



CONSOLIDATED FINANCIAL STATEMENTS

THREE MONTHS ENDED JUNE 30, 2008

(Expressed in Canadian Dollars)

(Unaudited)

These financial statements have not been reviewed by the Company's auditors

AMARC RESOURCES LTD.

Consolidated Balance Sheets

(Expressed in Canadian Dollars)

	June 30, 2008	March 31, 2008
	(Unaudited)	
ASSETS		
Current assets		
Cash and cash equivalents	\$ 6,338,996	\$ 7,713,995
Amounts receivable and prepaid expenses	358,098	249,252
	6,697,094	7,963,247
Equipment (note 4)	90,113	20,369
Mineral property interests (note 5)	4	4
	\$ 6,787,211	\$ 7,983,620
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 151,473	\$ 44,377
Balance due to related party (note 6)	346,431	180,767
	497,904	225,144
Shareholders' equity		
Share capital	30,747,065	30,747,065
Contributed surplus	1,469,931	1,469,931
Deficit	(25,927,689)	(24,458,520)
	6,289,307	7,758,476
Nature and continuance of operations (note 1)		
Commitment (note 7)		
Subsequent event (note 5(a)(ii) and note 8)		
	\$ 6,787,211	\$ 7,983,620

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

Approved by the Board of Directors

/s/ Ronald W. Thiessen

Ronald W. Thiessen
Director

/s/ Robert A. Dickinson

Robert A. Dickinson
Director

AMARC RESOURCES LTD.
Consolidated Statements of Operations and Deficit
(Unaudited - Expressed in Canadian Dollars)

	Three months ended June 30	
	2008	2007
Expenses		
Amortization	\$ 4,353	\$ 1,273
Conference and travel	17,420	1,546
Exploration (schedule)	1,264,466	467,499
Legal, accounting, and audit	7,947	3,364
Management and consulting	12,036	23,976
Office and administration	54,548	53,887
Property investigation	710	528
Salaries and benefits	76,060	47,896
Shareholder communication	61,217	13,193
Trust and filing	1,470	1,100
	<u>1,500,227</u>	<u>614,262</u>
Other items		
Foreign exchange loss	4,894	88,953
Gain on sale of marketable securities	-	(68,992)
Interest income and other	(35,952)	(109,057)
	<u>(31,058)</u>	<u>(89,096)</u>
Loss for the period	<u>\$ 1,469,169</u>	<u>\$ 525,166</u>
Basic and diluted loss per share	<u>\$ 0.02</u>	<u>\$ 0.01</u>
Weighted average number of common shares outstanding	<u>67,739,473</u>	<u>62,949,473</u>

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

AMARC RESOURCES LTD.
Consolidated Statements of Shareholders' Equity
(Expressed in Canadian Dollars)

	Three months ended		Year ended	
	June 30, 2008		March 31, 2008	
	<i>(unaudited)</i>			
	<u>Number of shares</u>		<u>Number of shares</u>	
Share capital				
Balance at beginning of the period	67,739,473	\$ 30,747,065	62,949,473	\$ 27,287,248
Exercise of share purchase warrants at \$0.55 per share	–	–	4,790,000	2,634,500
Fair value of warrants allocated to shares issued on exercise	–	–	–	825,317
Balance at end of the period	67,739,473	\$ 30,747,065	67,739,473	\$ 30,747,065
Contributed surplus				
Balance at beginning of the period		\$ 1,469,931		\$ 2,295,248
Fair value of warrants allocated to shares issued on exercise		–		(825,317)
Balance at end of the period		\$ 1,469,931		\$ 1,469,931
Deficit				
Balance at beginning of the period		\$ (24,458,520)		\$ (20,892,220)
Loss for the period		(1,469,169)		(3,566,300)
Balance at end of the period		\$ (25,927,689)		\$ (24,458,520)
TOTAL SHAREHOLDERS' EQUITY		\$ 6,289,307		\$ 7,758,476

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

AMARC RESOURCES LTD.

Consolidated Statements of Cash Flows

(Unaudited - Expressed in Canadian Dollars)

Cash provided by (used in)	Three months ended June 30	
	2008	2007
Operating activities		
Loss for the period	\$ (1,469,169)	\$ (525,166)
Items not involving cash		
Amortization	4,353	1,273
Gain on sale of marketable securities (note 6(b))	–	(68,992)
Changes in non-cash working capital items		
Amounts receivable and prepaids	(108,846)	(11,034)
Balances receivable from and payable to related parties	165,664	(218,251)
Accounts payable and accrued liabilities	107,096	13,100
Cash used in operating activities	(1,300,902)	(809,070)
Investing activities		
Loan to a related party (note 6(b))	–	5,500,000
Proceeds on sale of marketable securities	–	315,499
Purchase of equipment	(74,097)	–
Cash provided by (used for) investing activities	(74,097)	5,815,499
Increase (decrease) in cash and cash equivalents	(1,374,999)	5,006,429
Cash and cash equivalents, beginning of period	7,713,995	2,916,194
Cash and cash equivalents, end of period	\$ 6,338,996	\$ 7,922,623
Components of cash and cash equivalents are as follows:		
Cash	\$ 412,051	\$ 86,609
Bankers acceptances	–	7,836,014
Commercial paper	943,655	–
Treasury bills	4,983,290	–
	\$ 6,338,996	\$ 7,922,623
Supplementary cash flow information:		
Interest paid	\$ –	\$ –
Interest received	\$ 36,594	\$ 109,057
Income taxes paid	\$ –	\$ –
Non cash investing activities:		
Receipt of common shares of Rockwell Diamonds Inc. representing payment of loan interest (note 6(b))	\$ –	\$ 246,506

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

AMARC RESOURCES LTD.

