of Vancouver. The region is characterized by low-lying and gently rolling hills. It is well served by existing transportation and power infrastructure, supporting a number of operating mines and late-stage development projects. These include the Gibraltar copper-molybdenum mine (Proven and Probable Reserves of 472 million tonnes grading 0.315 % copper and 0.008 % molybdenum, Taseko Mines Limited) that has been in operation since 1973, and the Mount Polley copper-gold mine (Proven and Probable Reserves of 46.2 million tonnes grading 0.34 % copper, 0.29 g/t gold and 0.95 g/t Ag, Imperial Metals Corp.) that commenced production in 2008, as well as late-stage development projects – notably the Prosperity gold-copper project (Proven and Probable Reserves of 487 million tonnes grading 0.43 g/t gold and 0.22 % copper, Taseko Mines Limited).

#### **The Sitlika Copper-Zinc Belt**

Amarc has ceased all exploration activities along the Sitlika Belt in north-central BC in order to focus on the Newton project and the adjacent Plateau Gold-Copper Belt. The Company's land position along the Sitlika Belt has been reduced to approximately 15 square kilometres.

#### **Other BC Agreements**

##### *The Tulox Property Agreement*

The Tulox property is located in the Cariboo region. It covers an area of 54 square kilometres acquired over the period of 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.

In April 2009, Amarc entered into an option agreement with Tulox Resources Inc. ("Tulox", formerly named Sitec Ventures Corp.) on the Tulox Property. Tulox can acquire a 100% interest in the Tulox Property by making a cash payment of \$10,000, expending \$2,000,000 on the Tulox Property and issuing 2,625,000 common shares over four years. Tulox has made a \$10,000 cash payment and issued 350,000 common shares to date. Upon preparation of a Preliminary Assessment or a Prefeasibility Study, Amarc may exercise a one-off Back-In Right to obtain 60% interest in the Tulox Property by completing an additional \$10 million in Mineral Exploration Expenditures on the Property. The Tulox Property is subject to a 3% net smelter royalty, which is reduced to 1.2% in the event that the Back-In Right is exercised by Amarc.

#### **Other Property Interests – BC, Yukon, Saskatchewan**

Amarc also has a 5% net profits interest ("NPI") in the 46 mineral claims that comprise the **Ana** Property in Yukon, and a 2.5% NPI in a mineral lease over the **Mann Lake** Property in Saskatchewan. The Company has no plans to undertake any programs on either of these properties in 2010.

**AMARC RESOURCES LTD.  
SIX MONTHS ENDED SEPTEMBER 30, 2010  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

---

**Market Trends**

Although there has been periodic volatility in the gold market, the annual average price has increased for the past four years. The average gold price in 2008 was approximately US\$872/oz. In response to the global economic uncertainty that began in mid 2008, gold prices were strong in 2009, with prices ranging from US\$802/oz in early January to US\$1,200/oz in early December and averaging US\$974/oz for the year.

Gold prices remain strong in 2010. The average price to mid November 2010 is US\$1,205/oz.

Copper prices increased significantly between late 2003 and mid 2008, and then declined in late 2008. The average price in 2008 was approximately US\$3.16/lb. Prices in 2009 ranged from US\$1.39/lb in early January to US\$3.33/lb at year end, and averaged US\$2.34/lb for the year.

Copper prices generally remain strong in 2010, with a slight weakening to range between US\$2.80/lb and US\$3.05/lb since mid-May. The average price to mid November 2010 is US\$3.33/lb.

**AMARC RESOURCES LTD.**  
**SIX MONTHS ENDED SEPTEMBER 30, 2010**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**1.3 Selected Annual Information**

Not required for interim MD&A.

**1.4 Summary of Quarterly Results**

The amounts are expressed in thousands of Canadian dollars, except per-share amounts. Small differences are due to rounding.

