AMARC RESOURCES LTD.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED
SEPTEMBER 30, 2015 and 2014

(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 interim financial statements.

Amarc Resources Ltd.

Condensed Interim Statements of Financial Position

(Expressed in Canadian Dollars)

	September 30, 2015 (unaudited)	March 31, 2015
ASSETS		
Current assets		
Cash and cash equivalents (note 3)	$ 2,566,163	$ 489,150
Amounts receivable and other assets (note 5)	1,075,621	971,890
Marketable securities (note 6)	35,135	59,841
	3,676,919	1,520,881
Non-current assets		
Restricted cash (note 4)	234,646	234,198
Amounts receivable (note 5)	530,000	–
	764,646	234,198
Total assets	$ 4,441,565	$ 1,755,079
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current liabilities		
Accounts payable and accrued liabilities (note 8)	$ 1,273,436	$ 66,299
Balance due to a related party (note 11(b))	328,125	212,642
Loan payable to director (note 9)	1,000,000	1,000,000
	2,601,561	1,278,941
Non-current liabilities		
Loan payable to director (note 9)	500,000	–
Deferred gain (note 7(a))	3,000,000	–
	3,500,000	–
Total liabilities	6,101,561	1,278,941
Shareholders' equity (deficiency)		
Share capital (note 10)	58,967,910	58,955,410
Reserves	5,543,994	5,068,700
Accumulated deficit	(66,171,900)	(63,547,972)
Total shareholders' equity (deficiency)	(1,659,996)	476,138
Total liabilities and shareholders' equity (deficiency)	$ 4,441,565	$ 1,755,079

Nature of operations and going concern (note 1)

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

/s/ Robert A. Dickinson

Robert A. Dickinson
Director

/s/ Rene G. Carrier

Rene G. Carrier
Director

Amarc Resources Ltd.

Condensed Interim Statements of Loss

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

	Three months ended September 30,		Six months ended September 30,	
	2015	2014 (note 2(b))	2015	2014 (note 2(b))
Expenses				
Exploration and evaluation (notes 11, 13)	$ 1,145,775	$ 2,172,114	$ 1,411,134	$ 2,359,175
Assays and analysis	11,662	103,507	13,362	118,768
Drilling	647,859	738,856	647,859	738,856
Equipment rental	9,247	27,317	9,247	27,317
Geological	162,941	482,416	232,103	590,409
Geological - mineral exploration tax credits	(549,658)	(748,835)	(564,658)	(773,027)
Helicopter	617,426	877,940	617,426	877,940
Property costs and assessments	–	265,000	52,698	321,500
Site activities	114,643	164,388	118,118	168,315
Socioeconomic	57,626	138,590	209,829	163,941
Travel and accommodation	74,029	122,935	75,150	125,156
Administration (notes 11, 13)	347,388	398,325	684,985	685,996
Legal, accounting and audit	2,962	17,202	6,220	18,154
Office and administration	326,510	343,525	623,940	620,061
Shareholder communication	9,481	14,487	29,738	18,978
Travel and accommodation	99	2,847	6,432	7,632
Trust and regulatory	8,336	20,264	18,655	21,171
	1,493,163	2,570,439	2,096,119	3,045,171
Other items				
Interest income	(735)	(13,099)	(2,187)	(28,075)
Interest expense on loans payable to director (note 9)	19,230	–	32,827	–
Financing charge (note 9)	500,000	–	500,000	–
Foreign exchange loss	2,182	751	2,206	787
Gain on disposition of AFS financial assets (note 6)	(4,707)	(10,126)	(5,037)	(23,407)
Loss for the period	$ 2,009,133	$ 2,547,965	$ 2,623,928	$ 2,994,476
Basic and diluted loss per common share	$ 0.01	$ 0.02	$ 0.02	$ 0.02
Weighted average number of common shares outstanding	141,424,061	138,824,061	141,388,542	138,780,892

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

Amarc Resources Ltd.

Condensed Interim Statements of Comprehensive Loss

(Unaudited - Expressed in Canadian Dollars)

	Three months ended September 30,		Six months ended September 30,	
	2015	**2014**	**2015**	**2014**
Loss for the period	$ 2,009,133	$ 2,547,965	$ 2,623,928	$ 2,994,476
Other comprehensive loss:				
Items that may be reclassified subsequently to profit and loss:				
Revaluation of AFS financial assets (note 6)	14,792	(6,881)	19,596	463
Change in fair value of AFS financial assets transferred to profit or loss upon disposition (note 6)	4,780	10,249	5,110	23,694
Total other comprehensive loss for the period	19,572	3,368	24,706	24,157
Comprehensive loss for the period	$ 2,028,705	$ 2,551,333	$ 2,648,634	$ 3,018,633

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

Amarc Resources Ltd.

Condensed Interim Statements of Changes in Equity

(Unaudited - Expressed in Canadian Dollars, except for share information)

	Share capital		Reserves				
	Number of shares	Amount	Share-based payments reserve	Investment revaluation reserve	Share warrants reserve	Deficit	Total
Balance at April 1, 2014	138,724,061	$ 58,761,410	$ 2,202,640	$ 89,403	$ 2,811,220	$ (58,663,948)	$ 5,200,725
Issuance of common shares pursuant to mineral property agreements (note 10(a))	100,000	6,500	–	–	–	–	6,500
Total other comprehensive loss	–	–	–	(24,157)	–	–	(24,157)
Loss for the period	–	–	–	–	–	(2,994,476)	(2,994,476)
Balance at September 30, 2014	138,824,061	$ 58,767,910	$ 2,202,640	$ 65,246	$ 2,811,220	$ (61,658,424)	$ 2,188,592
Balance at April 1, 2015	141,324,061	$ 58,955,410	$ 2,202,640	$ 54,840	$ 2,811,220	$ (63,547,972)	$ 476,138
Issuance of common shares pursuant to mineral property agreements (note 10(a))	100,000	12,500	–	–	–	–	12,500
Issuance of share purchase warrants (note 10(c))	–	–	–	–	500,000	–	500,000
Total other comprehensive loss	–	–	–	(24,706)	–	–	(24,706)
Loss for the period	–	–	–	–	–	(2,623,928)	(2,623,928)
Balance at September 30, 2015	141,424,061	$ 58,967,910	$ 2,202,640	$ 30,134	$ 3,311,220	$ (66,171,900)	$ (1,659,996)

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

Amarc Resources Ltd.