Consolidated Schedules of Exploration Expenses

(Unaudited - Expressed in Canadian Dollars)

British Columbia, Canada Properties	Three months ended June 30	
	2008	2007
Exploration Cost		
Assays and analysis	\$ 54,024	\$ 16,027
Drilling	28,000	–
Engineering	6,245	–
Equipment rental	38,635	40,329
Environmental	4,576	–
Freight	1,963	1,777
Geological	818,114	347,450
Graphics	12,492	4,933
Helicopter	75,158	–
Property fees and assessments	18,410	1,820
Site activities	146,328	52,168
Socioeconomic	2,730	–
Travel and accommodation	57,791	2,995
Incurred during period	1,264,466	467,499
Cumulative expenditures, beginning of period	17,449,574	14,382,635
Cumulative expenditures, end of period	\$ 18,714,040	\$ 14,850,134

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

AMARC RESOURCES LTD.

Notes to the Consolidated Financial Statements

Three months ended June 30, 2008

(Unaudited - Expressed in Canadian Dollars)

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 June 30, 2008 are not necessarily indicative of the results that may be expected for the full fiscal year ending March 31, 2009.

These consolidated financial statements are prepared on the basis that the Company will continue as a going concern. Management recognizes that the Company will need to generate additional financial resources in order to meet its planned business objectives. However, there can be no assurances that the Company will continue to obtain additional financial resources and/or achieve profitability or positive cash flows. If the Company 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 the Company’s assets and liabilities be restated on a liquidation basis which could differ significantly from the going concern basis.

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, 2008, which are available on SEDAR at www.sedar.com.

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Compania Minera Amarc SA de CV and Amarc Exploraciones Mineras SA de CV, both of which are incorporated in Mexico. Also included are the accounts of the Precious Exploration Limited Partnership, which is subject to the Company’s control and primary beneficial ownership.

All material inter-company balances and transactions have been eliminated.

AMARC RESOURCES LTD.

Notes to the Consolidated Financial Statements

Three months ended June 30, 2008

(Unaudited - Expressed in Canadian Dollars)

3. CHANGES IN ACCOUNTING POLICIES

(a) *Newly Adopted Accounting Policies*

Effective April 1, 2008, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA") relating to financial instruments. As required by the transitional provisions of these new standards, these new standards have been adopted on a prospective basis with no restatement to prior period financial statements.

(i) *Section 1535 – Capital Disclosures*

This standard requires disclosure of an entity's objectives, policies and processes for managing capital, quantitative data about what the entity regards as capital and whether the entity has complied with any capital requirements and, if it has not complied, the consequences of such non-compliance.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern, so that it can continue to explore and develop its projects for the benefit of its shareholders and other stakeholders. The Company considers the components of shareholders' equity, as well as its cash and equivalents and debt (if any), as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. Since the Company is in the exploration stage, the Company may issue new shares through private placements in order to maintain or adjust the capital structure.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The Company's cash resources at June 30, 2008 are sufficient for its present needs, specifically to continue exploration and administrative operations at current levels through the end of the current fiscal year 2009.

There were no changes to the Company's approach to capital management during the three months ended June 30, 2008. The Company is not subject to externally imposed capital requirements as at June 30, 2008.

(ii) *Amendments to Section 1400 – Going Concern*

CICA Handbook Section 1400, *General Standards of Financial Statement Presentation*, was amended to include requirements to assess and disclose an entity's ability to continue as a going concern.

AMARC RESOURCES LTD.

Notes to the Consolidated Financial Statements

Three months ended June 30, 2008

(Unaudited - Expressed in Canadian Dollars)

(b) *Accounting Standards Not Yet Adopted*

(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. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

4. EQUIPMENT

	Cost	Accumulated Amortization	Net Book Value
June 30, 2008			
Site equipment	\$ 121,040	\$ 60,374	\$ 60,666
Computers	30,607	1,160	29,447
Total	\$ 151,647	\$ 61,534	\$ 90,113
March 31, 2008			
Site equipment	\$ 77,551	\$ 57,182	\$ 20,369
Computers	—	—	—
Total	\$ 77,551	\$ 57,182	\$ 20,369

AMARC RESOURCES LTD.

Notes to the Consolidated Financial Statements

Three months ended June 30, 2008

(Unaudited - Expressed in Canadian Dollars)

5. MINERAL PROPERTY INTERESTS

The Company has recorded the following interests in royalties in currently non-producing mineral properties at a nominal value on the consolidated balance sheets:

	June 30, 2008	March 31, 2008
British Columbia, Canada		
Iskut (note (5)(a)(ix))	\$ 1	\$ 1
Witch (note (5)(a)(ix))	1	1
Other		
Ana, Yukon Territory (note (5)(b))	1	1
Mann Lake, Saskatchewan (note (5)(b))	1	1
Total	\$ 4	\$ 4

(a) *British Columbia, Canada*

(i) *Tulox Property*

On May 7, 2007, the Company entered into an agreement with Tulox Resources Inc., formerly named Sitec Ventures Corp. ("Tulox"), for the sale of the Tulox property (the "Property") for consideration of ten million common shares of Tulox, an inactive NEX-listed public company. 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, on completion of \$5,000,000 of exploration expenditures on the Property by Tulox, the Company will have a 90 day period during which it can acquire a 60% interest in the Property by agreeing to fund a further \$10,000,000 of exploration expenditures on the Property. On April 15, 2008, the Company and Tulox mutually agreed to extend the closing date of this agreement.

