



AMARC RESOURCES LTD.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED
MARCH 31, 2016, 2015 and 2014

(Expressed in Canadian Dollars)

REPORT OF INDEPENDENT REGISTERED CHARTERED PROFESSIONAL ACCOUNTANTS

To the Shareholders of Amarc Resources Ltd.

We have audited the accompanying financial statements of Amarc Resources Ltd., which comprise the statements of financial position as at March 31, 2016 and 2015 and the statements of loss and comprehensive loss, changes in equity and cash flows for each of the years in the three year period ended March 31, 2016, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Amarc Resources Ltd. as at March 31, 2016 and 2015 and its financial performance and its cash flows for each of the years in the three year period ended March 31, 2016 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 in the financial statements which indicates that the Company is dependent upon its ability to secure new sources of financing to fund on-going exploration and development objectives. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern.



INDEPENDENT REGISTERED CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada

July 22, 2016

Amarc Resources Ltd.

Statements of Financial Position

(Expressed in Canadian Dollars)

	Note	March 31, 2016	March 31, 2015
ASSETS			
Current assets			
Cash and cash equivalents	3	\$ 747,408	\$ 489,150
Amounts receivable and other assets	5	117,406	971,890
Marketable securities		26,404	59,841
		891,218	1,520,881
Non-current assets			
Restricted cash	4	205,028	234,198
		205,028	234,198
Total assets		\$ 1,096,246	\$ 1,755,079
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	7	\$ 22,357	\$ 66,299
Balance due to a related party	10	180,476	212,642
Director's loan	8	1,000,000	1,000,000
		1,202,833	1,278,941
Non-current liabilities			
Director's loan	8	234,849	-
		234,849	-
Total liabilities		1,437,682	1,278,941
Shareholders' (deficiency) equity			
Share capital	9(a)	58,967,910	58,955,410
Reserves		5,357,405	5,068,700
Accumulated deficit		(64,666,751)	(63,547,972)
		(341,436)	476,138
Total liabilities and shareholders' (deficiency) equity		\$ 1,096,246	\$ 1,755,079

Nature of operations and going concern (note 1)

Events after the reporting period (notes 1, 6, and 8)

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

/s/ Robert A. Dickinson

Robert A. Dickinson
Director

/s/ Rene G. Carrier

Rene G. Carrier
Director

Amarc Resources Ltd.

Statements of Loss

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

	Note	Year ended March 31,		
		2016	2015	2014
			(note 2(b))	(note 2(b))
Expenses	10 & 12			
Exploration and evaluation	6	\$ 2,808,395	\$ 4,158,436	\$ 1,217,213
Assays and analysis		119,460	131,856	52,950
Drilling		746,312	726,685	-
Equipment rental		18,806	31,357	8,771
Geological		440,156	921,192	374,551
Helicopter		773,841	947,480	65,285
Property costs and assessments		153,692	554,398	521,048
Site activities		202,373	190,708	95,731
Socioeconomic		328,716	504,608	74,956
Travel and accommodation		25,039	150,152	23,921
Administration		1,288,920	1,477,731	1,306,126
Legal, accounting and audit		83,745	61,450	44,626
Office and administration	12(b)	1,112,622	1,293,768	1,104,938
Shareholder communication		50,355	67,388	102,129
Travel and accommodation		10,229	22,772	23,142
Trust and regulatory		31,969	32,353	31,291
Cost recoveries		(3,102,061)	(880,501)	(122,612)
Pursuant to IKE Option Agreement	6(a)	(3,067,403)	-	-
Mineral exploration tax credits		(34,658)	(880,501)	(122,612)
Share-based payments		-	-	103,004
		995,254	4,755,666	2,503,731
Other items				
Finance income		(10,341)	(38,189)	(68,759)
Finance expenses – director's loans	8	139,606	203,802	-
Finance expenses – other	6(c)	-	-	23,136
Foreign exchange loss		2,183	809	1,937
Derecognition of liabilities of joint venture	6(c)	-	-	(284,717)
Gain on disposition of marketable securities	2(e)(i)	(7,923)	(38,064)	(68,750)
Impairment of marketable securities	2(e)(i)	-	-	48,225
Mineral property interests written off		-	-	2
Loss for the year		\$ 1,118,779	\$ 4,884,024	\$ 2,154,805
Basic and diluted loss per common share		\$ 0.01	\$ 0.04	\$ 0.02
Weighted average number of common shares outstanding		141,406,301	139,357,212	138,644,883

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

Amarc Resources Ltd.

