Amarc Resources Ltd.

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED
MARCH 31, 2009, 2008 and 2007

(Expressed in Canadian Dollars, unless otherwise stated)

DE VISSER GRAY LLP
CHARTERED ACCOUNTANTS

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AUDITORS' REPORT

To the Shareholders of Amarc Resources Ltd

We have audited the balance sheets of Amarc Resources Ltd. as at March 31, 2009 and 2008 and the statements of operations and comprehensive loss, shareholders' equity and cash flows for each of the years in the three year period ended March 31, 2009 These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards ("GAAS") in Canada and the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"). Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2009 and 2008 and the results of its operations and cash flows for each of the years in the three year period ended March 31, 2009 in accordance with Canadian generally accepted accounting principles

De Visser Gray LLP

CHARTERED ACCOUNTANTS

Vancouver, British Columbia
July 23, 2009

AMARC RESOURCES LTD.

Consolidated Balance Sheets

(Expressed in Canadian Dollars)

		March 31 2009		March 31 2008
ASSETS				
Current assets				
Cash and cash equivalents	$	2,971,352	$	7,713,995
Amounts receivable and prepaid expenses		266,454		249,252
Balance due from related parties (note 8)		134,815		–
		3,372,621		7,963,247
Equipment (note 5)		54,091		20,369
Mineral property interests (note 6)		4		4
	$	**3,426,716**	**$**	**7,983,620**
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable and accrued liabilities	$	33,339	$	44,377
Balance due to a related party (note 8)		–		180,767
		33,339		225,144
Shareholders' equity				
Share capital (note 7)		31,247,065		30,747,065
Contributed surplus (note 7(e))		1,713,992		1,469,931
Deficit		(29,567,680)		(24,458,520)
		3,393,377		7,758,476
Nature and continuance of operations (note 1)				
Commitments (note 7(b))				
Subsequent events (note 6(a)(i))				
	$	**3,426,716**	**$**	**7,983,620**

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

Approved by the Board of Directors

/s/ Robert A. Dickinson	*/s/ Rene G. Carrier*
Robert A. Dickinson Director	Rene G. Carrier Director

AMARC RESOURCES LTD.

Consolidated Statements of Operations and Comprehensive Loss

(Expressed in Canadian Dollars)

	Years ended March 31		
	2009	**2008**	**2007**
Expenses			
Amortization	$ 21,704	$ 5,092	$ 6,366
Exploration (schedule)	4,619,185	3,066,939	1,033,060
Legal, accounting, and audit	37,120	55,162	33,465
Management and consulting	58,464	48,795	54,714
Office and administration	178,078	183,842	150,163
Salaries and benefits	208,906	257,060	229,024
Shareholder communication	122,932	72,860	51,857
Stock-based compensation (note 7(c))	244,061	–	–
Travel and conference	53,960	96,425	70,798
Trust and filing	25,915	26,903	18,719
	5,570,325	3,813,078	1,648,166
Other items			
Foreign exchange (gain) loss	(218,818)	138,026	(38,098)
Gain on sale of marketable securities	–	(68,992)	–
(Gain) loss on disposal of fixed assets	(14,007)	–	1,678
Interest and other income	(309,149)	(315,812)	(333,737)
Tax related to flow-through financing	80,809	–	–
Write down of mineral property interest (note 6)	–	–	98,429
	(461,165)	(246,778)	(271,728)
Loss and comprehensive loss for the year	**$ (5,109,160)**	**$ (3,566,300)**	**$ (1,376,438)**
Basic and diluted loss per share	$ (0.07)	$ (0.06)	$ (0.03)
Weighted average number of common shares outstanding	68,465,500	63,343,763	54,557,473

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

AMARC RESOURCES LTD.

Consolidated Statements of Shareholders' Equity

(Expressed in Canadian Dollars)

	Year ended March 31, 2009		Year ended March 31, 2008		Year ended March 31, 2007	
Share capital	Number of shares		Number of shares		Number of shares	
Balance at beginning of the year	67,739,473	$ 30,747,065	62,949,473	$ 27,287,248	52,459,473	$ 23,997,068
Exercise of share purchase warrants at $0.55 per share	–	–	4,790,000	2,634,500	–	–
Fair value of warrants allocated to shares issued on exercise	–	–	–	825,317	–	–
Fair value of warrants issued	–	–	–	–	–	(1,807,427)
Private placement at $0.10 per share, net of issue costs (note 7(b))	5,000,000	500,000	–	–	–	–
Private placement at $0.50 per share, net of issue costs	–	–	–	–	10,490,000	5,097,607
Balance at end of the year	72,739,473	$ 31,247,065	67,739,473	$ 30,747,065	62,949,473	$ 27,287,248
Contributed surplus						
Balance at beginning of the year		$ 1,469,931		$ 2,295,248		$ 487,821
Fair value of warrants allocated to shares issued on exercise		–		(825,317)		–
Fair value of warrants issued		–		–		1,807,427
Stock-based compensation		244,061		–		–
Balance at end of the year		$ 1,713,992		$ 1,469,931		$ 2,295,248
Deficit						
Balance at beginning of the year		$ (24,458,520)		$ (20,892,220)		$ (19,515,782)
Loss for the year		(5,109,160)		(3,566,300)		(1,376,438)
Balance at end of the year		$ (29,567,680)		$ (24,458,520)		$ (20,892,220)
TOTAL SHAREHOLDERS' EQUITY		**$ 3,393,377**		**$ 7,758,476**		**$ 8,690,276**

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

AMARC RESOURCES LTD.

Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

Cash provided by (used in)	Years ended March 31 2009	2008	2007
Operating activities			
Loss for the year	$ (5,109,160)	$ (3,566,300)	$ (1,376,438)
Items not involving cash:			
Amortization	21,704	5,092	6,366
Gain on sale of marketable securities	–	(68,992)	–
(Gain) loss on disposal of equipment	(14,007)	–	1,678
Non-cash interest income	–	(53,629)	–
Stock-based compensation (note 7(c))	244,061	–	–
Write down of mineral property interest	–	–	98,429
Changes in non-cash working capital items:			
Amounts receivable and prepaids	(17,204)	(136,812)	(11,524)
Balances receivable from and payable to related parties	(282,902)	202,079	19,117
Accounts payable and accrued liabilities	(11,038)	(33,636)	39,581
Cash used for operating activities	(5,168,546)	(3,652,198)	(1,222,791)
Investing activities			
Proceeds from sale of equipment	–	–	3,445
Proceeds from sale of marketable securities	–	315,499	–
Purchase of equipment	(74,097)	–	–
Loan to a related party	–	5,500,000	(5,500,000)
Net cash provided by (used for) investing activities	(74,097)	5,815,499	(5,496,555)
Financing activities			
Issuance of share capital, net of costs (note 7(d))	500,000	2,634,500	5,097,607
Net cash provided by financing activities	500,000	2,634,500	5,097,607
Increase (decrease) in cash and cash equivalents	**(4,742,643)**	**4,797,801**	**(1,621,739)**
Cash and cash equivalents, beginning of year	7,713,995	2,916,194	4,537,933
Cash and cash equivalents, end of year	**$ 2,971,352**	**$ 7,713,995**	**$ 2,916,194**
Components of cash and cash equivalents are as follows:			
Cash	$ 338,242	$ 511,900	$ 1,016,630
Treasury Bills	2,527,211	6,255,967	–
Bankers Acceptances	105,899	–	828,512
Commercial Paper	–	946,128	1,071,052
Cash and cash equivalents, end of year	**$ 2,971,352**	**$ 7,713,995**	**$ 2,916,194**

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

Supplementary cash flow information:

	2009	2008	2007
Interest paid	$ –	$ –	$ –
Taxes paid	$ –	$ –	$ –
Interest received	$ 309,149	$ 262,942	$ 141,410
Non cash financing and investing activities:			
Common shares received from Rockwell Diamonds Inc. (note 8(b))	$ –	$ 246,507	$ –
Fair value of share warrants issued on private placement charged to share capital	$ –	$ –	$ 1,807,427
Fair value of share warrants transferred to share capital on warrants exercised from contributed surplus	$ –	$ 825,317	$ –

AMARC RESOURCES LTD.