(ii) *Peak Property*

On September 27, 2007, the Company entered into a letter agreement with a private arm's-length company for an exclusive option whereby the Company may acquire, over up to a three year period, the right to earn an undivided 100% interest in the Peak property, subject to a 2% NSR, which the Company may acquire for \$2,000,000. The agreement is subject to certain conditions, including the signing of a formal agreement and the acceptance of such formal agreement by the TSX Venture Exchange (the "Effective Date"). Consideration for acquiring the 100% undivided interest in the Peak property is to consist of staged payments totaling \$85,000 and the incurring of expenditures totaling \$175,000 on the property from the date of signing the letter agreement until the third anniversary of the Effective Date. A formal agreement was executed in July 2008, subsequent to the quarter end.

AMARC RESOURCES LTD.

Notes to the Consolidated Financial Statements

Three months ended June 30, 2008

(Unaudited - Expressed in Canadian Dollars)

(iii) Pond Property

In April 2008, the Company entered into an agreement with a private arm's-length company for an exclusive option whereby the Company may acquire, over up to a four year period, the right to earn an undivided 100% interest in the Pond property, subject to a 2% NSR, which the Company may acquire for \$2,000,000. The agreement is subject to certain conditions, including acceptance by the TSX Venture Exchange (the "Effective Date"). Consideration for acquiring the 100% undivided interest in the Pond property is to consist of staged payments totaling \$215,000 and the incurring of expenditures totaling \$225,000 on the property from the date of signing the letter agreement until the fourth anniversary of the Effective Date.

(iv) Bodine Property, British Columbia

On November 14, 2006, the Company reached an option agreement with an arm's length party to acquire a 100% undivided interest in the Bodine property ("Bodine"). Located approximately 110 kilometers northeast of Smithers, in the Omineca Mining Division in central British Columbia, the Bodine Property covers approximately 640 square kilometers.

The Company can acquire its interest in Bodine by making staged cash payments totaling \$225,000 and expending \$2,000,000 on the property over the next four years. Bodine is subject to a 3% NSR, 2% of which may be purchased at the Company's sole discretion for \$2,000,000 with the remaining 1% subject to a right of first refusal in favor of the Company. Annual advance royalty payments of \$50,000 will be payable beginning from the fifth year of the agreement to the fifteenth year of the agreement.

As at June 30, 2008, the Company had paid \$75,000 in property option payments for Bodine and recorded the payments as a property option expense.

(v) Iskut Properties

The Company registered for acquisition a total of 5,175 hectares in five properties in the Iskut River area of northwestern British Columbia during the period August 2005 to March 2006. These properties comprised the AA, MEZ, TRI A, Copper 152 and Copper 246 properties.

The Company also entered into a Letter Agreement in May 2006 with an arm's length party giving the Company the right to explore the 2,302 hectare SEDEX property that adjoins the AA property, and the right to enter into a formal option agreement on or before December 31, 2006 to purchase the SEDEX property by paying the arm's length party \$100,000 and 265,000 shares of the Company in stages to December 31, 2010. The purchase was subject to a 1.5% NSR in favor of the arm's length party, 0.5% of which could be purchased by the Company for \$1,000,000. Advance royalty payments of \$20,000 annually were payable to the arm's length party commencing on or before December 31, 2011.

AMARC RESOURCES LTD.

Notes to the Consolidated Financial Statements

Three months ended June 30, 2008

(Unaudited - Expressed in Canadian Dollars)

(vi) *Sitlika Properties*

In addition to the Bodine Property (note 5(a)(iv)), beginning December 2006, the Company has acquired, by staking claims, 100% interests in seven mineral properties located in the Omineca, Cariboo and Clinton Mining Divisions of British Columbia, ranging in location from approximately 110 kilometers northeast of Smithers to approximately 35 kilometres southwest of Williams Lake. As of June 30, 2008, these properties included the Aspira, Equus, Huge East, Megamine, Myway, Polymac and Polymet claims and in total comprised 1320 square kilometers.

(vii) *Pinchi Properties*

As at June 30, 2008, the Company held a 100% interest in 262 square kilometers of mineral property located in Omineca Mining Division of British Columbia. These properties are comprised of the Grand, Grand North, and Petite.

(viii) *Carbonate Zinc Properties*

In 2007, the Company acquired by staking approximately 250 square kilometers along a belt located approximately 130 kilometers north-northwest of McKenzie, BC.

(ix) *Other Properties*

During the year ended March 31, 2007, the Company sold a 100% interest in three of the Chona claims, which were part of the Witch property, for proceeds of \$500, subject to a 2.5% NSR. The purchaser may acquire this royalty from the Company for the sum of \$1,000,000 per one-percent royalty. This royalty has been recorded at a nominal value of \$1.

In December 2006, the Company terminated the Letter Agreement and vended the AA property (part of the original Iskut properties) to the arm's length party. The Company retains a 1.5% NSR on production from the property, 0.5% of which can be purchased by the arm's length party for \$1,000,000. This royalty has been recorded at a nominal value of \$1.

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

AMARC RESOURCES LTD.