Statements of Comprehensive Loss (income)

(Expressed in Canadian Dollars)

	Note	Year ended March 31,		
		2016	2015	2014
Loss for the year		\$ 1,118,779	\$ 4,884,024	\$ 2,154,805
Other comprehensive loss (income):				
Items that may be reclassified subsequently to profit and loss:				
Revaluation of marketable securities	2(e)(i)	25,415	(3,954)	(25,012)
Reallocation of the fair value of marketable securities upon disposition	2(e)(i)	8,023	38,517	9,875
Impairment of marketable securities	2(e)(i)	-	-	(48,225)
Total other comprehensive loss (income) for the year		33,438	34,563	(63,362)
Comprehensive loss for the year		\$ 1,152,217	\$ 4,918,587	\$ 2,091,443

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

Amarc Resources Ltd.

Statements of Changes in Equity (Deficiency)

(Expressed in Canadian Dollars, except for share information)

	Note	Share capital		Reserves				Total
		Number of shares	Amount	Share-based payments reserve	Investment revaluation reserve	Share warrants reserve	Deficit	
Balance at April 1, 2013		138,624,061	\$ 58,756,410	\$ 2,099,636	\$ 26,041	\$ 2,811,220	\$ (56,509,143)	\$ 7,184,164
Share-based payments	9(c)	-	-	103,004	-	-	-	103,004
Common shares issued – property payment	8	100,000	5,000	-	-	-	-	5,000
Total other comprehensive income		-	-	-	63,362	-	-	63,362
Loss for the year		-	-	-	-	-	(2,154,805)	(2,154,805)
Balance at March 31, 2014		138,724,061	\$ 58,761,410	\$ 2,202,640	\$ 89,403	\$ 2,811,220	\$ (58,663,948)	\$ 5,200,725
Common shares issued – loan bonus	8	2,500,000	187,500	-	-	-	-	187,500
Common shares issued – property payment	9(b)	100,000	6,500	-	-	-	-	6,500
Total other comprehensive income		-	-	-	(34,563)	-	-	(34,563)
Loss for the year		-	-	-	-	-	(4,884,024)	(4,884,024)
Balance at March 31, 2015		141,324,061	\$ 58,955,410	\$ 2,202,640	\$ 54,840	\$ 2,811,220	\$ (63,547,972)	\$ 476,138
Common shares issued – property payment	9(b)	100,000	12,500	-	-	-	-	12,500
Issuance of share purchase warrants	8	-	-	-	-	322,143	-	322,143
Total other comprehensive loss		-	-	-	(33,438)	-	-	(33,438)
Loss for the year		-	-	-	-	-	(1,118,779)	(1,118,779)
Balance at March 31, 2016		141,424,061	\$ 58,967,910	\$ 2,202,640	\$ 21,402	\$ 3,133,363	\$ (64,666,751)	\$ (341,436)

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

Amarc Resources Ltd.
Statements of Cash Flows
(Expressed in Canadian Dollars)