Consolidated Schedules of Exploration Expenses

(Expressed in Canadian Dollars)

	Sitlika program British Columbia	Generative British Columbia	Other (including METC-BC)	Total
Exploration expenses for the year ended March 31, 2009				
Assays and analysis	$ 462,881	$ 24,415	$ 109,053	$ 596,349
Drilling	806,590	–	–	806,590
Engineering	370,280	500	–	370,780
Environmental	14,847	–	628	15,475
Equipment rental	69,988	35,953	13,203	119,144
Freight	3,993	–	2,675	6,668
Geological	1,492,376	549,721	493,899	2,535,996
Graphics	6,004	10,008	2,845	18,857
Helicopter	582,325	–	18,170	600,495
Mineral Exploration Tax Credit (METC-BC)	–	–	(1,435,072)	(1,435,072)
Property fees and assessments	41,435	12,361	19,059	72,855
Property option payments	50,000	–	10,000	60,000
Site activities	353,582	40,378	95,714	489,674
Socioeconomic	835	1,895	–	2,730
Travel and accommodation	317,731	7,039	33,874	358,644
Incurred during fiscal 2008	**4,572,867**	**682,270**	**(635,952)**	**4,619,185**
Cumulative expenditures, March 31, 2008	2,224,904	2,782,485	12,442,185	17,449,574
Cumulative expenditures, March 31, 2009	**$ 6,797,771**	**$ 3,464,755**	**$ 11,806,233**	**$ 22,068,759**
Exploration expenses for the year ended March 31, 2008				
Assays and analysis	$ 223,521	$ 23,113	$ 36,647	$ 283,281
Engineering	7,581	–	–	7,581
Equipment rental	56,066	11,993	15,874	83,933
Freight	16,732	–	1,850	18,582
Geological	982,004	296,571	442,918	1,721,493
Graphics	10,728	3,218	7,182	21,128
Helicopter	380,857	–	11,020	391,877
Property fees and assessments	51,393	2,528	13,568	67,489
Property option payments	50,000	–	10,000	60,000
Site activities	295,404	23,997	53,090	372,491
Travel and accommodation	30,441	2,844	5,799	39,084
Incurred during fiscal 2008	**2,104,727**	**364,264**	**597,948**	**3,066,939**
Cumulative expenditures, March 31, 2007	120,177	2,418,221	11,844,237	14,382,635
Cumulative expenditures, March 31, 2008	**$ 2,224,904**	**$ 2,782,485**	**$ 12,442,185**	**$ 17,449,574**
Exploration expenses for the year ended March 31, 2007				
Assays and analysis	$ 18,632	$ 104,094	$ 39,703	$ 162,429
Equipment rental	–	11,022	14,673	25,695
Freight	206	221	1,695	2,122
Geological	55,727	351,613	228,530	635,870
Graphics	840	3,906	5,016	9,762
Helicopter	13,017	29,341	–	42,358
Property fees and assessments	1,510	703	16,618	18,831
Property option payments	25,000	–	–	25,000
Site activities	1,508	52,555	10,234	64,297
Travel and accommodation	3,737	17,284	25,675	46,696
Incurred during fiscal 2007	**120,177**	**570,739**	**342,144**	**1,033,060**
Cumulative expenditures, March 31, 2006	–	1,847,482	11,502,093	13,349,575
Cumulative expenditures, March 31, 2007	**$ 120,177**	**$ 2,418,221**	**$ 11,844,237**	**$ 14,382,635**

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Amarc Resources Ltd. (the "Company") is incorporated under the laws of the province of British Columbia, and its principal business activity is the acquisition and exploration of mineral properties. Its principal mineral property interests are located in British Columbia.

These consolidated financial statements have been prepared using Canadian generally accepted accounting principles assuming a going concern. The Company has incurred losses since inception and its ability to continue as a going concern depends upon its capacity to develop profitable operations and to continue to raise adequate financing. These consolidated financial statements do not reflect adjustments, which could be material, to the carrying values of assets and liabilities which may be required should the Company be unable to continue as a going concern.

2. BASIS OF PRESENTATION AND PRINCIPLES OF CONSOLIDATION

These consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles and are presented in Canadian dollars.

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

All material intercompany balances and transactions have been eliminated.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Cash and cash equivalents

Cash and equivalents consist of cash and highly liquid investments, having maturity dates of three months or less from the date of purchase, which are readily convertible to known amounts of cash.

(b) Equipment

Equipment is recorded at cost and is amortized over its estimated useful life using the declining balance method at various rates ranging from 20% to 30% per annum.

(c) Mineral property interests and related asset retirement obligations

The acquisition costs of mineral properties are deferred until the properties are placed into production, sold or abandoned. These costs are amortized on a unit-of-production basis over the estimated useful life of the related properties following the commencement of production, or written off if the properties are sold, allowed to lapse or abandoned, or when impairment has been determined to have occurred. If the deferred mineral property costs are determined not to be recoverable over the estimated useful life or are greater than the estimated fair market value, the unrecoverable portion is charged to operations in that period.

Mineral property acquisition costs include the cash consideration and the fair market value of common shares, based on the trading price of the shares, on the date of issue or as otherwise provided under the agreement terms for the mineral property interest. Costs for properties for which the Company does not possess unrestricted ownership and exploration rights, such as option agreements, are expensed in the period incurred or until a feasibility study has determined that the property is capable of commercial production.

Exploration costs and option payments are expensed in the period incurred. Option payments which are solely at the Company's discretion are recorded as they are made.

Administrative expenditures are expensed in the period incurred.

The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected from the asset. If the carrying amount of the long-lived asset exceeds its estimated future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the fair value of the asset.

The Company records the fair value of an asset retirement obligation as a liability in the period in which it incurs a legal obligation associated with the retirement of tangible long-lived assets that result from the acquisition, construction, development and/or normal use of the assets. The Company also records a corresponding asset value which is amortized over the same basis as the asset being retired. Subsequent to the initial measurement of the asset retirement obligation, the obligation is adjusted at the end of each period to reflect the passage of time (accretion expense) and changes in the estimated future cash flows underlying the obligation (asset retirement cost).

The Company has no material asset retirement obligations as the disturbance at the exploration sites as at March 31, 2009 has been minimal.

(d) *Government assistance*

Due to the uncertainty of approval associated with mineral exploration tax credits and other government grants for which the Company applies, government grants are recorded and credited to exploration expenses when the proceeds of these grants are actually received.

(e) *Share capital*

Common shares issued for mineral property interests are recorded at their fair market value based upon the trading price of the shares on the TSX Venture Exchange on the date of issue or as otherwise provided under the agreement terms to issue the shares.

The proceeds from common shares issued pursuant to flow-through share financing agreements are credited to share capital and the tax benefits of the exploration expenditures incurred pursuant to these agreements are transferred to the purchaser of the flow-through shares.

Share issue costs are deducted from share capital.

(f) *Stock-based compensation*

The Company accounts for all non-cash stock-based payments to non-employees, and employee awards that are direct awards of shares that call for settlement in cash or other assets, or that are share appreciation rights which call for settlement by the issuance of equity instruments, using the fair value method.

Under the fair value method, stock-based payments are measured at the fair value of the consideration received, or the fair value of the equity instruments issued, or liabilities incurred, whichever is more reliably measurable. The fair value of non-cash stock-based payments is periodically re-measured until counterparty performance is complete, and any change therein is recognized in the same manner as if the Company had paid cash instead of paying with or using equity instruments. The cost of non-cash stock-based payments to service providers that are fully vested and non-forfeitable at the grant date is measured and recognized at that date. For awards that vest at the end of a vesting period, compensation cost is recognized on a straight-line basis; for awards that vest on a graded basis, compensation cost is recognized on a pro-rata basis over the vesting period.

Consideration received by the Company upon the exercise of share purchase options and warrants, and the stock-based compensation previously credited to contributed surplus related to such options and warrants, is credited to share capital.

(g) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as at the balance sheet date, and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates include the determination of potential impairments of asset values, and rates for amortization of equipment, as well as the assumptions used in determining the fair value of non-cash stock-based compensation. Actual results could differ from those estimates.

(h) Foreign currency translation

All of the Company's foreign subsidiaries are considered integrated.