Notes to the Consolidated Financial Statements

Three months ended June 30, 2008

(Unaudited - Expressed in Canadian Dollars)

6. RELATED PARTY BALANCES AND TRANSACTIONS

Balances receivable	June 30, 2008	March 31, 2008
Hunter Dickinson Services Inc. (a)	\$ 346,431	\$ 180,767

	Three months ended June 30	
Transactions	2008	2007
Services rendered and expenses reimbursed:		
Hunter Dickinson Services Inc. (a)	\$ 865,830	\$ 289,629
Rockwell Diamonds Inc. (b)	\$ —	\$ 53,629

(a) Hunter Dickinson Services Inc. ("HDSI") is a private company owned equally by several public companies, one of which is the Company. HDSI has certain directors in common with the Company and provides geological, corporate development, administrative and management services to, and incurs third party costs on behalf of, the Company and its subsidiaries on a full cost recovery basis.

(b) Rockwell Diamonds Inc. ("Rockwell"), formerly named Rockwell Ventures Inc., is a public company with certain directors in common with the Company. In January 2007, the Company advanced \$5,500,000 to Rockwell pursuant to a 90-day promissory note. Interest on the promissory note was calculated at a rate of 20% per annum, compounded quarterly. Interest was payable in common shares of Rockwell. On April 18, 2007, Rockwell repaid the principal amount of the loan, together with 497,993 common shares of Rockwell at a deemed price of \$0.495, representing payment of interest on the 90-day promissory note. During the period ended June 30, 2007, interest income of \$53,629 was recorded on the promissory note.

In June 2007, the Company sold its 497,993 common shares of Rockwell for proceeds of \$315,499. A gain of \$68,992 was recorded on the sale.

7. COMMITMENT

During the year ended March 31, 2008, the Company issued 4,440,000 flow-through common shares for proceeds of \$2,442,000 pursuant to the exercise of share warrants. In accordance with certain provisions of the *Income Tax Act (Canada)*, the Company is obligated to spend the proceeds from the flow-through-shares on eligible exploration activities by December 31, 2009. As at June 30, 2008, approximately \$1.2 million remained to be spent pursuant to this flow-through share issuance.

8. SUBSEQUENT EVENT

Subsequent to June 30, 2008, the Company granted 1,828,200 share purchase options at an exercise price of \$0.70 per share, expiring on July 19, 2011.



THREE MONTHS ENDED JUNE 30, 2008

MANAGEMENT'S DISCUSSION AND ANALYSIS

**AMARC RESOURCES LTD.
YEAR ENDED JUNE 30, 2008**

MANAGEMENT'S DISCUSSION AND ANALYSIS

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**AMARC RESOURCES LTD.
YEAR ENDED JUNE 30, 2008**

MANAGEMENT'S DISCUSSION AND ANALYSIS

1.1 Date

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited consolidated financial statements of Amarc Resources Ltd. ("Amarc", or the "Company") for the three months ended June 30, 2008 and the audited consolidated financial statements for the year ended March 31, 2008, which are publicly available on SEDAR at www.sedar.com.

This MD&A is prepared as of August 15, 2008. All dollar figures stated herein are expressed in Canadian dollars, unless otherwise specified.

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

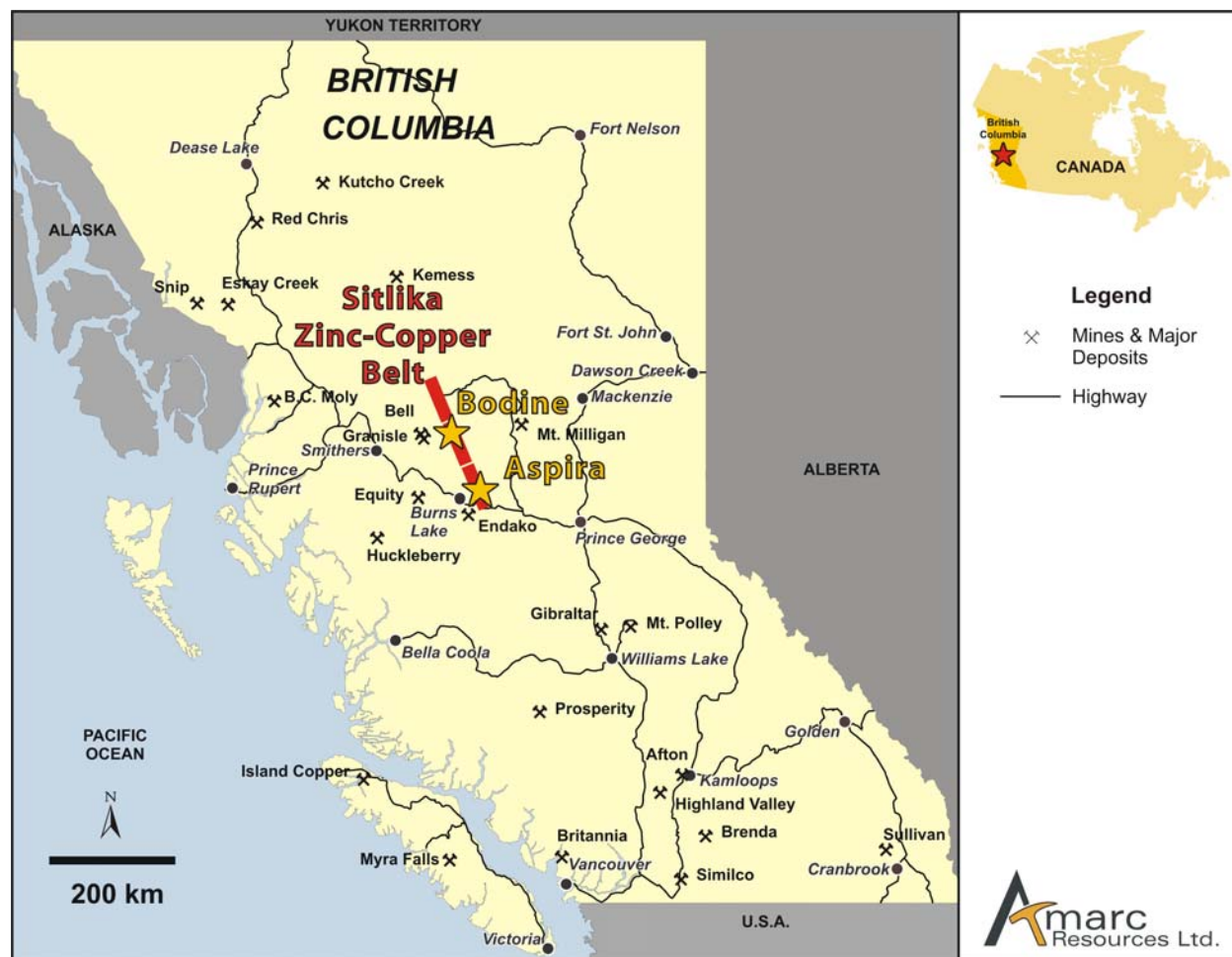
Amarc's objective is to discover the next major metals mine in British Columbia. In order to achieve this objective the Company has assembled a capable and experienced mineral exploration team. Positive results from Amarc's extensive 2007 regional programs have resulted in the underexplored and highly prospective Sitlika Zinc-Copper Belt being the focus of 2008 exploration activities.