	Note	Year ended March 31,		
		2016	2015	2014
Operating activities				
Loss for the year		\$ (1,118,779)	\$ (4,884,024)	\$ (2,154,805)
Adjustments for:				
Finance income		(10,341)	(38,189)	(68,759)
Finance expenses – director's loans	8	139,606	203,802	23,136
Common shares issued, included in exploration expenses	9(b)	12,500	6,500	5,000
Gain on disposition of marketable securities		(7,923)	(38,064)	(68,750)
Share-based payments		-	-	103,004
Derecognition of liabilities of joint venture	6(c)	-	-	(284,717)
Impairment of marketable securities		-	-	48,225
Mineral property interests written off		-	-	2
Changes in working capital items				
Amounts receivable and other assets		854,483	(767,442)	1,222,357
Restricted cash		29,170	(1,532)	34,136
Accounts payable and accrued liabilities		(43,942)	30,898	2,492
Balances due to related parties		(32,166)	142,703	(52,235)
Net cash used in operating activities		(177,392)	(5,345,348)	(1,190,914)
Investing activities				
Interest received		10,341	38,189	68,759
Proceeds from disposition of AFS financial assets, net		7,923	39,839	68,750
Net cash provided by investing activities		18,264	78,028	137,509
Financing activities				
Net proceeds from director's loans	8	500,000	1,000,000	-
Payments on debenture of a joint venture	6(c)	-	-	(43,136)
Interest paid on director's loans	8	(82,614)	(16,302)	-
Net cash provided by (used in) financing activities		417,386	983,698	(43,136)
Net increase (decrease) in cash and cash equivalents		258,258	(4,283,622)	(1,096,541)
Cash and cash equivalents, beginning of the year		489,150	4,772,772	5,869,313
Cash and cash equivalents, end of the year	3	\$ 747,408	\$ 489,150	\$ 4,772,772
Supplementary cash flow information:				
Other non-cash investing and financing activities:				
Issuance of the Company's equity instruments as loan bonus	8	\$ 322,143	\$ 187,500	\$ -

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

Amarc Resources Ltd.

Notes to the Financial Statements

For the years ended March 31, 2016, 2015 and 2014

(Expressed in Canadian Dollars, unless otherwise stated)

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, and its principal business activity is the acquisition and exploration of mineral properties. Its principal mineral property interests are located in British Columbia ("BC"). The address of the Company's corporate office is 15th Floor, 1040 West Georgia Street, Vancouver, BC, Canada V6E 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 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. As at March 31, 2016, the Company had cash and cash equivalents of \$747,408, a working capital deficit, and a shareholders' deficiency.

During the year ended March 31, 2016, the Company received \$3,000,000 from Thompson Creek Metals Company Inc. ("Thompson Creek") under the IKE Option Agreement (note 6(a)) and \$500,000 from a director of the Company as a loan (note 8). Additionally, after the reporting period and before these Financial Statements were authorized for issuance, the Company received approximately \$2,500,000 from Thompson Creek under the option agreement.

The Company will need to seek additional financing to meet its exploration and development objectives. 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 factors indicate the existence of a material uncertainty that raises significant doubt about the Company's ability to continue as a going concern.

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.

Amarc Resources Ltd.

Notes to the Financial Statements

For the years ended March 31, 2016, 2015 and 2014

(Expressed in Canadian Dollars, unless otherwise stated)

(a) *Statement of compliance*

These Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's reporting year ended March 31, 2016.

The Board of Directors of the Company authorized these Financial Statements on July 22, 2016 for issuance.

(b) *Basis of presentation*

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

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

(c) *Significant accounting estimates and judgments*

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The impact of such estimates is pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Changes in the subjective inputs and assumptions can materially affect fair value estimates. The following estimates and judgements have been used in these Financial Statements:

- assessment of the Company's ability to continue as a going concern;
- the determination of categories of financial assets and financial liabilities; and
- the carrying value and recoverability of the Company's marketable securities.

(d) *Foreign currency*

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

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

Amarc Resources Ltd.

Notes to the Financial Statements

For the years ended March 31, 2016, 2015 and 2014

(Expressed in Canadian Dollars, unless otherwise stated)

(e) *Financial Instruments*

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

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

Non-derivative financial assets

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

(i) *Loans and receivables*

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Loans and receivables comprise of cash and cash equivalents, amounts receivable and other assets, and restricted cash.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position is comprised of cash and highly liquid investments held at major financial institutions, having maturity dates of three months or less from the date of purchase, which are readily convertible into known amounts of cash. The Company's cash and cash equivalents are invested in business and savings accounts which are available on demand by the Company for its programs and as such, are subject to an insignificant risk of change in value.

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

The Company's investments in marketable securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on AFS monetary items, are recognized in other comprehensive income or loss. When an investment is derecognized, the cumulative gain or loss in the investment revaluation reserve is transferred to profit or loss.

The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the exchange rate prevailing at the end of the reporting period. Changes in the fair value of AFS equity investments are recognized directly in equity.

Amarc Resources Ltd.

Notes to the Financial Statements

For the years ended March 31, 2016, 2015 and 2014

(Expressed in Canadian Dollars, unless otherwise stated)

Marketable securities are classified as AFS financial assets.