Monetary assets and liabilities of the Company and its integrated foreign operations are translated into Canadian dollars at exchange rates in effect at the balance sheet date. Non-monetary assets and liabilities are translated at historical exchange rates unless such items are carried at market, in which case they are translated at the exchange rates in effect on the balance sheet date. Revenues and expenses, except amortization, are translated at average exchange rates for the period. Amortization is translated at the same exchange rates as the assets to which it relates. Foreign exchange gains or losses are recognized in the statement of operations.

(i) Segment disclosures

The Company is operating in a single reportable segment – the acquisition, exploration and development of mineral properties in British Columbia, Canada.

(j) Income taxes

The Company uses the asset and liability method of accounting for income taxes. Under this method, future income tax assets and liabilities are computed based on differences between the carrying amount of assets and liabilities on the balance sheet and their corresponding tax values, generally using the enacted or substantively enacted income tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Future income tax assets also result from unused loss carry-forwards and other deductions. Future tax assets are recognized to the extent that they are considered more likely than not to be realized. The valuation of future income tax assets is adjusted, if necessary, by the use of a valuation allowance to reflect the estimated realizable amount.

Under the Canadian Income Tax Act, a company may issue securities referred to as flow-through shares whereby the investor may claim the tax deductions arising from the qualifying expenditure of the proceeds by the company. When resource expenditures are renounced to the investors and the Company has reasonable assurance that the expenditures will be completed, future income tax liabilities are recognized (renounced expenditures multiplied by the effective corporate tax rate), thereby reducing share capital. Previously unrecognized tax assets may then offset or eliminate the liability recorded.

(k) *Loss per share*

Basic loss per share is calculated by dividing the loss for the period by the weighted average number of common shares outstanding during the period.

Diluted loss per share is calculated using the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding used for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive stock options and warrants are used to repurchase common shares at the average market price during the period.

When the Company is in a net loss position, diluted loss per share is not presented separately as the effect of the outstanding options and warrants would be anti-dilutive.

(l) *Impairment of long-lived assets*

The Company reviews and evaluates its long-lived assets, including mineral properties, plant and equipment, for impairment when events or changes in circumstances indicate that the related carrying amounts may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to its estimated undiscounted future cash flows expected to be generated by the asset. Measurement of an impairment loss is based on the excess of the estimated fair value of the asset over its carrying value.

At each reporting period and whenever events or circumstances indicate that an asset's fair value may not be at least equal to its carrying value, management of the Company reviews the net carrying value. These reviews involve consideration of the fair value of each property to determine whether a permanent impairment in value has occurred and whether any asset write down is necessary.

(m) *Variable interest entities*

An enterprise holding other than a voting interest in a variable interest entity ("VIE") could, subject to certain conditions, be required to consolidate the VIE if it is considered its primary beneficiary whereby it would absorb the majority of the VIE's expected losses, receive the majority of its expected residual returns, or both. The Company does not have any VIE's.

(n) Comparative figures

Certain of the prior years' comparative figures have been reclassified to conform to the financial statement presentation adopted for the current year.

4. CHANGES IN ACCOUNTING POLICIES

(a) Newly Adopted Accounting Policies

Effective April 1, 2008, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA").

(i) Section 3855 – Financial Instruments – Recognition and Measurement

This standard sets out criteria for the recognition and measurement of financial instruments for fiscal years beginning on or after October 1, 2006. This standard requires all financial instruments within its scope, including derivatives, to be included on a Company's balance sheet and measured either at fair value or, in certain circumstances, at cost or amortized cost. Changes in fair value are to be recognized in the statements of operations or accumulated other comprehensive income depending on the classification the related instruments.

All financial assets and liabilities are recognized when the entity becomes a party to the contract creating the asset or liability. As such, any of the Company's outstanding financial assets and liabilities at the effective date of adoption are recognized and measured in accordance with the new requirements as if these requirements had always been in effect. Any changes to the fair values of assets and liabilities prior to April 1, 2007 are recognized by adjusting opening deficit or opening accumulated other comprehensive income.

All financial instruments are classified into one of the following categories: held for trading, held-to-maturity, available-for-sale, loans and receivables and other financial liabilities. Initial and subsequent measurement and recognition of changes in the value of financial instruments depends on their initial classification:

- Held-to-maturity investments, loans and receivables, and other financial liabilities are initially measured at fair value and subsequently measured at amortized cost. Amortization of premiums or discounts and losses due to impairment are included in current period net earnings.

- Available-for-sale financial assets are measured at fair value. Changes in fair value are included in other comprehensive income (loss) until the gain or loss is recognized in income.

- Held for trading financial instruments are measured at fair value. All changes in fair value are included in net earnings (loss) in the period in which they arise.

- All derivative financial instruments are measured at fair value, even when they are part of a hedging relationship. Changes in fair value are included in net earnings (loss) in the period in which they arise, except for hedge transactions which qualify for hedge accounting treatment, in which case gains and losses are recognized in other comprehensive income.

(ii) Section 1535 – Capital Disclosures

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

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

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The Company's cash resources at March 31, 2009 are sufficient for its present needs, specifically to continue planned exploration and administrative operations over at least the next twelve months.

There were no changes to the Company's approach to capital management during the year of 2009. The Company is not subject to any externally imposed capital requirements as at March 31, 2009.

(iii) Amendments to Section 1400 – Going Concern

CICA Handbook Section 1400, General Standards of Financial Statement Presentation, was amended to include requirements to assess and disclose an entity's ability to continue as a going concern (note 1).

(iv) EIC 173 – Credit Risk and the Fair value of Financial Assets and Financial Liabilities

The AcSB issued EIC-173 which requires the Corporation to consider its own credit risk as well as the credit risk of its counterparty when determining the fair value of financial assets and liabilities, including derivative instruments. The standard is effective for the first quarter of 2009 and is required to be applied retrospectively without restatement of prior periods. The Company had already adopted this standard and the adoption of this standard did not have an impact on the valuation of financial assets or liabilities of the Company.

(v) EIC 174 – Mining Exploration Costs

The AcSB issued EIC-174, "Mining Exploration Costs" which provides guidance to mining enterprises related to the measurement of exploration costs and the conditions that a mining enterprise should consider when determining the need to perform an impairment review of such costs. The accounting treatments provided in EIC-174 have been applied in the preparation of these financial statements and did not have an impact on the valuation of the Company's mineral properties.

(vi) Section 3064 – Goodwill and Intangibles

The AcSB issued CICA Handbook Section 3064 which replaces Section 3062, Goodwill and Other Intangible Assets, and Section 3450, Research and Development Costs. This new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets. Standards concerning goodwill remain unchanged from the standards included in the previous Section 3062. The section applies to interim and annual financial statements issued on or after January 1, 2009. This standard has been applicable in the preparation of these financial statements and did not have a significant impact.

(b) Accounting Standards Not Yet Adopted

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

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011, although early adoption may be permitted. Due to the Company's March 31 fiscal year, the transition date for the Company is April 1, 2011. Therefore, the IFRS adoption will require the restatement for comparative purposes of amounts reported by the Company for the year ended March 31, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

(Expressed in Canadian Dollars, unless otherwise stated)

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

The AcSB adopted CICA sections 1582 "Business Combinations", 1601 "Consolidated Financial Statements", and 1602 "Non-Controlling Interests" which superseded current sections 1581 "Business Combinations" and 1600 "Consolidated Financial Statements". These new sections replace existing guidance on business combinations and consolidated financial statements to harmonize Canadian accounting for business combinations with IFRS. These Sections will be applied prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Earlier adoption is permitted. If an entity applies these sections before January 1, 2011, it is required to disclose that fact and apply each of the new sections concurrently. The Company is currently evaluating the impact of the adoption of these changes on its consolidated financial statements.