Condensed Interim Statements of Cash Flows

(Unaudited - Expressed in Canadian Dollars)

	Six months ended September 30, 2015	2014 (note 2(b))
Operating activities		
Loss for the period	$ (2,623,928)	$ (2,994,476)
Adjustments for:		
Interest income	(2,187)	(28,075)
Interest expense on loans payable to director (note 9)	32,827	–
Financing charge (note 9)	500,000	–
Common shares issued, included in exploration expenses (note 10(a))	12,500	6,500
Gain on disposal of AFS financial assets (note 6)	(5,037)	(23,407)
Changes in working capital items		
Amounts receivable and other assets	(633,731)	(920,680)
Restricted cash	(448)	(261)
Accounts payable and accrued liabilities	1,207,137	886,199
Balance due to a related party	115,483	181,197
Net cash used in operating activities	(1,397,384)	(2,893,003)
Investing activities		
Interest received	2,187	28,075
Proceeds from disposition of AFS financial assets, net (note 6)	5,037	25,182
Net cash provided by investing activities	7,224	53,257
Financing activities		
Proceeds received pursuant to IKE mineral property agreement (note 7(a))	3,000,000	–
Loans provided by director (note 9)	1,050,000	–
Repayment of loans payable to director (note 9)	(550,000)	–
Interest paid on loans payable to director (note 9)	(32,827)	–
Net cash provided by financing activities	3,467,173	–
Net increase (decrease) in cash and cash equivalents	2,077,013	(2,839,746)
Cash and cash equivalents, beginning of the period	489,150	4,772,772
Cash and cash equivalents, end of the period (note 3)	$ 2,566,163	$ 1,933,026
Supplementary cash flow information:		
Non-cash investing and financing activities:		
Issuance of common shares pursuant to mineral property agreements (note 10(a))	$ 12,500	$ 6,500
Issuance of share purchase warrants pursuant to loan agreement (note 10(c))	$ 500,000	$ –

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

1. NATURE OF OPERATIONS AND GOING CONCERN

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

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

These condensed interim financial statements (the "Financial Statements") have been prepared on a going concern basis, which contemplates the realization of assets and the discharge of liabilities in the normal course of business for the foreseeable future. The Company has a history of losses with no operating revenue, an accumulated deficit at September 30, 2015 of $66 million (March 31, 2015 – $64 million), and working capital at September 30, 2015 of $1.1 million (March 31, 2015 – $0.2 million).

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

(a) *Statement of compliance*

These Financial Statements have been prepared in accordance with IAS 34, Interim Financial Reporting ("IAS 34"), as issued by the International Accounting Standards Board ("IASB"), and interpretations by the IFRS Interpretations Committee (IFRIC). These Financial Statements do not include all of the information and footnotes required by International Financial Reporting Standards ("IFRS") for complete financial statements for year-end reporting purposes. These Financial Statements should be read in conjunction with the Company's financial statements as at and for the year ended March 31, 2015. Results for the reporting period ended September 30, 2015 are not necessarily indicative of future results. The accounting policies and methods of computation applied by the Company in these Financial Statements are the same as those applied by the Company in its most recent annual financial statements which are filed under the Company's profile on SEDAR at www.sedar.com.

The Board of Directors of the Company authorized these Financial Statements on November 30, 2015 for issuance.

(b) Basis of presentation

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

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

3. CASH AND CASH EQUIVALENTS

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

4. RESTRICTED CASH

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

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

5. AMOUNTS RECEIVABLE AND OTHER ASSETS

	September 30, 2015	March 31, 2015
Current		
Value added taxes refundable	$ 72,490	$ 30,426
Prepaid insurance	88,473	61,464
British Columbia Mineral Exploration Tax Credits ("METC")	914,658	880,000
Total current	$ 1,075,621	$ 971,890
Non-current		
British Columbia Mineral Exploration Tax Credits ("METC")	$ 530,000	$ –

6. MARKETABLE SECURITIES

As at September 30, 2015 and March 31, 2015, the Company held common shares in several public and private companies. These marketable securities are classified as available–for–sale ("AFS") financial assets and are carried at fair value.

During the current reporting period, the Company sold marketable securities with a carrying amount of nil (2014 – $1,775) for total net proceeds of $5,037 (2014 – $25,182) and recognized a gain of $5,037 (2014 – $23,407).

7. MINERAL PROPERTY INTERESTS

All of the Company's active exploration properties are located in British Columbia, Canada. The following is a summary of the Company's material properties.

(a) IKE Project

The IKE Project consists of the IKE, Granite and Galore properties as well as mineral claims staked by Amarc in surrounding areas.

<u>IKE Property</u>

The Company holds a 100% interest in the IKE property, which is located approximately 40 kilometres northwest of Gold Bridge, British Columbia. The Company acquired its interest in the IKE property pursuant to mineral property option agreements whereby the Company made cash payments totalling $205,000, issued 300,000 Amarc common shares, and incurred exploration expenditures of $1,855,697 on the property.

Amarc has further agreed that upon completion of a positive feasibility study, it will issue 500,000 common shares in total to the former owners of the IKE property (the "Former Owners").

Oxford Resources Inc., a former party to the IKE property's mineral property option agreements, holds a 1% net smelter return ("NSR") royalty that can be purchased at any time for $2 million (payable in cash, Amarc common shares, or any such combination, at Amarc's discretion).

The Former Owners hold a 2% NSR royalty. Amarc has the right to purchase half of the royalty (1%) for $2 million (of which $1 million is payable in cash, and the remainder in cash, Amarc common shares, or any such combination, at Amarc's discretion) at any time prior to commercial production. Amarc also has the right to purchase the remaining half of the royalty (1%) for $2 million (of which $1 million is payable in cash, and the remainder in cash, Amarc common shares, or any such combination, at Amarc's discretion) prior to December 31, 2018.

Minimum advance royalty payments of $25,000 (payable in cash, Amarc common shares, or any such combination, at Amarc's discretion) are due to the Former Owners annually commencing on December 31, 2015.

Galore Property

In July 2014, the Company entered into an option and joint venture agreement with Galore Resources Inc. ("Galore Resources"), whereby the Company acquired the right to earn an initial 51% ownership interest in the Galore property by incurring $3 million in exploration expenditures within five years ($1,500,000 of which may be comprised of recordable assessment credits and not cash expenditures incurred on the property), and by making staged cash payments up to a maximum of $450,000 (50% of which may be payable in Amarc common shares). Amarc may thereafter acquire an additional 19% ownership interest, for a total 70% ownership interest, by incurring $2 million in exploration expenditures within two years. Upon exercise of the initial or additional option, Amarc and Galore Resources have agreed to form either a 51/49 or a 70/30 joint venture, as the case may be.

The Galore mineral tenure is comprised of five claim groups and is subject to five underlying option agreements, each of which provides the relevant underlying owner with a 1.5% NSR royalty which may be purchased by the Company for $250,000 on or before December 31, 2024 and a 10% net profits interest royalty which may be purchased by the Company at any time until December 31, 2024 for $400,000 less any amounts in respect of net profits interest royalty already paid.

Granite Property

In November 2014, the Company acquired a 100% interest in the Granite property by making staged cash payments totalling $400,000 pursuant to a purchase agreement with Great Quest Fertilizers Ltd. ("Great Quest").

Great Quest holds a 2% NSR royalty on the property which can be purchased for $2 million, on or before commercial production (payable in cash, Amarc common shares, or any such combination, at Amarc's discretion). In addition, there is an underlying 2.5% NSR royalty on certain mineral claims, which can be purchased at any time for $1,500,000 less any amount of royalty already paid.

Thompson Creek Agreement

On September 3, 2015 Amarc announced it has entered into an agreement (the "Agreement") with Thompson Creek Metals Company Inc. ("Thompson Creek") pursuant to which Thompson Creek may acquire, through a staged investment process within the next five years, a 30% ownership interest in mineral claims and crown grants covering the IKE copper-molybdenum-silver porphyry deposit and the surrounding district. Under the terms of the Agreement, Thompson Creek has an option, after acquiring its 30% interest, to acquire an additional 20% interest in the IKE Project, subject to certain conditions, including the completion of a feasibility study.

Under the terms of the Agreement, Thompson Creek can earn an initial 30% interest in the Project under a Stage 1 Option by funding $15 million of expenditures on the IKE Project before December 31, 2019, of which $3 million is committed for 2015. For each $5 million of project expenditures funded, Thompson Creek will incrementally earn a 10% ownership interest. Stage 1 Option expenditures can be accelerated by Thompson Creek at its discretion. Amarc will remain as the operator during the Stage 1 earn-in period.