Non-derivative financial liabilities

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

(i) *Financial liabilities measured at amortized cost*

Such financial liabilities are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

Financial liabilities measured at amortized cost comprise of accounts payable and accrued liabilities, balance due to a related party, and loan payable to director.

Impairment of financial assets

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income or loss are reclassified to profit or loss in the period. Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For shares classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. In respect of AFS equity securities, impairment losses previously recognized through profit or loss are not reversed through profit or loss. Any increase in fair value of AFS equity securities subsequent to an impairment loss is recognized directly in equity.

(f) *Exploration and evaluation expenditures*

Exploration and evaluation costs are costs incurred to discover mineral resources, and to assess the technical feasibility and commercial viability of the mineral resources found.

Amarc Resources Ltd.

Notes to the Financial Statements

For the years ended March 31, 2016, 2015 and 2014

(Expressed in Canadian Dollars, unless otherwise stated)

Exploration and evaluation expenditures include:

- the costs of acquiring licenses;
- costs associated with exploration and evaluation activity; and
- the acquisition costs of exploration and evaluation assets, including mineral properties.

Exploration and evaluation expenditures until the technical feasibility and commercial viability of extracting a mineral resource has been determined, and a positive decision to proceed to development has been made, are generally expensed as incurred. However, if management concludes that future economic benefits are more likely than not to be realized, the costs of property, plant and equipment for use in exploration and evaluation of mineral resources are capitalized.

Costs incurred before the Company has obtained the legal rights to explore an area are expensed. Costs incurred after the technical feasibility and commercial viability of extracting a mineral resource has been determined and a positive decision to proceed to development has been made are considered development costs and are capitalized.

Costs applicable to established property interests where no further work is planned by the Company may, for presentation purposes only, be carried at nominal amounts.

(g) Equipment

Equipment is carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation is provided at rates calculated to expense the cost of equipment, less its estimated residual value, using the declining balance method at various rates ranging from 20% to 30% per annum.

An item of equipment is derecognized upon disposal or when no material future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

Where an item of equipment consists of major components with different useful lives, the components are accounted for as separate items of equipment. Expenditures incurred to replace a component of an item of equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

Residual values and estimated useful lives are reviewed at least annually.

As at March 31, 2016, all equipment had been fully depreciated. The Company did not purchase any equipment during the year ended March 31, 2016.

Amarc Resources Ltd.

Notes to the Financial Statements

For the years ended March 31, 2016, 2015 and 2014

(Expressed in Canadian Dollars, unless otherwise stated)

(h) *Share capital*

Common shares are classified as equity. Transaction costs directly attributable to the issuance of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects.

When the Company issues common shares for consideration other than cash, the transaction is measured at fair value based on the quoted market price of the Company's common shares on the date of issuance.

(i) *Loss per share*

Loss per share is computed by dividing losses attributable to common shareholders by the weighted average number of common shares outstanding during the reporting period. Diluted loss per share is determined by adjusting the losses attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares, such as options granted to employees. The dilutive effect of options assumes that the proceeds to be received on the exercise of share purchase options are applied to repurchase common shares at the average market price for the reporting period. Share purchase options are included in the calculation of dilutive earnings per share only to the extent that the market price of the common shares exceeds the exercise price of the share purchase options.

The effect of anti-dilutive factors is not considered when computing diluted loss per share.

(j) *Share-based payments*

The share purchase option plan allows Company employees and consultants to acquire shares of the Company. The fair value of share purchase options granted is recognized as an employee or consultant expense with a corresponding increase in share-based payments reserve in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

For employees, fair value is measured at the grant date and each tranche is recognized on a straight-line basis over the period during which the share purchase options vest. The fair value of the share purchase options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the share purchase options were granted. At the end of each financial reporting period, the amount recognized as an expense is adjusted to reflect the actual number of share purchase options that are expected to vest.

Share-based payment transactions with non-employees are measured at the fair value of the goods or services received. However, if the fair value cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the entity obtains the goods or the counterparty renders the service.

(k) *Income taxes*

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

Amarc Resources Ltd.