5. EQUIPMENT

	Cost	Accumulated Amortization	Net Book Value
March 31, 2009			
Site equipment	$ 44,057	$ 12,526	$ 31,531
Computers	30,607	8,047	22,560
Total	$ 74,664	$ 20,573	$ 54,091
March 31, 2008			
Site equipment	$ 77,551	$ 57,182	$ 20,369
Computers	–	–	–
Total	$ 77,551	$ 57,182	$ 20,369

(Expressed in Canadian Dollars, unless otherwise stated)

6. MINERAL PROPERTY INTERESTS

The Company has recorded the following interest in royalties in currently non-producing properties at a nominal value on the balance sheet:

	March 31 2009	March 31 2008
British Columbia, Canada		
Iskut (note (6)(a)(v))	$ 1	$ 1
Witch (note (6)(a)(x))	1	1
Other		
Ana, Yukon Territory (note (6)(b))	1	1
Mann Lake, Saskatchewan (note (6)(b))	1	1
Total	$ 4	$ 4

During the years ended March 31, 2009 and March 31, 2008, there were no changes in the Company's mineral property interests. The details of the Company's write off of mineral property interests for the year ended March 31, 2007 were as follows:

Property Acquisition Costs	Balance at March 31, 2006	Written down during year	Balance at March 31, 2007
British Columbia, Canada			
Buck	$ 55,929	$ (55,929)	$ –
Nechako	42,500	(42,500)	–
Total	$ 98,429	$ (98,429)	$ –

(a) British Columbia, Canada

(i) Tulox Property

The Tulox property, located in the Cariboo region and comprising 252 square kilometers, was acquired in stages by staking between 2005 to 2007.

Subsequent to March 31, 2009, the Company entered into an agreement with Tulox Resources Inc. ("Tulox"), an unrelated British Columbia public company, whereby Tulox may acquire 50% interest in Tulox property (the "Property") for consideration of 1,600,000 of its common shares and by incurring $1,000,000 in expenditures on the Property. Tulox may acquire a 100% interest for additional consideration of 1,100,000 of its common shares and by incurring a further $1,000,000 in expenditures on the Property. The agreement is subject to certain conditions including regulatory consent. Under the agreement, the Company will receive a 3% net smelter returns ("NSR") royalty following the commencement of commercial production on the Property. In addition, the Company receives a "back-in right" whereby the Company can acquire a 60% interest in the Property by agreeing, within 90 days of preparation of pre-feasibility study, to fund a further $10,000,000 of exploration expenditures on the Property. However, upon exercise of "back-in right", the Company's entitlement to NSR will reduce to 1.2% from 3%.

(ii) Peak Property

The Company entered into an agreement in July 2008 with a private arm's-length company for an exclusive option to acquire, over up to a three year period, the right to earn an undivided 100% interest in the Peak property. On October 31, 2008, the Company terminated the option agreement to acquire the Peak property.

During the year ended March 31, 2009, the Company paid $5,000 (2008 – $5,000; 2007– nil) in property option payments for the Peak property and recorded the payments as a property option expense.

(iii) Pond Property

In April 2008, the Company entered into an agreement with a private arm's-length company for an exclusive option whereby the Company may acquire, over up to a four year period, the right to earn an undivided 100% interest in the Pond property, subject to a 2% NSR, which the Company may acquire for $2,000,000. The effective date of the agreement is August 1, 2008. Consideration for acquiring the 100% undivided interest in the Pond property is to consist of staged payments totaling $215,000 and the incurring of expenditures totaling $225,000 on the property prior to August 2012.

During the year ended March 31, 2009, the Company paid $5,000 (2008 – $5,000; 2007– nil) in property option payments for the Pond property and recorded the payments as a property option expense.

(iv) Bodine Property

In November 2006, the Company reached an option agreement with an arm's length party to acquire a 100% undivided interest in the Bodine property ("Bodine"). Located approximately 110 kilometers northeast of Smithers, in the Omineca Mining Division in central British Columbia, the Bodine Property covers approximately 195 square kilometers.

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

During the year ended March 31, 2009, the Company paid $50,000 in property option payments for Bodine (2008 – $50,000; 2007–$25,000) and recorded the payments as a property option expense.

(v) Iskut Properties

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

During the year ended March 31, 2007, the Company concluded that no further work was warranted on these properties. In December 2006 the Company vended the AA property to an arm's length party. The Company retains a 1.5% NSR on production from the property, 0.5% of which can be purchased by the arm's length party for $1,000,000. This royalty has been recorded at a nominal value of $1.

(vi) Sitlika Properties

The Company acquired by staking 100% interests in several mineral properties located in the Omineca, Cariboo and Clinton Mining Divisions of British Columbia, ranging in location from approximately 110 kilometers northeast of Smithers to approximately 35 kilometres southwest of Williams Lake. As of March 31, 2009, these properties included the Aspira, Equus, Huge East, Megamine, and Polymet claims and in total comprised 366 square kilometers.

(vii) Pinchi Properties

As at March 31, 2009, the Company held a 100% interest in approximately 10 square kilometers of mineral claims located in Omineca Mining Division of British Columbia.

(viii) Carbonate Zinc Properties

As at March 31, 2009, the Company held a 100% interest in mineral claims comprising approximately 105 square kilometers along a belt located approximately 130 kilometers north-northwest of McKenzie, BC.

(ix) Rapid Property

In April 2008, the Company acquired by staking claims known as the Rapid Property, which covers approximately 383 square kilometers and is located 27 kilometers northeast of the Aspira Property (part of the Sitlika Properties) and 36 kilometers northwest of the town of Fort St. James.

(x) Other Properties

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

(b) Yukon Territory and Saskatchewan

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

7. SHARE CAPITAL

(a) Authorized share capital

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

(b) Issued and outstanding common shares

At March 31, 2009, the Company had 72,739,473 (2008 – 67,739,473) common shares issued and outstanding.

During the year ended March 31, 2008, the Company issued 4,440,000 flow-through common shares for proceeds of $2,442,000 pursuant to the exercise of share warrants. In accordance with certain provisions of the Income Tax Act (Canada) and the flow-through share agreements, the Company spent the total proceeds from this flow-through share issuance on eligible exploration expenses prior to December 31, 2008. The Company has renounced these expenses to the flow-through investors.

In December 2008, the Company arranged a private placement of 5,000,000 units (the "Units") at a price of $0.10 per Unit. Each Unit consisted of one flow-through common share and one non-flow-through warrant. Each warrant is exercisable to purchase one additional common share at a price of $0.10 for a 24 month period. In accordance with the terms of flow-through share agreements, the Company is obligated to spend the proceeds from the flow-through shares on eligible exploration activities by December 31, 2009. Effective December 31, 2008, the Company renounced to the investors the eligible exploration expenses to be incurred with the proceeds from this flow-through share issuance. As of March 31, 2009, approximately $250,000 of the proceeds from this flow-through share issuance remained to be spent.

(Expressed in Canadian Dollars, unless otherwise stated)

(c) *Share purchase option compensation plan*

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

On July 17, 2008, the Company granted 1,828,200 options expiring July 19, 2011, at an exercise price of $0.70 to directors, employees and consultants. As at March 31, 2009, 528,360 options were vested (March 31, 2008 – nil).

The continuity of share purchase options for the year ended March 31, 2009 was:

Expiry date	Exercise price	March 31 2008	Granted	Exercised	Expired/ Cancelled	March 31 2009
July 19, 2011	$ 0.70	–	1,828,200	–	(114,600)	1,713,600
Weighted average exercise price		$ –	$ 0.70	$ –	$ 0.70	$ 0.70

Using an option pricing model with the assumptions noted below, the estimated fair value of all options granted or vesting during the year of 2009, and which have been reflected in the consolidated statements of operations, is as follows:

Transactions	Year ended March 31		
	2009	2008	2007
Exploration			
Engineering	$ 18,796	$ –	$ –
Environmental, socioeconomic and land	3,793	–	–
Geological	75,889	–	–
Exploration	98,478	–	–
Operations and administration	145,583	–	–
Total compensation cost recognized in operations, credited to contributed surplus	$ 244,061	$ –	$ –

(Expressed in Canadian Dollars, unless otherwise stated)

The assumptions used to estimate the fair value of options vesting during the respective periods were as follows:

	Year ended March 31		
	2009	2008	2007
Risk free interest rate	1.96%	–	–
Expected life	3 years	–	–
Expected volatility	83%	–	–
Expected dividends	nil	–	–

(d) *Share purchase warrants*

The continuity of share purchase warrants (each warrant redeemable for one common share) for the year ended March 31, 2009 was:

Expiry date	Exercise Price	March 31 2008	Issued	Exercised	Expired/ Cancelled	March 31 2009
January 17, 2009	$ 0.55	5,700,000	–	–	5,700,000	–
February 9, 2011	$ 0.10	–	5,000,000	–	–	5,000,000
Total		5,700,000	5,000,000	–	5,700,000	5,000,000
Weighted average exercise price		$ 0.55	$ 0.10	$ –	$ 0.55	$ 0.10