	Sept 30 2010	June 30 2010	Mar 31 2010	Dec 31 2009	Sept 30 2009	June 30 2009	Mar 31 2009	Dec 31 2008
Current assets	\$ 2,220	\$ 3,704	\$ 4,650	\$ 4,082	\$ 2,931	\$ 3,023	\$ 3,373	\$ 2,025
Other assets	33	36	38	42	46	49	54	60
<b>Total assets</b>	<b>2,253</b>	<b>3,740</b>	<b>4,688</b>	<b>4,124</b>	<b>2,977</b>	<b>3,072</b>	<b>3,427</b>	<b>2,085</b>
Current liabilities	698	255	33	362	683	67	34	132
Shareholders' equity	1,555	3,485	4,655	3,762	2,294	3,005	3,393	1,953
<b>Total liabilities &amp; shareholders' equity</b>	<b>2,253</b>	<b>3,740</b>	<b>4,688</b>	<b>4,124</b>	<b>2,977</b>	<b>3,072</b>	<b>3,427</b>	<b>2,085</b>
Working capital	1,522	3,449	4,617	3,720	2,248	2,956	3,339	1,893
<b>Expenses</b>								
Amortization	3	3	4	4	3	6	6	6
Exploration	1,610	915	823	1,638	790	196	301	1,515
Tax credits received	-	-	-	-	(252)	-	(1,435)	-
Legal, accounting and audit	16	21	23	2	5	6	31	2
Management and consulting	-	-	23	1	-	-	2	17
Office and administration	47	44	43	23	46	41	35	39
Salaries and benefits	182	156	108	25	73	106	(97)	107
Shareholder communication	46	34	47	13	25	18	(78)	44
Travel and conference	17	2	31	5	7	6	9	8
Trust and filing	14	1	46	6	7	1	10	9
Subtotal	1,935	1,176	1,148	1,717	704	380	(1,217)	1,747
Foreign exchange (gain) loss	3	(6)	-	(3)	30	13	(6)	(177)
Gain on disposal of equipment	-	-	-	-	-	-	-	-
Interest income	(3)	(7)	(5)	(4)	(12)	(4)	(232)	(9)
Tax related to flow-through financing	-	-	-	-	-	-	16	65
Subtotal	1,935	1,163	1,143	1,710	722	389	(1,440)	1,626
Stock-based compensation	-	-	(42)	125	22	33	39	11
<b>Net loss (income) for the period</b>	<b>\$ 1,935</b>	<b>\$ 1,163</b>	<b>\$ 1,101</b>	<b>\$ 1,835</b>	<b>\$ 744</b>	<b>\$ 422</b>	<b>\$ (1,401)</b>	<b>\$ 1,637</b>
Unrealized loss (gain) on available-for-sale marketable securities	(5)	7	3	(5)	5	-	-	-
<b>Comprehensive loss (income) for the period</b>	<b>\$ 1,930</b>	<b>\$ 1,170</b>	<b>\$ 1,104</b>	<b>\$ 1,830</b>	<b>\$ 749</b>	<b>\$ 422</b>	<b>\$ (1,401)</b>	<b>\$ 1,637</b>
Basic and diluted net loss (earning) per share	\$ 0.02	\$ 0.01	\$ 0.01	\$ 0.03	\$ 0.01	\$ 0.01	\$ (0.02)	\$ 0.02
Weighted average number of common shares outstanding (thousands)	83,839	83,839	83,288	72,839	72,783	72,739	70,684	67,848

**AMARC RESOURCES LTD.**  
**SIX MONTHS ENDED SEPTEMBER 30, 2010**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

---

## **1.5 Results of Operations**

The Company recorded a net loss of \$3,098,263 for the six-month period ended September 30, 2010, compared to a net loss of \$1,165,931 for the same period in fiscal 2010. The increase in loss for the period was due primarily to increased exploration expenditures in British Columbia during the current period, compared to the same period of the previous year.

Exploration expenses for the six-month period ended September 30, 2010 was \$2,525,012, compared to \$734,392 for the same period in the previous year. This increase was due to an increase in exploration activities during the six month period ended September 30, 2010, compared to the same period of the prior year. The major exploration expenditures during the period were for assays and analysis (2011 – \$381,193; 2010 – \$57,555), geological (2011 – \$1,469,157; 2010 – \$348,297), and site activities (2011 – \$343,461; 2010 – \$142,163).