In the event that its Stage 1 Option is fully exercised, Thompson Creek will have a one-time right under a Stage 2 Option to elect to earn an additional 20% ownership interest in the IKE Project (for a total 50% ownership interest). To fulfill its obligations under the Stage 2 Option, Thompson Creek must commit within 120 days after exercising its Stage 1 Option in full, to fund and complete a feasibility study for the IKE Project that could serve as the basis for a final decision by a financial institution to finance development of a mining project. This feasibility study must be completed within a two-year period, which can be extended to three years under certain circumstances. In addition, under the terms of the Stage 2 Option, Thompson Creek is required to meet all other expenditures necessary to maintain and advance the IKE Project. Operatorship will pass to Thompson Creek upon initiation of the Stage 2 Option period.

The Agreement contemplates that the parties will form a joint venture to develop the IKE Project once the earn-in period is completed, provided that Thompson Creek earns a minimum 10% interest. Amarc will remain operator of the IKE Project in the instance that Thompson Creek does not earn a 50% interest. Thompson Creek will continue as operator until it ceases sole funding after its acquisition of the initial 30% interest, and in the event that it earns a 50% interest following the Stage 2 Option period.

During both the Stage 1 and Stage 2 Option periods, Amarc will retain a co-expenditure right whereby it can solely fund additional expenditures on the IKE Project. Thompson Creek may elect to pay its share of these additional expenditures upon completion of its Stage 1 Option and Stage 2 Option periods, failing which its ownership interest will be reduced. The maximum amount that Amarc can recover from Thompson Creek on completion of the Stage 1 Option period is capped at $6 million. The maximum amount that Amarc can recover from Thompson Creek on completion of the Stage 2 Option period is capped at $10 million.

The Agreement is subject to a number of conditions precedent, including Amarc's receipt of all necessary third party and government consents and approvals. If the conditions are not satisfied by Amarc on or before December 18, 2015, committed expenditures in the amount of $3 million must be repaid to Thompson Creek together with interest thereon at a rate of prime plus 5% within two years from the date of the Agreement.

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

(b) Silver Vista Property

The Silver Vista Property is located approximately 55 kilometres northeast of Smithers, British Columbia.

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

(c) Newton Property

The Company owns a 100% interest in the Newton Property, located approximately 100 kilometres west of Williams Lake, British Columbia.

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

(d) Blackwater District Properties

The Blackwater District Properties are located approximately 75 kilometres southwest of Vanderhoof, British Columbia, and consist of properties named Galileo, Hubble, Franklin, and Darwin.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2015	March 31, 2015
Accounts payable	$ 700,348	$ 11,115
Accrued liabilities	573,088	55,184
Total	$ 1,273,436	$ 66,299

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

9. LOANS PAYABLE TO DIRECTOR

Loan summary	
Balance, April 1, 2014	$ –
Loan #1 provided by director on November 26, 2014	1,000,000
Balance, March 31, 2015	1,000,000
Loan #2 provided by director on June 1, 2015	250,000
Loan #3 provided by director on August 17, 2015	300,000
Repayment of June 1, 2015 and August 17, 2015 loans	(550,000)
Loan #4 provided by director on September 9, 2015	500,000
Balance, September 30, 2015	$ 1,500,000

Loans payable to director	September 30, 2015	March 31, 2015
Loan payable to director – current	$ 1,000,000	$ 1,000,000
Loan payable to director – non-current	500,000	–
Total loans payable to director	$ 1,500,000	$ 1,000,000

Loan #1 – issued on November 26, 2014

On November 26, 2014, Amarc entered into a loan agreement with a director of the Company, Robert Dickinson, pursuant to which the Company borrowed $1,000,000 from Mr. Dickinson. The loan is unsecured and had a maturity date of November 26, 2015, which was subsequently amended to May 26, 2016. Prior to the original maturity date, interest on the loan was payable at prime rate plus 2% per annum, and was compounded and payable quarterly in arrears. Effective November 26, 2015, interest on the loan is payable at 7% per annum, compounded and payable quarterly in arrears.

Loan #2 – issued on June 1, 2015

On June 1, 2015, Amarc and Mr. Dickinson entered into a second loan agreement pursuant to which the Company borrowed $250,000 from him. The loan was unsecured and had an original maturity date of June 1, 2016. Interest on the loan was payable at 6% per annum, calculated monthly and payable quarterly in arrears. The loan was repaid on September 9, 2015.

Loan #3 – issued on August 17, 2015

On August 17, 2015, Amarc and Mr. Dickinson entered into a third loan agreement pursuant to which the Company borrowed $300,000 from him. The loan was unsecured and had an original maturity date of August 17, 2016. Interest on the loan was payable at 10% per annum, calculated monthly and payable quarterly in arrears. The loan was repaid on September 9, 2015.

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

Loan #4 – issued on September 9, 2015

On September 9, 2015, Amarc and Mr. Dickinson entered into a loan agreement pursuant to which the Company borrowed $500,000 from him. The loan is unsecured and has a maturity date of September 9, 2017. Interest on the loan is payable at 7% per annum, compounded and payable quarterly in arrears.

On September 24, 2015, as primary consideration for providing the loan, Mr. Dickinson received a loan bonus of $500,000 in the form of 5,555,555 share purchase warrants (note 10(c)). This $500,000 has been recorded as a financing cost.

10. CAPITAL AND RESERVES

(a) Issuance of common shares pursuant to acquisition of mineral property interests

During the six months ended September 30, 2015, the Company issued 100,000 common shares with an estimated fair value of $12,500 (six months ended September 30, 2014 – 100,000 common shares with an estimated fair value of $6,500) pursuant to a mineral property agreement in respect of the IKE property (note 7(a)).

(b) Share purchase option compensation plan

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

Share purchase options	Six months ended September 30, 2015		Six months ended September 30, 2014	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding – beginning of period	3,051,300	$ 0.32	5,155,900	$ 0.32
Forfeited	–	$ –	(32,100)	$ 0.32
Expired	–	$ –	(2,072,500)	$ 0.32
Outstanding – end of period	3,051,300	$ 0.32	3,051,300	$ 0.32
Exercisable – end of period	3,051,300	$ 0.32	3,051,300	$ 0.32

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

The following table summarizes information on the Company's share purchase options outstanding and exercisable as at September 30, 2015 and March 31, 2015:

	September 30, 2015		March 31, 2015	
Exercise price	Number of share purchase options outstanding and exercisable	Remaining contractual life (years)	Number of share purchase options outstanding and exercisable	Remaining contractual life (years)
$0.32	3,051,300	1.0	3,051,300	1.5

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

(c) Share purchase warrants

On September 24, 2015, the Company issued 5,555,555 share purchase warrants to a director of the Company with an estimated fair value of $500,000 pursuant to a loan agreement entered into on September 9, 2015 (note 9). The warrants are convertible into common shares of the Company at an exercise price of $0.09 per warrant and expire on September 24, 2017. Common shares acquired from the exercise of the warrants are subject to a holding period ending on January 25, 2016.

11. RELATED PARTY TRANSACTIONS

(a) Transactions with key management personnel

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

Transactions with key management personnel were as follows:

Remuneration for services rendered	Three months ended September 30,		Six months ended September 30,	
	2015	2014	2015	2014
Short-term employee benefits	$ 76,207	$ 64,003	$ 152,602	$ 128,006

Short-term employee benefits include salaries, directors' fees and amounts paid to HDSI (note 11(b)(i)) for services provided to the Company by certain HDSI personnel who serve as executive directors and officers for the Company.