The continuity of share purchase warrants for the year ended March 31, 2008 was:

Expiry date	Exercise Price	March 31 2007	Issued	Exercised	Expired/ Cancelled	March 31 2008
January 17, 2009	$ 0.55	10,490,000	–	4,790,000	–	5,700,000
Weighted average exercise price		$ 0.55	$ –	$ 0.55	$ –	$ 0.55

(e) *Contributed surplus*

The components of contributed surplus were:

	March 31 2009	March 31 2008
Fair value of warrants	$ 982,110	$ 982,110
Cumulative stock-based compensation	1,136,978	892,917
Contributed surplus transferred to share capital relating to options exercised	(405,096)	(405,096)
Balance, end of the year	$ 1,713,992	$ 1,469,931

(Expressed in Canadian Dollars, unless otherwise stated)

8. RELATED PARTY BALANCES AND TRANSACTIONS

Balances receivable (payable)	March 31 2009	March 31 2008
Hunter Dickinson Services Inc. (a)	$ 90,140	$ (180,767)
Farallon Minera Mexicana (c)	$ 44,675	$ –
Total	$ 134,815	$ (180,767)

Transactions	Year ended March 31		
	2009	2008	2007
Services rendered and expenses reimbursed:			
Hunter Dickinson Services Inc. (a)	$ 2,658,528	$ 1,603,106	$ 884,888
Interest income on loan:			
Rockwell Diamonds Inc. (b)	$ –	$ 53,629	$ 192,877
Sale of equipment:			
Farallon Minera Mexicana (c)	$ 32,679	$ –	$ –

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

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

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

(c) Farallon Minera Mexicana S.A. de C.V. ("FMM") is a subsidiary of Farallon Resources Ltd., a publicly traded company which has a director in common with the Company. During the year ended March 31, 2009, the Company sold some used equipment with a book value of $18,673 to FMM at market value, for US$30,800 ($32,679). This balance remains recoverable at March 31, 2009.

(Expressed in Canadian Dollars, unless otherwise stated)

9. INCOME TAXES

As at March 31, 2009 and 2008, the estimated tax effects of the significant components within the Company's future income tax assets (liabilities) are as follow:

	March 31 2009	March 31 2008
Future income tax assets (liabilities)		
Resource pools	$ 2,532,000	$ 2,553,000
Loss carry forwards	593,000	1,024,000
Financing expenses	15,000	23,000
Equipment	5,000	–
Subtotal	3,145,000	3,600,000
Valuation allowance	(3,145,000)	(3,600,000)
Net future income tax asset	$ –	$ –

Income tax expense differs from the amount that would result from applying the Canadian federal and provincial tax rates to earnings before income taxes. These differences result from the following items:

	March 31 2009	March 31 2008
Combined Canadian federal and provincial statutory rate	30.75%	33.47%
Income tax at statutory rates	$ (1,571,000)	$ (1,191,000)
Permanent differences	771,000	264,000
Tax rate differences	383,000	830,000
Adjustments of taxes of prior periods	872,000	–
Change in valuation allowance	(455,000)	97,000
	$ –	$ –

At March 31, 2009, the Company had non-capital losses available for Canadian income tax purposes totaling approximately $2.4 million (2008 – $3.9 million) expiring in various periods to 2029.

10. FINANCIAL INSTRUMENTS

a) *Fair Value of Financial Instruments*

The carrying amounts of cash and cash equivalents, amounts receivable, amounts due to/from the related parties and accounts payable and accrued liabilities approximate their fair values due to the short term to maturity of such instruments.

b) Financial Instrument Risk Exposure and Risk Management

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

(i) Credit Risk

The Company's credit risk is primarily attributable to its liquid financial assets. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash and equivalents in high quality investments with major financial institutions and in federal government-backed treasury bills. The Company does not have any financial assets that are invested in asset backed commercial paper.

(ii) Liquidity Risk

The Company ensures that there is sufficient cash in order to meet its short term business requirements, after taking into account the Company's holdings of cash and cash equivalents. The Company's cash and equivalents are invested in business accounts, commercial paper and treasury bills, which are immediately available on demand for the Company's use.

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

(iii) Price Risks

The significant price risk exposures to which the Company is exposed are foreign exchange risk, interest rate risk and commodity price risk.

<u>Foreign exchange risk</u>

The Company incurs substantially all of its expenditures in Canada and a significant portion of its cash and cash equivalents are denominated in Canadian dollars ("CAD"). The Company is exposed to foreign exchange risk to the extent of exchange rate fluctuation and a resultant change in the value of its cash and cash equivalents held in US dollars ("USD") and Mexican pesos ("MXN").

The exposure of the Company's financial assets to foreign exchange risk is as follows:

Expressed in CAD equivalents	March 31 2009	March 31 2008
Financial assets		
United States dollars	$ 117,878	$ 946,129
Mexican pesos	37,072	40,235
Total financial assets	$ 154,950	$ 986,364

Substantially all of the Company's liabilities are denominated in Canadian dollars.

The Company currently does not engage in foreign currency hedging.

The following significant exchange rates applied during the year:

	2009	2008
Canadian dollars per United States dollar		
Closing rate at December 31	1.2613	1.0265
Average rate during the year	1.1274	1.0322
Mexican Peso per Canadian dollar		
Closing rate at December 31	11.227	10.341
Average rate during the year	10.641	10.556

Interest rate risk

The Company is subject to interest rate price risk with respect to its investments in cash equivalents. In order to The Company's policy is to invest cash in fixed rate financial instruments having maturity dates of three months or less from the date of acquisition and cash reserves are to be maintained in cash equivalents in order to maintain liquidity, while achieving a satisfactory return for shareholders. Changes in market interest rates have a direct effect on the fair value of cash equivalents.

Market risk

The Company is not subject to interest rate price risk with respect to any of its financial instruments.

YEAR ENDED MARCH 31, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS

AMARC RESOURCES LTD.
YEAR ENDED MARCH 31, 2009
MANAGEMENT'S DISCUSSION AND ANALYSIS

1.1 Date

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the audited consolidated financial statements of Amarc Resources Ltd. ("Amarc", or the "Company") for the year ended March 31, 2009 and the audited consolidated financial statements for the year ended March 31, 2008, which are publicly available on SEDAR at www.sedar.com.

This MD&A is prepared as of July 15, 2009. All dollar figures stated herein are expressed in Canadian dollars, unless otherwise specified.

In recent months, the deterioration of global economic conditions has resulted in a significant weakening of base metal prices and high volatility in exchange traded commodity prices. The deterioration in credit market conditions has also increased the cost of obtaining capital and limited the availability of funds. In these conditions, it is difficult to forecast metal prices and customer demand for such products.

We are continuing to actively monitor the effects of the current economic and credit conditions on our business and reviewing our discretionary capital spending, projects, and operating costs and implementing appropriate cash management strategies.

This discussion includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical facts, that address future production, reserve potential, exploration drilling, exploitation activities and events or developments that the Company expects are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