The Sitlika Zinc-Copper Belt

Located in central British Columbia ("BC") (see figure below), the Sitlika Belt extends for some 226 kilometers from the Endako – Vanderhoof area towards the northwest, through one of the best endowed mineral districts in the province.

AMARC RESOURCES LTD.
YEAR ENDED JUNE 30, 2008

MANAGEMENT'S DISCUSSION AND ANALYSIS



In December 2006 Amarc acquired, by staking and option agreement, exploration properties covering an area of approximately 1,100 square kilometers along the Sitlika Belt. As of July 24, 2008, the Company has completed additional staking, increasing its tenure position to approximately 2,000 square kilometers.

The Sitlika Belt is underlain by gossanous metasedimentary and metavolcanic rocks of the Sitlika assemblage. The area was the subject of a focused geological mapping initiative by the BC Ministry of Energy and Mines (Schiarizza and Payie, 1997), the results of which indicate that the Sitlika rocks have the potential to host volcanogenic massive sulphide (“VMS”) deposits. In addition, the Sitlika rocks are considered to correlate with the Kutcho Creek Formation, located 250 kilometers to the north, which host the Kutcho Creek VMS deposits. The Kutcho deposits have reported proven and probable reserves of 17.1 million tonnes grading 1.6% copper, 2.3% zinc, 0.2 g/t gold and 26 g/t silver (Sherwood Copper Corp.).

The Sitlika Belt is well serviced by main line forestry roads, crossing topography that is subdued in comparison with other areas of BC. It is also located proximal to the Yellowhead Highway and the Canadian National rail link, which connect the Belt to the bulk loading terminal port of Prince Rupert. High capacity electric transmission lines and a natural gas line are also proximal to the Belt. There is

**AMARC RESOURCES LTD.
YEAR ENDED JUNE 30, 2008**

MANAGEMENT'S DISCUSSION AND ANALYSIS

access to local communities and local resources such as hospitals and schools in nearby communities such as Burns Lake.

To date, Amarc has spent a total of approximately \$3.3 million on exploration over the entire Sitlika Belt and approximately \$1.6 million and \$1.0 million on the Bodine and Aspira properties, respectively. An initial exploration expenditure of \$2.8 million has been planned for the 2008 field season, with additional funding on hand and available as necessary to follow up on positive results.

During the 2007 field season, the Company collected 1,586 stream sediment samples along the Sitlika Belt, identifying 17 priority areas with multiple zinc and/or copper dominated targets. Follow-up target definition in 2007 included the collection of 7,517 soil samples, geological mapping and 75 line-kilometers of induced polarization ("IP") geophysical surveys. Two outstanding zinc-copper mineral deposit targets were identified - the Bodine and the Aspira plays.

The **Bodine Project** covers approximately 640 square kilometers and is located in the central part of the Sitlika Belt. Initial reconnaissance by Amarc geologists identified massive to semi-massive sulphide mineralization in outcrop. Channel samples returned encouraging grades of 1.79% and 1.37% copper over 2.9 meters and 2.4 meters, respectively. Geological mapping, 34 line-kilometers of IP and ground magnetic geophysical surveys and soil sampling over a 5 kilometer by 1.5 kilometer grid completed in 2007 also defined the prospective Bodine-Warren target. The soil grid delineated a target over an area of 2,000 meters long by 700 meters wide with copper concentrations ranging from 75 parts per million (ppm) to 1,747 ppm and zinc concentrations of 150 ppm to 2,102 ppm.

Approximately 1,000 infill soil grid geochemical samples have been collected over the Bodine-Warren target in order to further delineate targets for drilling this season.

The **Aspira Project** is located near the southern end of the Sitlika Belt, some 35 kilometers north of the Endako Mine and 40 kilometers to the northeast of the town of Burns Lake. It is accessed by a network of forestry roads.