During the current reporting period, the Company received loans from a director of the Company. Balances outstanding and the terms of the loans are presented in note 9.

(b) Balances and transactions with related entities

Balances due to related parties	September 30, 2015	March 31, 2015
Balance due to entity with significant influence (note 11(b)(i))	$ 328,125	$ 212,642

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

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

Transactions with related entities	Three months ended September 30,		Six months ended September 30,	
	2015	2014	2015	2014
Services received from HDSI (note 11(b)(i)):				
HDSI employee time charges, based on annually set rates	$ 404,120	$ 885,331	$ 752,638	$ 1,176,051
Key management personnel fees	62,400	49,900	124,800	99,800
Information technology services and maintenance fees	30,000	41,400	66,000	72,300
	496,520	976,631	943,438	1,348,151
Reimbursement of third party expenses to HDSI	16,543	18,105	28,586	20,587
	$ 513,063	$ 994,736	$ 972,024	$ 1,368,738

(i) Entity with significant influence over the Company

Management has concluded that Hunter Dickinson Services Inc. ("HDSI"), a private company, has power to participate in the financial or operating policies of the Company.

The following directors or officers of the Company also have a role within HDSI:

Individual	Role within the Company	Role within HDSI
Scott Cousens	Director	Director
Robert Dickinson	Director	Director
Paul Mann	Chief Financial Officer	Employee
Diane Nicolson	President	Employee
Ronald Thiessen	Director, Chief Executive Officer	Director
Trevor Thomas	Corporate Secretary	Employee

Pursuant to certain management agreements between the Company and HDSI, the Company receives technical, geological, corporate communications, regulatory compliance, and administrative and management services from HDSI. HDSI also incurs third party costs on behalf of the Company.

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

12. INCOME TAXES

(a) Provision for current tax

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

(b) Provision for deferred tax

As future taxable profits of the Company are uncertain, no deferred tax asset has been recognized. As at September 30, 2015, the Company had unused non-capital loss carry forwards of approximately $14.3 million (March 31, 2015 – $13.3 million) in Canada.

As at September 30, 2015, the Company had resource tax pools of approximately $25.9 million (March 31, 2015 – $24.5 million) available in Canada, which may be carried forward and utilized to reduce future taxes related to certain resource income.

13. EMPLOYEE BENEFITS EXPENSES

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

	Three months ended September 30,		Six months ended September 30,	
	2015	2014	2015	2014
Salaries and benefits included in:				
Exploration and evaluation	$ 221,969	$ 678,053	$ 396,475	$ 808,955
Office and administration	267,132	272,345	497,733	487,329
Shareholder communication	2,040	9,554	21,845	13,604
Total	$ 491,141	$ 959,952	$ 916,053	$ 1,309,888

AMARC RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2015

1.1 DATE

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited condensed interim financial statements ("Interim Financial Statements") of Amarc Resources Ltd. ("Amarc", or the "Company") for the three and six months ended September 30, 2015, and the Company's audited financial statements for the year ended March 31, 2015 and related MD&A, which are publicly available on SEDAR at www.sedar.com. All monetary amounts herein are expressed in Canadian Dollars ("CAD") unless otherwise stated.

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

This MD&A is prepared as of November 30, 2015.

Cautionary Note to Investors Concerning Forward-looking Statements

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

Cautionary Note to Investors Concerning Estimates of Inferred Resources:

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

1.2 OVERVIEW

Amarc is a British Columbia-based mineral development company with an experienced and successful management team that is focused on advancing the IKE Project, an important porphyry copper-molybdenum-silver discovery located in the heartland of BC's copper mining industry with proximity to mining infrastructure, power, rail and highways.

LOCATION OF THE COMPANY'S IKE PROJECT

In 2014 Amarc made a significant copper-molybdenum-silver discovery at its 100% owned IKE Project located in southern British Columbia. Nine discovery drill holes (holes 14001 through 14009) intersected chalcopyrite and molybdenite mineralization from surface and over a broad area, measuring 1,200 metres east-west by 600 metres north-south and to a depth of approximately 500 metres. Mineralization at IKE remains open in all lateral directions and to depth. The discovery holes and post-drilling geological, geochemical and geophysical surveys completed outwards from the drilled area indicate that the IKE porphyry system has the potential for important-scale resource volumes that require drilling in order to fully delineate the copper-molybdenum-silver deposit.

The Company has secured additional mineral claims in the IKE area to cover other compelling deposit targets and potential infrastructure sites.

In early September, 2015 the Company announced that it had entered into an agreement with Thompson Creek Metals Company Inc. ("Thompson Creek") pursuant to which Thompson Creek can earn up to 50% interest in the IKE Project by, funding $15 million of exploration expenditures and then completing a Feasibility Study.

Amarc recently completed an additional nine hole drill program at IKE designed to further test the deposit's resource potential as defined by the 2014 discovery drilling and the post-drilling geological, geochemical and geophysical surveys. Assay data for these drill holes is pending.

Amarc is committed to meaningful engagement and building long-term relationships with all communities in the IKE Project area, including mutually beneficial partnerships with Aboriginal groups. A comprehensive engagement plan is in place that is consistent with the current level of exploration activity. The company continues to build on positive relationships with regulators, supporting government's consultation duties to assist with timely and fair regulatory decision-making.

The IKE Property

Amarc has a 100% interest in the IKE property, which is located approximately 40 kilometres northwest of Gold Bridge, in a region characterized by broad U-shaped valleys.

At IKE, limited historical drilling indicated the presence of a mineral system with characteristics that are favorable for the development of a viable porphyry copper-molybdenum-silver deposit. Three key historical drill holes (81-2, 11-1 and 11-2) spaced over 220 metres intercepted long intervals of continuous, chalcopyrite and molybdenite mineralization with encouraging grades. These intersections include: 116 metres of 0.46% copper equivalent (CuEQ)[1] comprising 0.29% Cu and 0.043% Mo; 182 metres of 0.42% CuEQ comprising 0.31% Cu, 0.022% Mo and 1.9 g/t Ag; and 64 metres of 0.51% CuEQ, comprising 0.37% Cu, 0.024% Mo and 4.7 g/t Ag. All three of these historical holes ended in mineralization.

Assay results received from an initial nine hole (5,400 metre) diamond drill program completed by Amarc in 2014, confirmed the presence of an important porphyry-style deposit. The nine discovery drill holes intersected chalcopyrite and molybdenite mineralization from surface and over a broad area, measuring 1,200 metres east-west by 600 metres north-south and to depths of approximately 500 metres. Mineralization at IKE remains open in all lateral directions and to depth. These holes and post-drilling geological, geochemical and geophysical surveys completed outwards from the drilled area indicate that the IKE porphyry system has the potential for important-scale resource volumes that require drilling in order to fully delineate the copper-molybdenum-silver deposit.

Amarc recently completed an additional nine hole core drilling program at IKE designed to further test the deposit's resource potential as defined by the 2014 discovery drilling and the post-drilling geological, geochemical and geophysical surveys. Assay data for these drill holes (15010 through 15018) is pending.

Amarc has secured additional mineral claims in the IKE area to cover other compelling deposit targets as well as potential infrastructure sites.

[1] Copper equivalent (CuEQ) calculations use metal prices of: Cu US$3.00/lb, Mo US$12.00/lb and Ag US$20.00/oz. Metallurgical recoveries and net smelter returns are assumed to be 100%.