1.2 Overview

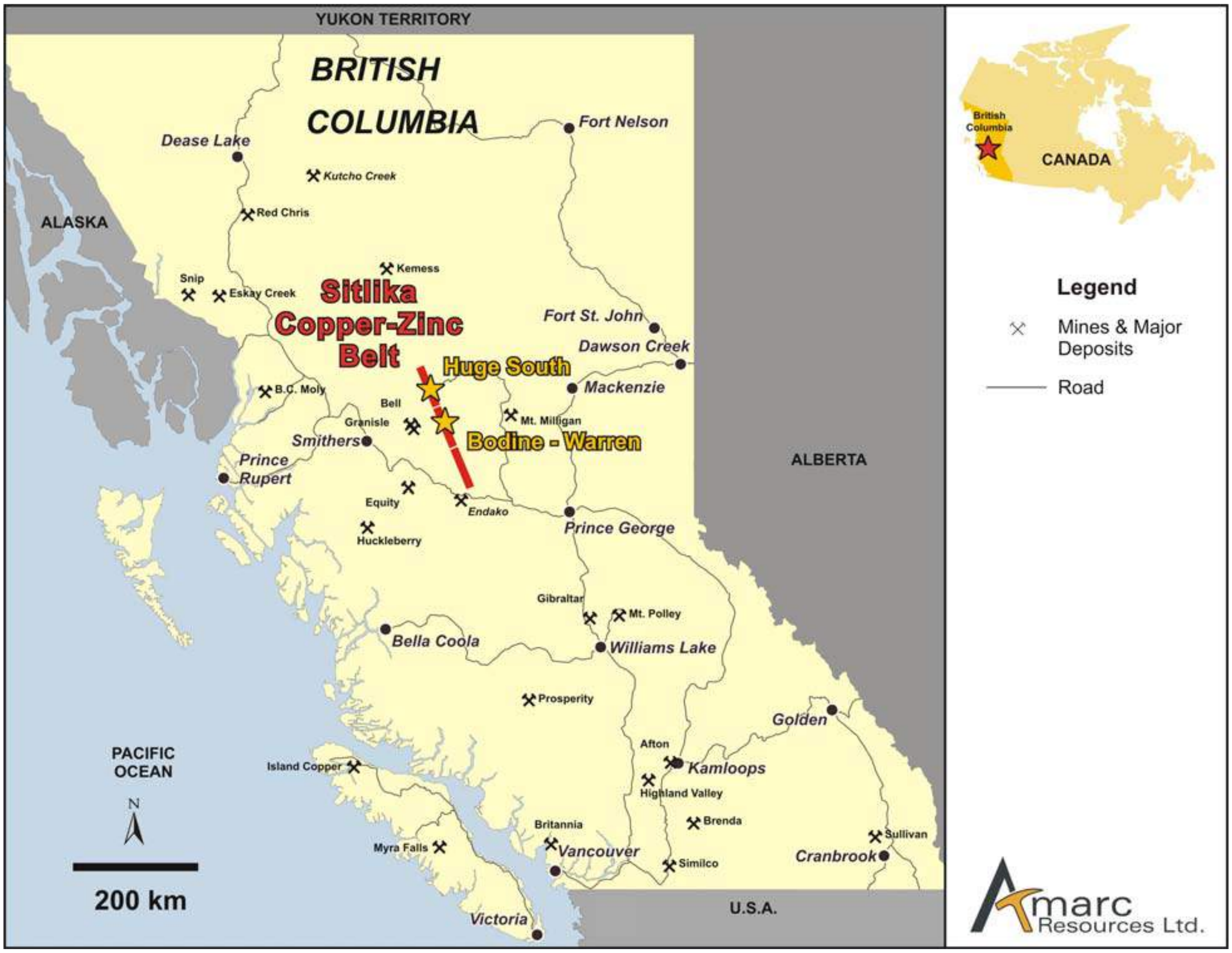
Amarc is actively working to make a major mineral deposit discovery with the potential to deliver both substantial value and growth to the Company. In order to achieve its objective, the Company has assembled a capable and experienced mineral exploration team.

In recent times Amarc has focused its efforts in two areas: grassroots exploration in British Columbia ("BC") and property evaluations from favorable mining jurisdictions around the world.

The Company's BC-focused grassroots stage geological, geochemical and geophysical exploration programs over the past four years have primarily been directed towards discovering bulk tonnage gold-copper deposits and high value base metals deposits. Positive results from Amarc's extensive 2007 BC regional programs in the underexplored and highly prospective Sitlika Zinc-Copper Belt were the focus of exploration activities in 2008. Selected targets will be further advanced by the Company in 2009 and others will be put out for potential joint venture.

The Sitlika Copper-Zinc Belt

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



In December 2006 Amarc acquired, by staking and option agreement, exploration properties covering an area of approximately 1,100 square kilometers along the Sitlika Belt. Later staking increased its tenure position to approximately 2,000 square kilometers. Following exploration programs that have resulted in targets being defined and prioritized, Amarc has reduced its land holdings to focus on approximately 258 square kilometers.

The Sitlika Belt is underlain by gossanous metasedimentary and metavolcanic rocks of the Sitlika assemblage. The area was the subject of a focused geological mapping initiative by the BC Ministry of Energy and Mines (Schiarizza and Payie, 1997), the results of which indicate that the Sitlika rocks have the potential to host volcanogenic massive sulphide ("VMS") deposits. In addition, the Sitlika rocks are considered to correlate with the Kutcho Creek Formation, located 250 kilometers to the north, which host the Kutcho Creek VMS deposits. The Kutcho deposits have reported a measured and indicated resource of 10.4 million tonnes grading 2.1% copper, 2.9% zinc, 0.3 g/t gold and 32 g/t silver (Capstone Mining Corp.).

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

As a result of positive exploration results from the 2007 and work early in the following season, $4.5 million was spent on the Sitlika Belt programs in 2008. Since 2007, approximately $10 million has been spent on the BC initiative, including approximately $6.8 million on the Sitlika Belt.

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

Exploration work in the 2008 field season focused on targets definition in 17 priority areas identified in 2007, and included the collection of approximately 20,000 soils samples, 500 silt and rock geochemical samples, and completion of 80 line-kilometers of IP, over 1,000 line-kilometers of helicopter-borne AeroTem II magnetic geophysical surveys and approximately 4,600 meters of diamond drilling. Three outstanding copper and/or zinc mineral deposit targets were indentified – the Bodine-Warren, Huge South and Big Time plays.

The **Bodine Project** is located in the central part of the Sitlika Belt. Initial reconnaissance by Amarc geologists identified massive to semi-massive sulphide mineralization in outcrop. Channel samples returned encouraging grades of 1.79% and 1.37% copper over 2.9 meters and 2.4 meters, respectively.

As of the date of this MD&A, the Company had increased its land position within the Bodine Project area by approximately 23 square kilometers to total approximately 217 square kilometers.

The prospective **Bodine-Warren** target was identified through geological mapping, 34 line-kilometers of IP and ground magnetic geophysical surveys and soil sampling over a 5-kilometer by 1.5-kilometer grid completed in 2007. The soil grid delineated a copper-zinc anomaly over an area of 2,000 meters long by 700 meters wide with copper concentrations ranging from 75 parts per million (ppm) to 1,747 ppm and zinc concentrations of 150 ppm to 2,102 ppm.

An additional infill program, comprising approximately 1,600 soil geochemical samples, were collected over the Bodine-Warren target during the 2008 field season to assist in the delineation of drill targets. A 2,200-meter diamond drilling campaign has been completed on the target. Drilling intercepted thick sequences of favorable felsic volcanic rocks confirming the presence of a permissive environment for volcanogenic massive sulphide mineralization. Strong alteration was found associated with significant intervals of disseminated to stringer-like zones of sulphide mineralization that returned strongly anomalous zinc and copper values. However, no economic mineralization was encountered.

The **Huge South** target is also located within the Bodine Project area. It is hosted by a thick felsic volcanic pile that extends over at least eight kilometers and represents a classic environment for VMS type mineralization. The Huge South target was initially identified during the 2007 field season from approximately 196 silt geochemical samples and 232 stream bank soil geochemical samples. Target delineation soil geochemical sampling during the 2008 field season defined a strong copper-in-soil anomaly, extending over a length of almost five kilometers. The anomaly remains open to both the northwest and to the southeast. Anomalous gold and zinc concentrations are associated with the copper anomaly. Results from an initial 6 line-kilometers of induced polarization geophysical survey show a northwest trending chargeability high that is broadly coincident with the significant copper-in-soil anomaly. Further target definition is planned to test the Huge South play in the 2009 field season.

The **Big Time** target, although located within the Bodine Project area, represents a variation away from the typical Sitlika Belt geological environment and deposit type. At Big Time, the one-kilometer by one-kilometer, open-ended, multi-element anomaly has strong porphyry copper-molybdenum affinity with significant gold and silver. To test this high priority porphyry copper-molybdenum deposit target, additional definition work, including geological mapping, soil sampling and an induced polarization geophysical survey, will be conducted. Drilling is planned to follow in 2009.

Bodine Property Agreement

In November 2006, Amarc reached an option agreement with an arm's length party to acquire a 100% undivided interest in the Bodine property. Amarc can acquire its interest in the Bodine property by making staged cash payments totaling $225,000 and expending $2,000,000 on the property over four years. The Company has paid $125,000 in property option payments for Bodine to date. The property is subject to a 3% net smelter royalty, 2% of which may be purchased at the Company's sole discretion for $2,000,000 with the remaining 1% subject to a right of first refusal in favor of the Company. Annual advance royalty payments of $50,000 will be required from the fifth year of the agreement to the fifteenth year of the agreement.