Reconnaissance stream sediment samples taken in this area during the 2007 field season returned anomalous concentrations of zinc ranging from 200 ppm to 731 ppm, and of copper ranging from 75 ppm to 249 ppm, along a trend of at least 9 kilometers. Follow-up work in 2007 consisted of an 823-sample soil grid extending over an area of 4 square kilometers, which returned high multi-element metal concentrations. An unusually strong, northwest trending, 2 kilometer long soil anomaly was outlined with zinc concentrations ranging from 200 ppm to 8,581 ppm, and associated copper and lead values. The Aspira target was constrained only by the extent of the initial grid sampled and remained open to extension.

In May 2008, an airborne geophysical survey over Aspira defined a 15 kilometer long linear magnetic high that remains open along strike. Parallel to the magnetic high is a pronounced magnetic low or trough feature measuring 150 meters wide and some 15 kilometers long. The trough within the magnetic high coincides with the 2 kilometre long (and open ended) zinc in soil anomaly defined in 2007.

Positive results from 4,361 soil grid geochemical samples, geological mapping and a 37 line-km induced polarization ("IP") geophysical survey completed since May 2008, together with soil grid geochemical sampling data from the 2007 program have delineated four significant target zones over an 11 km trend.

**AMARC RESOURCES LTD.
YEAR ENDED JUNE 30, 2008**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Geological mapping has shown that the target zones are underlain by a felsic volcanic and fine grained sediment rock package that represents preferred stratigraphy for VMS mineralization.

A drill contractor has been selected and a 13.5 kilometer long access road to drill sites has been constructed.

The Sitlika Belt is an exceptionally strong regional exploration play. In addition to the Bodine and Aspira targets, eleven other plays identified in 2007 are currently undergoing target delineation.

Sitlika Belt Option Agreements

Bodine Property Agreement

In November 2006, Amarc reached an option agreement with an arm's length party to acquire a 100% undivided interest in the Bodine property. Amarc can acquire its interest in the Bodine property by making staged cash payments totaling \$225,000 and expending \$2,000,000 on the property over the next four years. The Company has paid \$75,000 in property option payments for Bodine to date. The property is subject to a 3% net smelter royalty, 2% of which may be purchased at the Company's sole discretion for \$2,000,000 with the remaining 1% subject to a right of first refusal in favor of the Company. Annual advance royalty payments of \$50,000 will be required from the fifth year of the agreement to the fifteenth year of the agreement.

Pinchi Belt Gold Properties

As of June 2008, Amarc had a land position of approximately 260 square kilometers along the Pinchi Belt in BC, acquired by staking in 2006 to 2007.

The properties are underlain by Paleozoic limestone, sedimentary and volcanic rocks that have been intruded by Mesozoic intrusive rocks. This geologic environment is prospective for bulk tonnage gold deposits.

The Company performed airborne and ground based geophysical surveys and grid-based geochemical surveys during the 2007 field season to identify targets for follow-up. Four targets were followed-up in 2007 and a further two targets have been identified for additional delineation during 2008. Fieldwork has commenced on the targets selected for follow-up.

The costs incurred on the Pinchi program to date total approximately \$0.7 million.

Carbonate Zinc Belt

In 2007, Amarc acquired by staking approximately 250 square kilometers along a belt located some 130 kilometers north-northwest of McKenzie, BC. A desk-top analysis of available data has been completed, which resulted in seven targets being selected for follow-up in the field in 2008. The land position has been reduced to approximately 230 square kilometers. Fieldwork has been initiated to follow-up on the selected targets.

Paleozoic dolomite, limestone and other calcareous sedimentary rocks belonging to various formations, including the Pine Point Formation, underlie the belt. These formations are prospective for Pine Point–

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Mississippi Valley type Carbonate Hosted Zinc deposits. The historical Pine Point deposits hosted mineral reserves of 64.3 million tonnes grading 7% zinc and 3% lead.

The cost of the Carbonate Zinc Belt program to date is approximately \$67,000.

Other Properties

The Rapid Property

In April 2008, Amarc staked the **Rapid Property**, which covers approximately 400 square kilometers of anomalous copper-zinc-silver geochemical values in stream sediments reported in a recent release by Geoscience BC. The Rapid property is located 27 kilometers northeast of the Aspira property and 36 kilometers northwest of the town of Fort St. James. Access to the site is by a network of forestry roads. An airborne magnetics survey, carried out in the early part of the 2008 field season, is being followed up by a field team conducting focused geological mapping, geochemical soil sampling and induced polarization geophysical surveys, with the objective of developing drill targets on the Rapid property. To August 15, on-going field work over the Rapid Property includes the collection of 1,200 soil samples and completion of 39 line-km of IP geophysical survey.

The cost of the program to date is approximately \$288,000.

Other BC Agreements

The Peak Property Agreement

In September 2007, Amarc entered into a letter agreement with an arm's length party for an exclusive option whereby the Company may acquire, over up to a three year period, the right to earn an undivided 100% interest in the **Peak** property, subject to a 2% net smelter royalty, which the Company may acquire from the arm's length party for \$2,000,000. Consideration for acquiring the 100% undivided interest in the Peak property is to consist of staged payments totaling \$85,000 (of which \$5,000 was paid on signing of letter agreement and \$5,000 on the Effective Date) and the incurring of expenditures totaling \$175,000 on the property from the date of signing the letter agreement until the third anniversary of the Effective Date. A formal agreement was executed on August 1, 2008.

The Peak property is located approximately 90 kilometers northwest of Fort St. James, and is accessible by road.

The property is underlain by rocks of the Cache Creek Complex, which comprises minor serpentinites of the Late Pennsylvanian to Late Triassic Trembleur Ultramafite Unit, and also greenstones and greenschist metamorphic rocks of the Rubyrock Igneous Complex. The Cache Creek Complex is intruded by Middle Jurassic to Early Cretaceous granites of the Endako Batholith – Francois Lake Suite. These latter rocks are prospective for porphyry base metal deposits.