Highlights from the nine hole discovery drill program completed in 2014 include:

- 247 metres of 0.42% CuEQ @ 0.28% Cu, 0.030% Mo and 2.0 g/t Ag
- 234 metres of 0.43% CuEQ @ 0.26% Cu, 0.040% Mo and 1.7 g/t Ag
- 92 metres of 0.41% CuEQ @ 0.31% Cu, 0.020% Mo and 2.1 g/t Ag
- 194 metres of 0.49% CuEQ @ 0.30% Cu, 0.046% Mo and 0.8 g/t Ag
- 308 metres of 0.41% CuEQ @ 0.26% Cu, 0.032% Mo and 1.8 g/t Ag
- 97 metres of 0.46% CuEQ @ 0.32% Cu, 0.030% Mo and 2.2 g/t Ag

Results from Amarc's nine discovery drill holes completed in 2014 (14001 through 14009) are summarized in the Table of Assay Results below. A drill plan and other information are posted on Amarc's website.

IKE DISCOVERY -- TABLE OF 2014 ASSAY RESULTS

Drill Hole ID	Dip (°)	Azim (°)	EOH (m)	Incl.	From (m)	To (m)	Int.2,3 (m)	CuEQ[1] (%)	Cu (%)	Mo (%)	Ag (g/t)
IK14001	-45	0	742.2		55.0	213.7	158.7	0.38	0.27	0.020	2.5
					242.0	489.0	247.0	0.42	0.28	0.030	2.0
				incl.	242.0	275.0	33.0	0.43	0.35	0.011	4.1
				incl.	284.6	362.5	77.9	0.44	0.31	0.027	2.0
				incl.	372.9	395.2	22.3	0.45	0.25	0.045	1.7
				incl.	404.1	489.0	84.9	0.50	0.30	0.045	1.7
					528.0	634.6	106.6	0.28	0.23	0.009	1.9
IK14002	-45	100	551.1		57.3	180.1	122.8	0.41	0.32	0.017	2.5
					206.0	494.6	288.6	0.40	0.24	0.038	1.6
				incl.	206.0	440.0	234.0	0.43	0.26	0.040	1.7
				and	206.0	364.0	158.0	0.45	0.26	0.046	1.7
				and	368.5	440.0	71.5	0.41	0.27	0.031	1.7
					521.7	551.1	29.4	0.45	0.15	0.076	0.6
IK14003	-60	180	419.4		10.2	102.0	91.8	0.41	0.31	0.020	2.1
					282.0	365.0	83.0	0.20	0.08	0.029	0.7
IK14004	-50	90	388.6		128.0	189.0	61.0	0.29	0.13	0.036	0.9
IK14005	-60	0	772.7		32.0	80.0	48.0	0.27	0.23	0.007	1.4
					269.4	552.3	282.9	0.44	0.29	0.038	0.7
				incl.	269.4	463.2	193.8	0.49	0.30	0.046	0.8
					602.9	616.1	13.2	0.33	0.29	0.009	0.6
IK14006	-45	90	681.8		9.0	75.0	66.0	0.25	0.21	0.008	1.3
					124.0	574.3	450.3	0.37	0.24	0.028	1.7
				incl.	124.0	432.2	308.2	0.41	0.26	0.032	1.8
				and	124.0	207.8	83.8	0.43	0.31	0.026	2.2
				and	216.4	258.0	41.6	0.43	0.30	0.024	2.8
				and	381.9	432.2	50.4	0.72	0.35	0.088	1.8
				incl.	441.9	490.0	48.1	0.46	0.27	0.044	1.8
					671.0	681.8	10.8	0.33	0.28	0.007	2.0
IK14007	-60	90	688.5		7.9	24.9	17.0	0.31	0.22	0.020	1.1
					139.5	167.0	27.5	0.27	0.06	0.051	0.5

Drill Hole ID	Dip (°)	Azim (°)	EOH (m)	Incl.	From (m)	To (m)	Int.2,3 (m)	CuEQ[1] (%)	Cu (%)	Mo (%)	Ag (g/t)
					223.0	274.0	51.0	0.24	0.05	0.048	0.5
					304.0	411.9	107.9	0.24	0.12	0.030	0.7
IK14008	-45	90	788.8		135.4	168.0	32.6	0.30	0.24	0.009	2.0
					233.0	258.5	25.5	0.34	0.23	0.023	1.5
					278.1	567.0	288.9	0.37	0.27	0.022	1.6
				incl.	287.7	384.3	96.6	0.46	0.32	0.030	2.2
				incl.	418.7	462.8	44.0	0.38	0.31	0.015	1.8
				incl.	484.0	564.0	80.0	0.38	0.30	0.018	1.6
					605.0	648.0	43.0	0.25	0.20	0.012	1.0
IK14009	-45	270	376.1		10.5	200.0	189.5	0.24	0.16	0.018	1.1
				incl.	10.5	98.0	87.5	0.29	0.20	0.019	1.4

Notes:

1 Copper equivalent (CuEQ) calculations use metal prices of: Cu US$3.00/lb, Mo US$12.00/lb and Ag US$20.00/oz. Metallurgical recoveries and net smelter returns are assumed to be 100%.

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

3 All assay intervals represent length weighted averages.

Like many major porphyry deposits, IKE formed in a very active, multi-stage hydrothermal system that was extensive and robust. The footprint of the hydrothermal system at IKE is over six square kilometres. Site exploration conducted following the 2014 discovery drilling program includes a new, high resolution airborne magnetic survey, a copper and multi-element in talus fines geochemical survey and a detailed Induced Polarization ("IP") ground geophysical survey. These surveys indicate exciting expansion potential beyond the immediate area of the IKE discovery drilling (see www.amarcresources.com). For example, numerous talus fines samples collected up to 800 metres southwest and 600 metres southeast of the area drilled assayed 1,000 to 3,800 ppm copper (0.10% to 0.38% Cu). Furthermore, the IP survey, which covered only a portion of the hydrothermal system outlined two coalescing porphyry mineralizing systems measuring approximately 800 metres north-south and 2,250 metres east-west. This porphyry-style mineralization remains open to expansion to the south and north, and is largely co-incident with major magnetic low features. These features indicate the presence of well-defined, broad scale magnetite destruction zones that are important targets for additional drilling.

Geological mapping and logging of diamond drill core at IKE indicate the deposit is hosted entirely by multi-phase intrusive rocks. The regional structural setting at IKE also includes major northwest-trending structures and dykes, which were active in the Tertiary period during formation of the IKE deposit. This overall setting is similar to that of many important porphyry belts along the Cordillera in North and South America.

IKE has important economic potential as indicated by the copper equivalent grades returned over long continuous drill intercepts, which compare favourably to the range of copper equivalent grades for reserves and resources at active BC porphyry copper (± molybdenum ± gold ± silver) mines. For example, Mt. Milligan has proven and probable reserves of 478 million tonnes at 0.20% copper and 0.39 g/t Au for a CuEQ grade of 0.44%, and Highland Valley has proven and probable mineral reserves of 663 million tonnes at 0.29% copper and 0.008% molybdenum for a CuEQ of 0.32% (see websites of Thompson Creek and Teck Resources Limited, respectively).