Falkirk Property Agreement

In July 2009, Amarc reached an agreement with Falkirk Resources Corp. ("Falkirk") to explore the Big Time property. Under the terms of the Agreement, Falkirk has the right to earn a 50% interest in the Big Time property by issuing 200,000 shares to Amarc and funding $900,000 in exploration expenditures before December 31, 2009. Amarc will act as the operator. On exercise of the option by Falkirk, the two parties will enter into a joint venture agreement. The Agreement is subject to the underlying Bodine Property Agreement.

Pinchi Belt Gold Properties

Amarc currently holds a land position of approximately 10 square kilometers along the Pinchi Belt, located to the east of the Silika Copper-Zinc Belt.

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

The Company performed airborne and ground-based geophysical surveys and grid-based geochemical surveys during the 2007 field season. Four targets were followed-up in 2007. During the 2008 field season, approximately 1,200 soil geochemical samples were collected from the Grand and Grand North targets. Subsequent to a review of these results and those from the 2007 field season, the Company has decided to retain only the Grand and the Petite claims. Currently, no work is planned on either the Grand or Petite plays in 2009.

The costs incurred on the Pinchi program to date total approximately $474,000.

Carbonate Zinc Belt

In 2007, Amarc acquired by staking approximately 250 square kilometers along a belt located some 130 kilometers north-northwest of McKenzie, BC. The land position has been reduced to approximately 105 square kilometers.

Paleozoic dolomite, limestone and other calcareous sedimentary rocks belonging to various formations, including the Pine Point Formation, underlie the belt. These formations are prospective for Pine Point–Mississippi Valley type Carbonate Hosted Zinc deposits. The historical Pine Point deposits hosted mineral reserves of 64.3 million tonnes grading 7% zinc and 3% lead.

A desk-top analysis of available data resulted in seven targets being selected for follow-up in the field in 2008. Only one of these targets, the Zap play, was eventually followed-up in the field. No work is planned on these properties in 2009.

The cost of the Carbonate Zinc Belt program to date is approximately $126,000.

The Rapid Property

In April 2008, Amarc staked the **Rapid Property,** which covered approximately 400 square kilometers of anomalous copper-zinc-silver geochemical values in stream sediments reported in a release by Geoscience BC. The land position has since been reduced to approximately 13 square kilometers.

The Rapid property is located 36 kilometers northwest of the town of Fort St. James. Access to the site is by a network of forestry roads.

An airborne magnetic geophysical survey carried out in the early part of the 2008 season was followed up by focused geological mapping, collection of 2,840 geochemical soil samples and completion of approximately 34 line-kilometers of induced polarization geophysical surveys. Currently, no further work is planned on these properties in 2009.

The cost of the programs to date is approximately $576,000.

Other BC Agreements

The Pond Property Agreement

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

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

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

The Tulox Property Agreement

The **Tulox** property, located in the Cariboo region and comprising 252 square kilometers, was acquired during 2005 to 2007. The Tulox property is underlain by Mesozoic volcanic and sedimentary rocks that have been intruded by Mesozoic intrusive rocks. These rocks have been overlain by Cenozoic volcanic and pyroclastic rocks. The Tulox property is anomalous in gold and gold indicator elements.

In April 2009, Amarc entered into an option agreement with Tulox Resources Inc. ("Tulox", formerly named Sitec Ventures Corp.), on its Tulox Property, subject to certain conditions. Tulox can acquire a 100% interest in the Tulox Property by making a cash payment of $10,000, expending $2,000,000 on the Tulox Property and issuing 2,700,000 common shares over four years. Tulox has made a $10,000 cash payment and issued 250,000 common shares to date. Upon preparation of a Preliminary Assessment or a Prefeasibility Study, Amarc may exercise a one-off Back-In Right to obtain 60% interest in the Tulox Property by completing an additional $10 million of Mineral Exploration Expenditures on the Property. The Tulox Property is subject to a 3% net smelter royalty, which is reduced to 1.2% in the event that the Back-In Right is exercised by Amarc.

Other Property Interests – BC, Yukon, Saskatchewan

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

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

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

The Company has no plans to undertake any programs on these properties in 2009.

Market Trends

Copper prices had been on an overall upward trend between late 2003 and October 2008, but have decreased significantly since then as a result of uncertainties in global financial markets. In mid-2008, the copper market deficit, caused by strong demand growth and struggling production and a lack of new development projects, reached its peak. The average price in 2008 was US$3.15/lb, compared to an average price of US$3.22/lb in 2007. There was an unprecedented 70% drop in prices over the six months from July to December 2008.

Copper prices stabilized in January 2009, then began to increase. Prices have been in the US$2.00/lb range since early April. The average copper price in 2009 to June 12 is US$1.79/lb.

Zinc prices in 2008 ranged from a high $1.29/lb in March to a low of $0.50/lb in October, and averaged US$0.80/lb for the year. Prices stabilized in January 2009, and have averaged approximately US$0.59/lb in 2009 to the date of this MD&A.

Gold prices were volatile in late 2008, dropping below $800/oz for a two-week period in September, and again from mid-October through November. The average gold price for 2008 was US$871/oz. As global economic and other market conditions are uncertain, market experts have forecast strong gold prices through 2009. Prices in 2009 to the date of this management discussion have averaged US$913/oz.

1.3 Selected Annual Information

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles, and are expressed in Canadian dollars.

	As at March 31		
	2009	**2008**	**2007**
Current assets	$ 3,372,621	$ 7,963,247	$ 8,742,826
Mineral property interests	4	4	–
Equipment	54,091	20,369	25,462
Total assets	3,426,716	7,983,620	8,768,288
Current liabilities	33,339	225,144	78,012
Shareholders' equity	3,393,377	7,758,476	8,690,276
Total shareholders' equity & liabilities	3,426,716	7,983,620	8,768,288
Working capital	$ 3,339,282	$ 7,738,103	$ 8,664,814

	Years ended March 31		
	2009	**2008**	**2007**
Expenses (Income)			
Amortization	21,704	$ 5,092	$ 6,366
Exploration	4,619,185	3,066,939	1,033,060
Legal, accounting and audit	37,120	55,162	33,465
Management and consulting	58,464	48,795	54,714
Office and administration	178,078	183,842	150,163
Salaries and benefits	208,906	257,060	229,024
Shareholder communication	122,932	72,860	51,857
Travel and conference	53,960	96,425	70,798
Trust and filing	25,915	26,903	18,719
Foreign exchange loss (gain)	(218,818)	138,026	(38,098)
Interest income and other	(309,149)	(315,812)	(333,737)
Interest on flow-through shares	80,809	–	–
Loss (gain) on sale of equipment	(14,007)	–	1,678
Write down of mineral property interest	–	–	98,429
Subtotal	4,865,099	3,635,292	1,376,438
Stock-based compensation expense (recovery)	244,061	–	–
Gain on sale of marketable securities	–	(68,992)	–
Net loss for the year	**$ (5,109,160)**	**$ (3,566,300)**	**$ (1,376,438)**
Basic and diluted loss per share	$ (0.07)	$ (0.06)	$ (0.03)
Weighted average number of common shares outstanding	68,465,500	63,343,763	54,557,473