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The Pond Property Agreement

In September 2007, Amarc entered into a letter agreement with an arm's length party for an exclusive option whereby the Company may acquire, over up to a four year period, the right to earn an undivided 100% interest in the **Pond** property, subject to a 2% net smelter royalty, which the Company may acquire for \$2,000,000. Consideration for acquiring the 100% undivided interest in the Pond property is to consist of staged payments totaling \$215,000 and the incurring of expenditures totaling \$225,000 on the property from the date of signing the letter agreement until the fourth anniversary of the Effective Date. A formal agreement was executed on August 1, 2008.

The Pond property is located approximately 90 kilometers northwest of Fort St. James, and is accessible by road.

The property is underlain by rocks of the Cache Creek Complex, which comprises minor serpentinites of the Late Pennsylvanian to Late Triassic Trembleur Ultramafite Unit, and also greenstones and greenschist metamorphic rocks of the Rubyrock Igneous Complex. These units lie in close proximity to Middle Jurassic to Early Cretaceous granites of the Endako Batholith – Francois Lake Suite that are prospective for porphyry-style base metal deposits.

The Tulox Property Agreement

The **Tulox** property, located in the Cariboo region and comprising 252 square kilometers, was acquired during the period July 2005 to March 2007.

In May 2007, Amarc entered into an agreement to sell the Tulox property, subject to certain conditions, for a consideration of 10,000,000 common shares of Tulox Resources Inc., formerly named Sitec Ventures Corp. The Company will also receive a 3% net smelter return royalty following the commencement of commercial production on the property. Amarc also received a "Back in Right" whereby, on completion of \$5,000,000 of exploration expenditures on the property, the Company will have 90 days during which it can acquire a 60% interest by agreeing to complete a further \$10,000,000 of exploration expenditures on the property. The Company and Tulox have mutually agreed to extend the closing date of this agreement to November 30, 2008.

The Tulox property is underlain by Mesozoic volcanic and sedimentary rocks that have been intruded by Mesozoic intrusive rocks. These rocks have been overlain by Cenozoic volcanic and pyroclastic rocks. The Tulox property is anomalous in gold and gold indicator elements.

Other Property Agreements

Amarc retains a 2.5% net smelter royalty on production from the 1,300 hectare **Chona** property, which comprised part of the Witch porphyry gold-copper properties located in B.C., that can be purchased by the arm's-length owner for \$2,500,000.

The Company also retains a 1.5% net smelter royalty from the 1,760 hectare **AA** property, part of the Iskut Properties located in B.C., 0.5% of which can be purchased by the arm's length owner for \$1,000,000.

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Amarc also has a 5% net profits interest ("NPI") in the 46 mineral claims that comprise the **Ana** Property in the Yukon Territory, and a 2.5% NPI in a mineral lease over the **Mann Lake** Property in Saskatchewan.

At the present time, the Company has no plans to undertake any programs on these properties.

Corporate Matters

In July, 2008, the Company announced the appointment of Paul Mann, B.A.Sc., CA, as Chief Financial Officer of the Company.

Paul Mann has over 15 years of progressive experience in the mining sector, as Controller of Dayton Mining and De Beers Canada Mining, Corporate Controller at Eldorado Gold and at Hunter Dickinson, as Vice President Finance for Crew Gold, and as Chief Financial Officer of North Pacific Geopower. He has been with the Hunter Dickinson group since 2002, and since 2007 he has served as Director of Finance and Reporting for the Hunter Dickinson group of companies, overseeing all accounting, regulatory and securities compliance and reporting, as well as treasury and taxation for the group.

Mr. Mann replaces Jeffrey Mason, who retired from the position of Chief Financial Officer of the Company, but who will maintain his role as a member of Amarc's Board of Directors.

Market Trends

The price of zinc increased from an average of \$0.48/lb in 2004 to US\$1.47/lb in 2007, increasing from. In 2008 to mid August, zinc prices have averaged US\$0.99/lb. Copper prices have been increasing since late 2003, averaging US\$3.03/lb in 2006. The average price in 2007 was approximately US\$3.22/lb. Prices have continued to be strong in 2008, averaging US\$3.64/lb to mid August. Lead prices increased substantially to average US\$1.16/lb over the 2007 year from US\$0.60/lb in 2006. In 2008 to mid August, lead prices have averaged US\$1.12/lb.

Gold prices have been increasing for more than three years, from US\$409/oz in 2004 to US\$697/oz in 2007. In 2008 to mid August, the gold price has averaged US\$910/oz. The silver price has also increased since 2004, from an average of US\$6.69/oz in 2004 to US\$13.38 in 2007. In 2008 to mid August, the silver price has averaged US\$17.34/oz.