Exploration expenses are credited in respect of a Mineral Exploration Tax Credit ("METC-BC") upon receipt (see section 1.7 below). There was no such credit during the six months period ended September 30, 2010, compared to a credit of \$252,086 during the same period of the prior year. This was due to the timing of disbursement of the tax credit by the government.

Administrative costs for the six month period ended September 30, 2010 also increased in line with the increase in exploration activities, compared to the same period in the previous year. The major administrative costs during the period were for salaries and benefits (2011 – \$338,081; 2010 – \$178,707), office and administration (2011 – \$90,959; 2010 – \$87,254), and shareholder communication (2011 – \$80,124; 2010 – \$43,219).

There was no stock-based compensation expense charged to operations during the six month period ended September 30, 2010, compared to \$54,984 during the same period in the previous year. The stock-based compensation expense in the prior period was mainly due to the amortization of a greater number of options vesting in that prior period.

Interest income decreased to \$10,717 for the six month period ended September 30, 2010, compared to \$15,236 for the same period last year, due mainly to lower average cash balances during the six month period ended September 30, 2010 compared to same period of the prior year.

A foreign exchange gain of \$2,229 was recorded during the six month period ended September 30, 2010, compared to a loss of \$42,585 in the same period of the prior year. The gain in the current period was attributable to the Company's US dollar denominated financial assets mainly held in cash and cash equivalents and due to depreciation of the Canadian dollar against the US dollar.

## **1.6 Liquidity**

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company has issued common share capital in each of the past few years, pursuant to private placement financings and the exercise of warrants and options.

At September 30, 2010, the Company had working capital of approximately \$1.5 million, compared to working capital of \$4.6 million at March 31, 2010. The Company's current working capital is sufficient to fund its known commitments.



**AMARC RESOURCES LTD.**  
**SIX MONTHS ENDED SEPTEMBER 30, 2010**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

---

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

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

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.

### **1.7 Capital Resources**

The Company has no lines of credit or other sources of financing which have been arranged but are as yet unused.

The METC initiative was introduced by the BC Government to stimulate new economic activities in the province and includes an enhanced credit for mineral exploration in areas affected by the mountain pine beetle infestation. The Company received \$nil in cash from the BC METC program in during the six months ended September 30, 2010, compared to a receipt of \$252,086 during the same period of the previous year, due to the timing of disbursement of the tax credit by the government.

Subsequent to September 30, 2010, pursuant to the exercise of 5,000,000 share warrants outstanding at September 30, 2010, the Company issued 5,000,000 flow-through shares on October 28, 2010 for aggregate gross proceeds of \$500,000.

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 provided in note 8 of the accompanying unaudited interim consolidated financial statements as at and for the period ended September 30, 2010.

### **1.10 Fourth Quarter**

Not applicable.

**AMARC RESOURCES LTD.  
SIX MONTHS ENDED SEPTEMBER 30, 2010  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

---

**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 3 of the accompanying unaudited interim consolidated financial statements as at and for the period ended September 30, 2010.

**1.14 Financial Instruments and Other Instruments**

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

**1.15 Other MD&A Requirements**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

**1.15.1 Additional Disclosure for Venture Issuers without Significant Revenue**

(a) capitalized or expensed exploration and development costs;

The required disclosure is presented as a schedule to the unaudited interim consolidated financial statements for the period ended September 30, 2010.

(b) expensed research and development costs;

Not applicable.

(c) deferred development costs;

Not applicable.

(d) general and administration expenses; and

The required disclosure is presented in the unaudited interim consolidated statements of operations.

(e) any material costs, whether capitalized, deferred or expensed, not referred to in (a) through (d);

None.

**AMARC RESOURCES LTD.**  
**SIX MONTHS ENDED SEPTEMBER 30, 2010**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

---

### **1.15.2 Disclosure of Outstanding Share Data**

The following table details the share capital structure as at November 22, 2010, the date of this MD&A. These figures may be subject to minor accounting adjustments prior to presentation in future consolidated financial statements.