1.4 Summary of Quarterly Results

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

	Mar 31 2009	Dec 31 2008	Sept 30 2008	June 30 2008	Mar 31 2008	Dec 31 2007	Sept 30 2007	June 30 2007
Current assets	3,373	2,025	4,054	6,697	7,963	5,991	6,901	8,232
Other assets	54	60	65	90	20	22	22	24
Total assets	3,427	2,085	4,119	6,787	7,984	6,013	6,923	8,256
Current liabilities	34	132	1,040	498	225	40	383	91
Shareholders' equity	3,393	1,953	3,079	6,289	7,758	5,973	6,540	8,165
Total liabilities & shareholders' equity	3,427	2,085	4,119	6,787	7,984	6,013	6,923	8,256
Working capital	3,339	1,893	3,014	6,199	7,738	5,951	6,517	8,141
Expenses								
Amortization	6	6	6	4	1	1	1	1
Exploration	301	1,515	2,974	1,264	489	443	1,667	467
Tax credits received	(1,435)	–	–	–	–	–	–	–
Legal, accounting and audit	31	2	(4)	8	27	21	3	3
Management and consulting	2	17	28	12	–	18	7	24
Office and administration	35	39	50	55	49	37	44	54
Salaries and benefits	(97)	107	123	76	56	78	75	48
Shareholder communication	(78)	44	96	61	20	21	19	13
Travel and conference	9	8	18	18	86	5	4	3
Trust and filing	10	9	5	1	11	7	8	1
Subtotal	(1,217)	1, 747	3,297	1,500	741	631	1,827	614
Foreign exchange loss (gain)	(6)	(177)	(41)	5	(34)	1	83	89
Gain on disposal of equipment		–	(14)	–	–	–	–	–
Interest income	(232)	(9)	(32)	(36)	(50)	(64)	(93)	(109)
Tax related to flow-through financing	16	65	–	–	–	–	–	–
Subtotal	(1,440)	1,626	3,211	1,469	656	568	1,817	594
Stock-based compensation	39	11	194	–	–	–	–	–
Gain on sale of marketable securities	–	–	–	–	–	–	–	(69)
Net loss (gain) for the period	**$ (1,401)**	**$ 1,637**	**$ 3,405**	**$ 1,469**	**$ 656**	**$ 568**	**$ 1,817**	**$ 525**
Basic and diluted net loss (profit) per share	$ (0.02)	$ 0.02	$ 0.05	$ 0.02	$ 0.01	$ 0.01	$ 0.03	$ 0.01
Weighted average number of common shares outstanding (thousands)	70,684	67,848	67,739	67,739	63,923	63,299	63,204	62,949

1.5 Results of Operations

The net loss for the year ended March 31, 2009 increased to $5,109,160 compared to a net loss of $3,566,300 for the previous year. The increase in loss was mainly due to an increase in exploration activities in current year compared to the previous year.

During the year ended March 31, 2009, exploration expenses were credited for $ 1,435,072 in respect of a Mineral Exploration Tax Credit ("METC–BC") received (see section 1.7 below). There was no such credit recorded in the prior year.

Exploration expenses, before METC–BC, for the year ended March 31, 2009 increased to $ 6,054,257, compared to $3,066,939 for the previous year. This increase was due to a greater number of exploration programs being carried out in British Columbia. The major exploration expenditures during the year were geological (2009 – $2,535,996; 2008 – $1,721,493), drilling (2009 – $806,590; 2008 – $nil), helicopter (2009 – $600,495; 2008 – $391,877), assay and analysis (2009 – $596,349; 2008 – $283,281), site activities (2009 – $489,674; 2008 – $372,491) and engineering (2009 – $370,780; 2008 – $7,581).

The major administrative costs during the year were salaries and benefits (2009 – $208,960; 2008 – $257,060), office and administration (2009 – $178,078; 2008 – $183,842), conference and travel (2009 – $53,960; 2008 – $96,425), management and consulting (2009 – $58,464; 2008 – $48,795), and shareholder communication (2009 – $122,932; 2008 – $72,860).

Stock-based compensation expense of $244,061 was charged to operations during fiscal 2009, compared to nil for fiscal 2008

Interest and other income decreased to $309,149 for fiscal 2009 compared to $315,812 for the previous year. Interest and other income in 2009 and 2008 mainly consisted of interest on METC-BC and input tax credit, and interest earned on a $5,500,000 loan to Rockwell Diamonds Inc., respectively.

During the year ended March 31, 2009, the Company paid $80,809 on account of tax on flow-through financing. There was no such tax recorded during the prior year.

There was a gain of $14,007 on sale of equipment to a related party during the fiscal year of 2009. There was no gain on the sale of equipment during the prior year.

A foreign exchange gain of $218,818 was recorded during the year ended March 31, 2009, compared with a loss of $138,026 in the previous year. The gain was due primarily to appreciation in value of the Company's US dollar assets, mainly held in cash and cash equivalents, against the Canadian dollar.

1.6 Liquidity

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

At March 31, 2009, the Company had working capital of approximately $3.3 million, compared to working capital of $7.7 million as at March 31, 2008. The Company's current working capital is sufficient to fund its known commitments.

The Company will continue to advance its exploration projects, but in light of current market conditions will remain prudent and disciplined in its approach in doing so, by finding the right balance between advancing the projects and preserving its cash.

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

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

Operating activities

Cash used in operating activities was $5,168,546 in fiscal year 2009, compared to $3,652,198 for the previous year. Cash used in operating activities was attributable primarily to exploration programs carried out on its British Columbia mineral properties. The Company anticipates continuing to use its cash to carry out its exploration programs.

Investing activities

Cash used in investing activities was $74,097 in the fiscal year 2009, compared to cash flow from investing activities of $5,815,499 in the previous year. Cash used in investing activities during the current year represents the purchase of equipment. Cash inflow from investing activities in the prior year resulted from the repayment of the Company's advancing $5,500,000 to Rockwell Ventures Inc. (a public company with certain directors in common with the Company) pursuant to a 90-day promissory note.

Financing activities

Cash flows from financing activities were $500,000 in fiscal year 2009, compared to cash flows of $2,634,500 for the previous year. Cash flows from financing activities in the current year were attributable to cash received from private placement. The cash received from financing activities in the prior year was from the share issuance pursuant to exercise of warrants.

Requirement for financing

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

1.7 Capital Resources

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

The Company received $1.4 million in cash from the BC METC program in 2009. The METC initiative was introduced by the BC Government to stimulate new economic activity in the province and includes an enhanced credit for mineral exploration in areas affected by the mountain pine beetle infestation.

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

1.8 Off-Balance Sheet Arrangements

None.

1.9 Transactions with Related Parties

The required disclosure is provided in note 8 of the accompanying audited financial statements as at and for the year ended March 31, 2009.

1.10 Fourth Quarter

The net profit for the fourth quarter of fiscal 2009 was $1,401,149, compared to a net loss of $1,636,586 in the third quarter of the year, primarily due to the following items recorded in the fourth quarter of fiscal 2009:

- Mineral Exploration Tax Credit of $1.4 million.
- Refund from a related party for $0.3 million in respect of the services provided for calendar year 2008

The net loss for the fourth quarter, before the above items, was $343,163. The discussion and analysis in respect of the fourth quarter of fiscal 2009 in the following paragraphs are based on amounts excluding the above items.

Exploration expenses decreased to $300,935 in the fourth quarter of 2009 from $1,514,785 in the third quarter of the same year due to the timing of exploration expenses.

Interest income increased to $232,000 in the fourth quarter of 2009 from $50,000 in the fourth quarter of 2008, mainly due to the interest on the METC-BC and input tax credit recorded in the fourth quarter.

Tax related to flow-through financing of $15,523 was recorded during the fourth quarter of fiscal 2009, compared to 65,286 in the third quarter to fiscal 2009.

1.11 Proposed Transactions

There are no proposed transactions requiring disclosure under this section.

1.12 Critical Accounting Estimates

Not required. The Company is a venture issuer.

1.13 Changes in Accounting Policies including Initial Adoption

The required disclosure is provided in note 4 of the accompanying audited financial statements as at and for the year ended March 31, 2009.

1.14 Financial Instruments and Other Instruments

The required disclosure is provided in note 10 of the accompanying audited financial statements as at and for the year ended March 31, 2009.

1.15 Other MD&A Requirements

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

1.15.1 Additional Disclosure for Venture Issuers without Significant Revenue

(a) capitalized or expensed exploration and development costs;

> The required disclosure is presented as a schedule to the audited consolidated financial statements for the year ended March 31, 2009.

(b) expensed research and development costs;

> Not applicable.

(c) deferred development costs;

> Not applicable.

(d) general and administration expenses; and

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

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

> None.

1.15.2 Disclosure of Outstanding Share Data

The following table details the share capital structure as at July 15, 2009, the date of this MD&A. These figures may be subject to minor accounting adjustments prior to presentation in future consolidated financial statements.

	Expiry date	Exercise price	Number
Common shares			72,739,473
Warrants	February 9, 2011	$0.10	5,000,000
Options	July 19, 2011	$0.70	1,683,664
Options	April 28, 2012	$0.70	70,000

1.15.3 Internal Controls over Financial Reporting and Disclosure Controls

Internal Controls over Financial Reporting

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

Disclosure Controls and Procedures

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