Notes to the Financial Statements

For the years ended March 31, 2016, 2015 and 2014

(Expressed in Canadian Dollars, unless otherwise stated)

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

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

The following temporary differences are not provided for:

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

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

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

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

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

(1) Restoration, rehabilitation, and environmental obligations

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

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

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

Amarc Resources Ltd.

Notes to the Financial Statements

For the years ended March 31, 2016, 2015 and 2014

(Expressed in Canadian Dollars, unless otherwise stated)

The Company has no material restoration, rehabilitation and environmental obligations as at March 31, 2016.

(m) Operating segments

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

(n) Government assistance

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

(o) Accounting standards, interpretations and amendments to existing standards

Accounting standards issued but not yet effective

Effective for annual periods beginning on or after January 1, 2016:

- Amendments to IAS 1, Presentation of Financial Statements
- Amendments to IAS 16, Property, Plant and Equipment
- Amendments to IAS 27, Separate Financial Statements
- Amendments to IAS 28, Investments in Associates
- Amendments to IAS 38, Intangible Assets
- Amendments to IFRS 10, Consolidated Financial Statements
- Amendments to IFRS 11, Joint Arrangements
- Annual improvements to IFRS 2012 – 2014 Cycle ("AIP 2012-2014")

Effective for annual periods beginning on or after January 1, 2018:

- IFRS 9, Financial Instruments
- IFRS 15, Revenue from Contracts with Customers

Effective for annual periods beginning on or after January 1, 2019:

- IFRS 16, Leases

The Company has not early adopted these new standards or amendments to existing standards and does not expect the impact of these standards on the Company's financial statements to be material.

Amarc Resources Ltd.

Notes to the Financial Statements

For the years ended March 31, 2016, 2015 and 2014

(Expressed in Canadian Dollars, unless otherwise stated)

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.

5. AMOUNTS RECEIVABLE AND OTHER ASSETS

	March 31, 2016	March 31, 2015
Current		
Value added taxes refundable	\$ 15,991	\$ 30,426
Prepaid insurance	-	61,464
British Columbia Mineral Exploration Tax Credits (BC-METC)	-	880,000
Other receivable (note 6(a))	101,415	-
Total current	\$ 117,406	\$ 971,890

6. EXPLORATION AND EVALUATION EXPENSES AND COST RECOVERIES

(a) Fiscal Year Ending March 31, 2016

During the year ended March 31, 2016, the Company's mineral exploration and evaluation activities were primarily focused on its IKE Project located approximately 45 kilometres northwest of BC's historical mining communities of Gold Bridge and Bralorne and is comprised of the IKE and the Granite, Juno and Galore District Properties (collectively the "IKE Project"). At March 31, 2016, subject to certain third party royalty interests, the Company had a 100% interest in the IKE (which was acquired under an option agreement (note 6(b)), Granite and Juno properties, and had the right to acquire a 70% interest in the Galore property; by way of a new agreement negotiated after the reporting period, the Company can acquire a 100% interest in the Galore property.

Cost recoveries

In September 2015 the Company announced that it has entered into an agreement (the "IKE Option Agreement") with Thompson Creek Metals Company Inc. ("Thompson Creek") pursuant to which Thompson Creek may acquire, through a staged investment process within five years, a 30% ownership interest ("Stage 1 Option") in mineral claims and crown grants covering the IKE copper-

Amarc Resources Ltd.

Notes to the Financial Statements

For the years ended March 31, 2016, 2015 and 2014

(Expressed in Canadian Dollars, unless otherwise stated)

molybdenum-silver porphyry deposit and the surrounding district. Under the terms of the IKE Option Agreement, Thompson Creek also has an option 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 IKE Option Agreement, Thompson Creek can earn an initial 30% interest in the Project under a Stage 1 Option by funding, via the Company in its capacity as project operator, \$15 million of expenditures before December 31, 2019 (\$3.0 million received). In addition to the funds received from Thompson Creek during the year, the Company incurred an additional \$101,415 in exploration expenditures under the IKE Option Agreement that were funded by Thompson Creek after the reporting period; these additional expenditure were recorded in other receivable (note 5).

For each \$5 million (the first \$5 million of funding completed after the reporting period) 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.