At IKE, chalcopyrite and molybdenite were precipitated during at least three stages of hydrothermal activity. The mineralization occurs as fine to relatively coarse, mostly discrete grains, mainly as disseminations and less commonly in fractures and veins. Multi-element analyses returned consistently low concentrations of metallurgically or environmentally deleterious elements. These characteristics, and the generally low concentrations of pyrite at IKE, suggest that there is potential to produce, clean good-grade copper and molybdenum concentrates by standard flotation processing. A comprehensive corporate and technical business plan is being implemented to efficiently move IKE forward.

Amarc is committed to meaningful engagement and building long-term relationships with all communities in the IKE Project area, including mutually beneficial partnerships with Aboriginal groups. A comprehensive engagement plan is in place that is consistent with the current level of exploration activity. The company continues to build on positive relationships with regulators, supporting government's consultation duties to assist with timely and fair regulatory decision-making.

IKE Property Agreements

Agreement with Thompson Creek

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

Under the terms of the Agreement, Thompson Creek can earn an initial 30% interest in the Project under a Stage 1 Option by funding $15 million of expenditures on the property before December 31, 2019, of which $3 million is committed for 2015. For each $5 million of project expenditures funded, Thompson Creek will incrementally earn a 10% ownership interest. Stage 1 Option expenditures can be accelerated by Thompson Creek at its discretion. Amarc will remain as operator during the Stage 1 earn-in period.

In the event that its Stage 1 Option is fully exercised, Thompson Creek will have a one-time right under a Stage 2 Option to elect to earn an additional 20% ownership interest in the Project (for a total 50% ownership interest). To fulfill its obligations under the Stage 2 Option, Thompson Creek must commit within 120 days after exercising its Stage 1 Option in full, to fund and complete a Feasibility Study for the IKE Project that could serve as the basis for a final decision by a financial institution to finance development of a mining project. This Feasibility Study must be completed within a two-year period, which can be extended to three years under certain circumstances. In addition, under the terms of the Stage 2 Option, Thompson Creek is required to meet all other expenditures necessary to maintain and advance the Project. Operatorship will pass to Thompson Creek upon initiation of the Stage 2 Option period.

The Agreement contemplates that the parties will form a joint venture to develop the IKE Project once the earn-in period is completed, provided that Thompson Creek earns a minimum 10% interest. Amarc will remain operator of the Project in the instance that Thompson Creek does not earn a 50% interest. Thompson Creek will continue as operator until it ceases sole funding after its acquisition of the initial 30% interest, and in the event that it earns a 50% interest following the Stage 2 Option period.

During both the Stage 1 and Stage 2 Option periods, Amarc will retain a co-expenditure right whereby it can solely fund additional expenditures on the Project. Thompson Creek may elect to pay its share of these additional expenditures upon completion of its Stage 1 Option and Stage 2 Option periods, failing which its ownership interest will be reduced. The maximum amount that Amarc can recover from Thompson Creek on completion of the Stage 1 Option period is capped at $6 million (i.e. 30% of the $20 million). The maximum amount that Amarc can recover from Thompson Creek on completion of the Stage 2 Option period is capped at $10 million (i.e. 50% of the $20 million).

The Agreement is subject to a number of conditions precedent, including Amarc's receipt of all necessary third party and government consents and approvals. If the conditions are not satisfied by Amarc on or before December 18, 2015, committed expenditures in the amount of $3 million must be repaid to Thompson Creek together with interest thereon at a rate of prime plus 5% within two years from the date of the Agreement.

Agreement with the Optionors

Amarc holds a 100% interest in the IKE property. In December 2013, the Company entered into an Option and Joint Venture Agreement (the "IKE Agreement") with Oxford Resources Inc. ("Oxford"), whereby the Company acquired the right to earn an 80% ownership interest in the IKE property by making cash payments totaling $125,000, issuing 300,000 shares, and by incurring approximately $1,860,000 in exploration expenditures on or before November 30, 2015.

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

As a result of the foregoing, Amarc had the right to acquire a 100% ownership interest in the IKE property directly from two unrelated individuals (formerly the underlying owners and now the "Optionors") by making a cash payment of $40,000 (completed), issuing 100,000 shares (completed), and by incurring approximately $1,860,000 in exploration expenditures (completed) on or before November 30, 2015.

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

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

The IKE District Properties – Galore and Granite

Amarc has rights to acquire a 70% in the Galore property and has a 100% ownership interest in the Granite property, which are located in the underexplored IKE district. Given the compelling exploration results from historical programs throughout the district and the common tendency of porphyry deposits to form in clusters the Company's technical team believes these properties also have potential to host bulk-tonnage porphyry copper mineralization. The Company's technical team compiled all historical data from these properties to define and prioritize targets for initial field follow up during 2015. Results from field this seasons focused field exploration activities are pending.

Galore Property Agreement

In July 2014, the Company entered into an option and joint venture agreement with Galore Resources Inc. ("Galore Resources"), whereby the Company acquired the right to earn an initial 51% ownership interest in the Galore property by incurring $3,000,000 in exploration expenditures within five years ($1,500,000 of which may be in recordable assessment credits not directly incurred on the property), and by making staged cash payments up to a maximum of $450,000 (50% of which may be payable in Amarc common shares). Amarc may thereafter acquire an additional 19% ownership interest, for a total 70% ownership interest, by incurring $2,000,000 in exploration expenditures within two years. Upon exercise of the initial or additional option, Galore Resources and Amarc have agreed to form either a 51/49 or a 70/30 joint venture, as the case may be. The Galore mineral tenure is comprised of five claim groups and is subject to five underlying option agreements, each of which provides the relevant underlying owner with a 1.5% NSR royalty which may be purchased for $250,000 on or before December 31, 2024 and a 10% net profits interest royalty which may be purchased at any time until December 31, 2024 for $400,000 less any amount of the net profits interest royalty already paid.

Granite Property Agreement

In August 2014, the Company entered into a purchase agreement with Great Quest Fertilizers Ltd. ("Great Quest"), whereby the Company can purchase a 100% ownership interest in the Granite property on or before November 30, 2014 by making staged cash payments totalling $400,000 (completed). Great Quest holds a 2% NSR royalty on the property which can be purchased for $2,000,000, on or before commercial production (payable in cash, Amarc common shares, or any such combination, at Amarc's discretion). In addition, there is an underlying 2.5% NSR royalty on certain mineral claims, which can be purchased at any time for $1,500,000 less any amount of royalty already paid.

Other Properties

Amarc's focus with respect to its Newton and Galileo projects is to partner them out to further advance exploration.

The Blackwater District Properties – Galileo, Hubble, and Darwin

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

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

The Galileo, Hubble, and Darwin properties are located approximately 17 to 35 kilometres from New Gold's Blackwater gold deposit (Proven and Probable Reserves of 344.4 million tonnes at an average grade of 0.74 g/t gold containing 8.2 million gold ounces, and 5.5 g/t silver containing 60.8 million silver ounces; New Gold news release December 12, 2013).

Amarc's Blackwater district properties lie approximately 75 kilometres southwest, of the town of Vanderhoof and 176 kilometres southwest of northern BC's regional hub city of Prince George. The area is characterized by subdued topography and is well served by existing transportation and power infrastructure and a skilled workforce, which supports an active exploration and mining industry.

Amarc is actively working to engage constructively with First Nations and regulators in the area of its permits.

The Newton Property

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

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

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

NEWTON GOLD PROJECT – INFERRED MINERAL RESOURCES

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

Notes:

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

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

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

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

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

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

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

Newton Property Agreement

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

Market Trends

Copper prices have been volatile over the last five years. Throughout 2010 to early 2011, copper prices were on an uptrend trading as high as US$4.63/lb in January 2011. Since then, copper prices have declined, trading as low as approximately US$2.00/lb in 2015. The average price of copper over the last five years was US$3.36/lb.