1.3 Selected Annual Information

Not required for interim MD&A.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

1.4 Summary of Quarterly Results

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

	June 30 2008	Mar 31 2008	Dec 31 2007	Sept 30 2007	June 30 2007	Mar 31 2007	Dec 31 2006	Sept 30 2006
Current assets	6,697	7,963	5,991	6,901	8,232	8,743	5,956	\$ 4,279
Other assets	90	20	22	22	24	25	69	70
Total assets	6,787	7,984	6,013	6,923	8,256	8,768	6,025	4,349
Current liabilities	497	225	40	383	91	78	2,180	77
Shareholders' equity	6,289	7,758	5,973	6,540	8,165	8,690	3,845	4,272
Total liabilities & shareholders' equity	6,787	7,984	6,013	6,923	8,256	8,768	6,025	4,349
Working capital	6,199	7,738	5,951	6,517	8,141	8,665	3,776	4,202
Expenses								
Amortization	4	1	1	1	1	–	2	2
Conference and travel	17	86	4	3	2	–	17	43
Exploration	1,264	489	443	1,667	467	271	369	301
Legal, accounting and audit	8	27	21	3	3	22	2	6
Management and consulting	12	–	18	7	24	2	3	25
Office and administration	55	49	37	44	54	44	46	35
Property investigation	1	–	1	1	1	2	(4)	10
Salaries and benefits	76	56	78	75	48	60	56	63
Shareholder communication	61	20	21	19	13	10	12	22
Trust and filing	1	11	7	8	1	10	3	5
Subtotal	1,500	741	631	1,827	614	421	506	512
Foreign exchange loss (gain)	5	(34)	1	83	89	12	(48)	(10)
Interest income	(36)	(50)	(64)	(93)	(109)	(224)	(31)	(34)
Other	–	–	–	–	–	–	–	(1)
Subtotal	1,469	656	568	1,817	594	209	427	467
Gain on sale of marketable securities	–	–	–	–	(69)	–	–	–
Write-down of mineral property interest	–	–	–	–	–	43	–	–
Net loss for the period	\$ 1,469	\$ 656	\$ 568	\$ 1,817	\$ 525	\$ 252	\$ 427	\$ 467
Basic and diluted net loss per share	\$ 0.02	\$ 0.01	\$ 0.01	\$ 0.03	\$ 0.01	\$ 0.00	\$ 0.01	\$ 0.01
Weighted average number of common shares outstanding (thousands)	67,739	63,923	63,299	63,204	62,949	60,968	52,459	52,459

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1.5 Results of Operations

The Company had a net loss of \$1,469,169 for the first quarter of fiscal 2009 compared to net loss of \$525,166 for the same period in fiscal 2008. The increase in loss for the quarter was due primarily to increased exploration expenditures in British Columbia compared to the previous season.

Exploration expenses for the first quarter of fiscal 2009, excluding stock-based compensation, increased to \$1,264,466, compared to \$467,499 for the same period in the previous year. This increase was due to increased exploration programs being carried out in British Columbia. The major exploration expenditures during the period were geological (2009 – \$818,114; 2008 – \$347,450), site activities (2009 – \$146,328; 2008 – \$52,168), and equipment rental (2009 – \$38,635; 2008 – \$40,329).

Administrative costs for the current period also increased with the greater exploration activities. The major administrative costs during the period were salaries and benefits (2009 – \$76,060; 2008 – \$47,896), office and administration (2009 – \$54,548; 2008 – \$53,887), management and consulting (2009 – \$12,036; 2008 – \$23,976), and shareholder communication (2009 – \$61,217; 2008 – \$13,193).

Interest income decreased to \$35,952 for the current period compared to \$109,057 for the same period last year. The higher interest income in prior period was mainly due to interest earned on the \$5,500,000 loan to Rockwell Diamonds Inc. for 18 days, compared to \$nil during the current period.

A foreign exchange loss of \$4,894 was recorded during the current period, compared with a loss of \$88,953 in the same period of the prior year, due to a decline in value of the Company's US dollar assets, mainly held in cash and equivalents, against the Canadian dollar.

During the current period, there was no gain on the sale of marketable securities, compared with \$68,992 during the same period of the prior year. The gain during the prior period was resulted from the sale of 497,993 common shares of Rockwell Diamonds Inc., which the Company had received as payment for the interest portion of the \$5,500,000 loan to Rockwell Diamonds Inc.

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 June 30, 2008, the Company had working capital of approximately \$6.2 million, compared to working capital of \$7.7 million as at March 31, 2008. The decrease in working capital is due to the exploration and administrative expenditure incurred in the first quarter of fiscal 2009. The Company's current working capital is sufficient to fund its known commitments.

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

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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 Company has applied for refundable investment tax credits under the British Columbia Mining Exploration Tax Credit ("METC") program. These applications are currently under review and audit by the government department responsible for the administration of the METC program. If successful, the Company could receive up to approximately \$1.3 million in refunds. The Company records these amounts as received; consequently, as the receipt, amount and timing of such refunds is uncertain, the Company has not accrued any of these amounts as receivable.

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 6 of the accompanying unaudited financial statements as at and for the three months ended June 30, 2008.

1.10 Fourth Quarter

Not applicable.

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.

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1.13 Changes in Accounting Policies including Initial Adoption

The required disclosure is provided in note 3 of the accompanying unaudited financial statements as at and for the three months ended June 30, 2008.

1.14 Financial Instruments and Other Instruments

The carrying amounts of cash and equivalents, amounts receivable, 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.

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 consolidated financial statements for the three months ended June 30, 2008.

(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 consolidated statements of operations.

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

None.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

1.15.2 Disclosure of Outstanding Share Data

The following table details the share capital structure as at August 15, 2008, 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			67,739,473
Warrants	January 17, 2009	\$0.55	5,700,000
Options	July 19, 2011	\$0.70	1,828,200

1.15.3 Internal Controls over Financial Reporting and Disclosure Controls

Internal Controls over Financial Reporting Procedures

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.

There have been no significant changes in internal controls over financial reporting occurred during the period ended June 30, 2008 that could have materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting.

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.

There have been no significant changes in the Company's disclosure controls during the period ended June 30, 2008 that could significantly affect disclosure controls subsequent to the date the Company carried out its evaluation.