	Expiry date	Exercise price	Number
Common shares			88,839,473
Options	July 19, 2011	\$0.70	1,592,200
Options	April 28, 2012	\$0.70	70,000
Options	March 30, 2013	\$0.51	50,000

### **1.15.3 Internal Controls over Financial Reporting and Disclosure Controls**

#### **Internal Controls over Financial Reporting**

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

#### **Disclosure Controls and Procedures**

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

### **1.16 International Financial Reporting Standards ("IFRS")**

#### **Management of the IFRS Convergence Project**

The Company is evaluating its overall readiness to transition from Canadian GAAP to IFRS including the readiness of its staff, Board of Directors, Audit Committee and auditors.

The IFRS convergence project consists of three primary phases, which in certain cases will occur concurrently as IFRS is applied to specific areas:

Phase 1 – Initial Scoping and Impact Assessment Analysis: to isolate key areas that will be impacted by the transition to IFRS. This phase has been completed.

Phase 2 – Evaluation and Design: to identify specific changes required to existing accounting policies, information systems and business processes, together with an analysis of policy alternatives allowed under IFRS and development of draft IFRS financial statements. This phase is currently in progress.

Phase 3 – Implementation and Review: to execute the changes to information systems and business processes, completing formal authorization processes to approve recommended accounting policy

**AMARC RESOURCES LTD.**  
**SIX MONTHS ENDED SEPTEMBER 30, 2010**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

---

changes and training programs across the Company's finance and other staff, as necessary. This will culminate in the collection of financial information necessary to compile IFRS compliant financial statements, including embedding IFRS principles in business processes, and Audit Committee review and approval of the financial statements.

### **IFRS 1 – First Time Adoption of International Financial Reporting Standards**

IFRS 1, *First-time Adoption of International Financial Reporting Standards* ("IFRS 1"), sets forth guidance for the initial adoption of IFRS. Commencing for the period ending on June 30, 2011, being the first quarter of the 2012 fiscal year, the Company will restate its comparative fiscal 2011 financial statements for annual and interim periods to be consistent with IFRS. In addition, the Company will reconcile equity and net earnings from the then-previously reported fiscal 2011 Canadian GAAP amounts to the restated 2011 IFRS amounts.

IFRS generally requires that first-time adopters retrospectively apply all IFRS standards and interpretations in effect as at the first annual reporting date. IFRS 1 provides for certain mandatory exceptions and certain optional exemptions to this general principle.

The Company anticipates using the following IFRS 1 optional exemptions:

- to apply the requirements of IFRS 3, *Business Combinations*, prospectively from the transition date;
- to apply the requirements of IFRS 2, *Share-based Payments*, to equity instruments granted which had not vested as of the transition date;
- to elect not to comply with IFRIC 1, *Changes in Existing Decommissioning, Restoration and Similar Liabilities*, for changes in such liabilities that occurred before the transition date.

Changes to estimates previously made are not permitted. The estimates previously made by the Company under Canadian GAAP will not be revised for application of IFRS except where necessary to reflect any changes resulting from differences in accounting policies.

### **Other IFRS Considerations**

The conversion to IFRS will impact the way the Company presents its financial results. The first financial statements prepared using IFRS, the Company's interim financial statements for the three months ending on June 30, 2011, will include extensive notes disclosing transitional information and disclosure of all new, IFRS-compliant, accounting policies.

The Company has obtained an understanding of IFRS from intensive hands-on training of its finance personnel. Our finance personnel include employees who have experience in preparing financial statements under IFRS.

The Company is currently evaluating the impact of the conversion on its accounting systems and has not determined whether significant changes to its accounting systems are required.

In addition, the Company will evaluate its internal and disclosure control processes as a result of its conversion to IFRS, assess the impacts of adopting IFRS on its contractual arrangements to identify any material compliance issues and consider the impacts the transition will have on its internal planning process and compensation arrangements.