Molybdenum prices were variable from 2010 to 2013 and then began an uptrend that extended through the end of June 2014. Prices have weakened since that time. The average price over the past five years was US$11.63/lb.

In response to the global economic uncertainty that began in mid-2008, gold prices increased in 2009 and generally continued to do so until August 2011, where prices reached as high as $1,912/oz. From August 2011 to September 2012, gold prices traded within a range of approximately US$1,500/oz and US$1,900/oz. Since then, gold prices have declined, with prices trading as low as approximately US$1,050/oz during 2015. The average price of gold over the last five years was US$1,417/oz.

Silver prices increased significantly from September 2010 to April 2011 as prices reached a high of almost US$50/oz. Since then, silver prices have declined, with prices trading as low as approximately US$14/oz during 2015. The average price of silver over the last five years was US$25.29/oz.

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

		Average metal price (US$)		
Calendar year	Copper	Molybdenum	Gold	Silver
2010	3.42/lb	15.87/lb	1,228/oz	20.19/oz
2011	4.00/lb	15.41/lb	1,572/oz	35.12/oz
2012	3.61/lb	12.81/lb	1,670/oz	31.17/oz
2013	3.34/lb	10.40/lb	1,397/oz	23.82/oz
2014	3.11/lb	11.59/lb	1,264/oz	19.09/oz
2015 (to the date of this MD&A)	2.55/lb	6.89/lb	1,170/oz	15.86/oz

1.3 SELECTED ANNUAL INFORMATION

Not required for interim MD&A

1.4 SUMMARY OF QUARTERLY RESULTS

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

Summary of Quarterly Results

	Fiscal Quarter Ended							
($ 000's)	Sep 30, 2015	Jun 30, 2015	Mar 31, 2015	Dec 31, 2014	Sep 30, 2014	Jun 30, 2014	Mar 31, 2014	Dec 31, 2013
Exploration and evaluation (i)	$ 1,146	$ 265	$ 244	$ 675	$ 2,172	$ 187	$ 130	$ 291
Administration	347	338	415	377	398	288	387	271
Other items (ii)	516	12	8	171	(22)	(29)	(305)	(62)
Net loss	2,009	615	667	1,223	2,548	446	212	500
Other comprehensive loss (income) (iii)	20	5	–	10	3	21	(8)	(10)
Comprehensive loss	$ 2,029	$ 620	$ 667	$ 1,233	$ 2,551	$ 467	$ 204	$ 490
Basic and diluted loss per share	$ 0.02	$ 0.00	$ 0.01	$ 0.01	$ 0.02	$ 0.00	$ 0.00	$ 0.00
Weighted average number of common shares outstanding (millions)	141.4	141.4	141.1	138.8	138.8	138.7	138.7	138.6

(i) Includes refunds receivable under the British Columbia Mineral Exploration Tax Credit program.

(ii) Includes interest income, interest expense, financing charges, gain on termination of joint venture, gain on disposition of available-for-sale financial assets, foreign exchange loss, impairment of available-for-sale financial assets, and mineral property interests written off.

(iii) Includes revaluation of available-for-sale financial assets, change in fair value of available-for-sale financial assets transferred to profit or loss upon disposition, and impairment of available-for-sale financial assets transferred to profit or loss.

With the exception of the September 2014 and 2015 quarters, exploration and evaluation ("E&E") expenses were low as part of the Company's cash conservation efforts. During both the September 2014 and 2015 quarters, the Company was focused primarily on the IKE project's drilling program.

Administration expenses generally coincide with the level of E&E activity. However, certain administrative costs are incurred regardless of the level of E&E activity and therefore, the fluctuations in these costs will not always trend with those for E&E expenses.

1.5 RESULTS OF OPERATIONS

Results for the Six Months Ended September 30, 2015 vs. 2014

The Company recorded a net loss of $2,624,000 during the six months ended September 30, 2015 (the "2015 period") compared to a net loss of $2,994,000 during the six months ended September 30, 2014 (the "2014 period"). The Company's drilling and field programs for the IKE project were more extensive during the 2014 period compared to the 2015 period, which is reflected in higher exploration and evaluation expenses figure for the 2014 period. The decrease in exploration expenses was partially offset by a $500,000 financing charge incurred during the 2015 period relating to share purchase warrants issued to a director of the Company.

	Six months ended September 30,		
	2015 ($ 000's)	2014 ($ 000's)	Discussion
Exploration and evaluation	$ 1,411	$ 2,359	Exploration activity during the 2015 and 2014 periods was focused primarily on the IKE project's drilling and related field programs with the 2014 programs being more extensive.
Administration	685	686	No significant change in administration activities during the 2015 period compared to the 2014 period. The increase in shareholder communication activity offset the decrease in legal, accounting and audit costs during the 2015 period.
Interest expense on loans payable to director	32	–	Interest incurred on loans provided by a director.
Financing charge	500	–	Loan bonus through the issuance of share purchase warrants to a director. Relates to loan provided by the director in September 2015.

Exploration and Evaluation Expenses

The following tables provide a breakdown of exploration costs incurred during the six months ended September 30, 2015 and 2014:

	Six months ended September 30, 2015					
($ 000's)	Galore	Granite	IKE	Newton	General exploration and other	Total
Assays and analysis	$ –	$ –	$ 14	$ –	$ –	$ 14
Drilling	–	–	648	–	–	648
Equipment rental	–	–	9	–	–	9
Geological	27	9	189	–	7	232
Geological – METC	–	–	–	–	(565)	(565)
Helicopter	–	–	617	–	–	617
Property costs and assessments	–	–	53	–	–	53
Site activities	–	–	118	–	–	118
Socioeconomic	–	–	199	11	–	210
Travel and accommodation	–	–	75	–	–	75
Total	$ 27	$ 9	$ 1,922	$ 11	$ (558)	$ 1,411

	Six months ended September 30, 2014				
($ 000's)	Galore	Granite	IKE	General exploration and other	Total
Assays and analysis	$ 2	$ 1	$ 114	$ 2	$ 119
Drilling	–	–	739	–	739
Equipment rental	–	–	27	–	27
Geological	37	12	492	49	590
Geological – METC	–	–	–	(773)	(773)
Helicopter	25	26	824	3	878
Property costs and assessments	25	200	97	–	322
Site activities	–	–	164	4	168
Socioeconomic	1	1	161	1	164
Travel and accommodation	2	1	122	–	125
Total	$ 92	$ 241	$ 2,740	$ (714)	$ 2,359

Administration Expenses

The following table provides a breakdown of administration expenses incurred during the six months ended September 30, 2015 and 2014:

	Six months ended September 30,	
($ 000's)	2015	2014
Legal, accounting and audit	$ 6	$ 18
Office and administration	624	620
Shareholder communication	30	19
Travel and accommodation	6	8
Trust and regulatory	19	21
Total	$ 685	$ 686

Results for the Three Months Ended September 30, 2015 vs. 2014

The Company recorded a net loss of $2,009,000 during the three months ended September 30, 2015 (the "2015 quarter") compared to a net loss of $2,548,000 during the three months ended September 30, 2014 (the "2014 quarter"). The Company's drilling and field programs for the IKE project were more extensive during the 2014 quarter compared to the 2015 quarter, which is reflected in higher exploration and evaluation expenses figure for the 2014 quarter. The decrease in exploration expenses was partially offset by a $500,000 financing charge incurred during the 2015 quarter relating to share purchase warrants issued to a director of the Company.