(b) Fiscal Year Ending March 31, 2015

During the year ended March 31, 2015, the Company incurred sufficient mineral exploration and evaluation expenses to satisfy the minimum total expenditure requirement under a mineral property option agreement for the IKE property signed between the Company and Oxford Resources Inc. ("Oxford") in December 2013, when Oxford's interest in the IKE property was represented by an underlying option agreement between Oxford and two private third parties. In July 2014, Oxford assigned its rights in the underlying option agreement to Amarc for a cash consideration of \$40,000.

In June 2015, the Company satisfied all other earn-in conditions of the underlying options agreement, including issuance of common shares (note 9(b)) to the underlying optioners.

(c) Fiscal Year Ending March 31, 2014

During the year ended March 31, 2014, the Company recognized a gain of \$284,717 upon termination of Galaxie joint venture, as the Company was released from all of its obligations under the terminated joint venture agreement. During the year ended March 31, 2014 and before the termination of the joint venture, the Company paid \$ \$43,136 for its proportionate share of payments due on the joint venture's debenture.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2016	March 31, 2015
Accounts payable	\$ 20,497	\$ 11,115
Accrued liabilities	1,860	55,184
Total	\$ 22,357	\$ 66,299

Amarc Resources Ltd.

Notes to the Financial Statements

For the years ended March 31, 2016, 2015 and 2014

(Expressed in Canadian Dollars, unless otherwise stated)

8. DIRECTOR'S LOANS

Summary

Balance, April 1, 2014 and 2013	\$	-
Loan advanced ⁽ⁱ⁾		1,000,000
Balance, March 31, 2015		1,000,000
Net amount advanced during the year ⁽ⁱⁱ⁾		500,000
Deferred financing cost ⁽ⁱⁱ⁾		(322,143)
Amortisation of deferred financing cost during the year		56,992
Balance, March 31, 2016	\$	1,234,849

Unsecured loans payable to a director	March 31, 2016	March 31, 2015
Director's Loan – current ⁽ⁱ⁾	\$ 1,000,000	\$ 1,000,000
Director's Loan – non-current ⁽ⁱⁱ⁾	234,849	-
Total loans payable to director	\$ 1,234,849	\$ 1,000,000

- (i) This loan, when originally advanced in November 2014, was subject to interest at a rate of prime plus 2% per annum and had a due date of November 2015, which was extended for two additional terms of six months each, first to May 2016 for a 7% per annum fixed interest rate and then to November 2016 for a 9% per annum fixed interest rate for the additional terms. Pursuant to this loan, during the year ended March 31, 2015, the Company issued 2,500,000 of its common shares to the lender with the fair value of \$187,500, determined with reference to the quoted market price of the shares on the date of issuance.
- (ii) This loan bears interest at 7% per annum and matures in September 2017. Pursuant to this loan, during the year ended March 31, 2016, the Company issued 5,555,555 share purchase warrants to the lender with the fair value of \$322,143, determined using the Black Scholes option pricing model and based on the following assumptions: risk-free rate of 0.51%; expected volatility of 130%; expected life of 2 year; share price of Cdn\$0.09 and dividend yield of nil.

Finance expenses – director's loan	Year ended March 31,		
	2016	2015	2014
Interest	\$ 82,614	\$ 16,302	\$ -
Amortization of deferred finance cost	56,992	187,500	-
Total	\$ 139,606	\$ 203,802	\$ -

9. CAPITAL AND RESERVES

(a) Authorized share capital

The Company's authorized share capital consists of an unlimited number of common shares without par value and an unlimited number of preferred shares. All issued common shares are fully paid. No preferred shares have been issued.

Amarc Resources Ltd.

Notes to the Financial Statements

For the years ended March 31, 2016, 2015 and 2014

(Expressed in Canadian Dollars, unless otherwise stated)

(b) Issuance of common shares

Pursuant to a mineral property agreement in respect of the IKE property (note 6), the Company issued 100,000 common shares with an estimated fair value of \$12,500 during the year ended March 31, 2016 (year ended March 31, 2015 – 100,000 common shares issued with an estimated fair value of \$6,500; year ended March 31, 2015 – 100,000 common shares issued with an estimated fair value of \$5,000).

During the year ended March 31, 2015, the Company issued 2,500,000 of its common shares as a loan bonus (note 8).