	Three months ended September 30,		
	2015 ($ 000's)	2014 ($ 000's)	Discussion
Exploration and evaluation	$ 1,146	$ 2,172	Exploration activity during the 2015 and 2014 quarters was focused primarily on the IKE project's drilling and related field programs with the 2014 programs being more extensive.
Administration	347	398	Administration expenses decreased during the 2015 quarter, which is related to the lower level of activity surrounding the IKE project compared to the 2014 quarter.
Interest expense on loans payable to director	19	–	Interest incurred on loans provided by a director.
Financing charge	500	–	Loan bonus through the issuance of share purchase warrants to a director. Relates to loan provided by the director in September 2015.

Exploration and Evaluation Expenses

The following tables provide a breakdown of exploration costs incurred during the three months ended September 30, 2015 and 2014:

	Three months ended September 30, 2015		
($ 000's)	IKE	General exploration and other	Total
Assays and analysis	$ 12	$ –	$ 12
Drilling	648	–	648
Equipment rental	9	–	9
Geological	161	2	163
Geological – METC	–	(550)	(550)
Helicopter	617	–	617
Property costs and assessments	–	–	–
Site activities	115	–	115
Socioeconomic	58	–	58
Travel and accommodation	74	–	74
Total	$ 1,694	$ (548)	$ 1,146

	Three months ended September 30, 2014				
($ 000's)	Galore	Granite	IKE	General exploration and other	Total
Assays and analysis	$ 2	$ 1	$ 100	$ –	$ 103
Drilling	–	–	739	–	739
Equipment rental	–	–	27	–	27
Geological	37	12	424	10	483
Geological – METC	–	–	–	(749)	(749)
Helicopter	25	26	824	3	878
Property costs and assessments	25	200	40	–	265
Site activities	–	–	164	–	164
Socioeconomic	1	1	137	–	139
Travel and accommodation	2	1	120	–	123
Total	$ 92	$ 241	$ 2,575	$ (736)	$ 2,172

Administration Expenses

The following table provides a breakdown of administration expenses incurred during the three months ended September 30, 2015 and 2014:

	Three months ended September 30,	
($ 000’s)	2015	2014
Legal, accounting and audit	$ 3	$ 17
Office and administration	327	344
Shareholder communication	9	14
Travel and accommodation	–	3
Trust and regulatory	8	20
Total	$ 347	$ 398

1.6 LIQUIDITY

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

As at September 30, 2015, the Company had working capital of approximately $1.1 million compared to working capital of $0.2 million as at March 31, 2015. The increase in working capital since March 31, 2015 is due to the $3 million in funding received from Thompson Creek in September 2015 with regards to Thompson Creek seeking to acquire an interest in the IKE project. The Company will need to obtain financing within the next twelve months to continue its operating objectives, which it hopes to do so through its agreement with Thompson Creek.

The Company has no long-term debt, capital lease obligations, operating leases or any other long-term obligations, except for a loan payable to a director of the Company in the amount of $500,000. The loan is unsecured and has a maturity date of September 9, 2017. Interest on the loan is payable at 7% per annum, compounded and payable quarterly in arrears.

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

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

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

	Six months ended September 30,	
($ 000's)	2015	2014
Net cash used in operating activities	$ (1,397)	$ (2,893)
Net cash provided by investing activities	7	53
Net cash provided by financing activities	3,467	–
Net increase (decrease) in cash and cash equivalents	$ 2,077	$ (2,840)

Operating activities: Cash used in operating activities was attributable primarily to the Company's ongoing exploration and administrative activities during both the six months ended September 30, 2015 and 2014.

Investing activities: The Company received proceeds from the disposition of certain marketable securities as well as interest on funds held with financial institutions during the six months ended September 30, 2015 and 2014.

Financing activities: During the six months ended September 30, 2015, the Company received $3 million in funding from Thompson Creek with regards to Thompson Creek seeking to acquire an interest in the IKE project. The Company also repaid and received loans from a director during the period, which resulted in a net cash increase of $0.5 million. Interest payments on all loans payable to the director were also made during the 2015 reporting period.

1.7 CAPITAL RESOURCES

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

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

1.8 OFF-BALANCE SHEET ARRANGEMENTS

None.

1.9 TRANSACTIONS WITH RELATED PARTIES

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

Hunter Dickinson Inc.

Description of the Relationship

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

The following directors or officers of the Company also have a role within HDSI:

Individual	Role within the Company	Role within HDSI
Scott Cousens	Director	Director
Robert Dickinson	Director	Director
Paul Mann	Chief Financial Officer	Employee
Diane Nicolson	President	Employee
Ronald Thiessen	Director, Chief Executive Officer	Director
Trevor Thomas	Corporate Secretary	Employee

Business Purpose of the Related Party Transactions

HDSI provides technical, geological, corporate communications, regulatory compliance, and administrative and management services to the Company, on an as-needed and as-requested basis from the Company.

HDSI also incurs third party costs on behalf of the Company. Such third party costs include, for example, directors and officers insurance, travel, conferences, and technology services.

As a result of this relationship, the Company has ready access to a range of diverse and specialized expertise on a regular basis, without having to engage or hire full-time experts. The Company benefits from the economies of scale created by HDSI which itself serves several clients. The Company is also able to eliminate many of its fixed costs, including rent, technology, and other infrastructure which would otherwise be incurred for maintaining its corporate offices.

Measurement Basis Used

The Company procures services from HDSI pursuant to an agreement dated July 2, 2010. Services from HDSI are provided on a non-exclusive basis as required and as requested by the Company. The Company is not obligated to acquire any minimum amount of services from HDSI. The fees for services from HDSI are determined based on a charge-out rate for each employee performing the service and for the time spent by the employee. Such charge-out rates are agreed and set annually in advance.

Third party costs are billed at cost, without markup.

Ongoing Contractual or Other Commitments Resulting from the Related Party Relationship

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

Transactions with HDSI during the Period

This disclosure is provided in note 11(b) of the accompanying Interim Financial Statements.

Amounts Due to or from HDSI at the End of the Reporting Period

This disclosure is provided in note 11(b) of the accompanying Interim Financial Statements.

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.

1.13 CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

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

1.14 FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

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

1.15 OTHER MD&A REQUIREMENTS

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

1.15.1 ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

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

1.15.2 DISCLOSURE OF OUTSTANDING SHARE DATA

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

Number of common shares outstanding	141,424,061
Number of share purchase options outstanding	3,051,300
Number of share purchase warrants outstanding	5,555,555

1.15.3 DISCLOSURE CONTROLS AND PROCEDURES

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

1.15.4 INTERNAL CONTROLS OVER FINANCIAL REPORTING PROCEDURES

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

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

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

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

1.15.5 LIMITATIONS OF CONTROLS AND PROCEDURES

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

1.16 RISK FACTORS

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

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

Exploration and Mining Risks

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

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

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

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

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

First Nations

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

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

Future Profits/Losses and Production Revenues/Expenses

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

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

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

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

Additional Funding Requirements

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

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

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

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

Competitors in the Mining Industry

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

Risks That Are Not Insurable

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

Environmental Matters

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

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

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

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

Market for Securities and Volatility of Share Price

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

Conflicts of Interest

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

Payment of Dividends Unlikely

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

Lack of Revenues; History of Operating Losses

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

General Economic Conditions

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

Reliance on Key Personnel

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

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