(c) Share purchase option compensation plan

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

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

Share purchase options (exercise price - \$0.32)	Year ended March 31,		
	2016	2015	2014
Outstanding - beginning of year	3,051,300	5,155,900	5,438,600
Forfeited	-	(32,100)	(282,700)
Expired	-	(2,072,500)	-
Outstanding - end of year	3,051,300	3,051,300	5,155,900
Exercisable - end of year	3,051,300	3,051,300	5,155,900

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

As at March 31, 2016, the outstanding options had remaining contractual life of 0.5 years (March 31, 2015 - 1.5 years).

(d) Share Purchase Warrants

At March 31, 2016, there were 5,555,555 outstanding share purchase warrants of the Company; these warrants were issued as a loan bonus (note 8) and are exercisable at a price of \$0.09 per warrant on or before September 24, 2017. No share purchase warrants were issued during the year ended March 31, 2015 and March 31, 2014.

Amarc Resources Ltd.

Notes to the Financial Statements

For the years ended March 31, 2016, 2015 and 2014

(Expressed in Canadian Dollars, unless otherwise stated)

10. RELATED PARTY TRANSACTIONS

(a) Transactions with key management personnel

Key management personnel ("KMP") 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 all directors of the Company.

Transactions with key management personnel were as follows:

	Year ended March 31,		
	2016	2015	2014
Directors fees paid directly by the Company	\$ 35,000	\$ 57,000	\$ 65,000
Directors fees paid to HDSI	187,000	212,000	315,000
Share-based payments	-	-	51,000
Total	\$ 222,000	\$ 269,000	\$ 431,000

The Company has received loans from a director of the Company (note 8).

(b) Balances and transactions with related entities

Pursuant to a management agreement 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.

	March 31, 2016	March 31, 2015
Balance due to HDSI	\$ 180,476	\$ 212,642

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

Transactions with related entities	Year ended March 31,		
	2016	2015	2015
Services received from HDSI			
HDSI employee time charges, based on annually set rates	\$ 1,389,000	\$ 2,099,000	\$ 1,151,000
Directors fees	187,000	212,000	315,000
Information technology services and maintenance fees	111,000	153,000	140,000
Total,	\$ 1,687,000	\$ 2,464,000	\$ 1,606,000
Reimbursement of third party expenses to HDSI	\$ 73,000	\$ 76,000	\$ 62,000

Amarc Resources Ltd.

Notes to the Financial Statements

For the years ended March 31, 2016, 2015 and 2014

(Expressed in Canadian Dollars, unless otherwise stated)

11. INCOME TAXES

(a) Provision for current tax

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

(b) Provision for deferred tax

As future taxable profits of the Company are uncertain, no deferred tax asset has been recognized. As at March 31, 2016, the Company had unused non-capital loss carry forwards of approximately \$14.4 million (March 31, 2015 – \$13.3 million; March 31, 2014 – \$11.1 million) in Canada.

As at March 31, 2016, the Company had resource tax pools of approximately \$24.6 million (March 31, 2015 – \$24.5 million; March 31, 2014 – \$21.8 million) available in Canada, which may be carried forward and utilized to offset future taxes related to certain resource income.

Reconciliation of effective tax rate	March 31, 2016	March 31, 2015	March 31, 2014
Loss for the year	\$ (1,118,779)	\$ (4,884,024)	\$ (2,154,805)
Total income tax expense	-	-	-
Loss excluding income tax	\$ (1,118,779)	\$ (4,884,024)	\$ (2,154,805)
Income tax recovery using the Company's tax rate	(291,000)	(1,261,000)	(560,000)
Non-deductible expenses and other	3,000	(207,000)	291,000
Change in deferred tax rates	-	-	(330,000)
Temporary difference booked to reserve	(4,000)	(2,000)	2,000
Deferred income tax assets not recognized	292,000	1,470,000	597,000
	\$ -	\$ -	\$ -

The Company's statutory tax rate was 26% (2015 – 26%; 2014 – 26%) and its effective tax rate is nil (2015 – nil; 2014 – nil).

As at March 31, 2016, the Company had the following deductible temporary differences for which no deferred tax asset was recognized:

Expiry	Tax losses (capital)	Tax losses (non-capital)	Resource pools	Other
Within one year	\$ -	\$ -	\$ -	\$ -
One to five years	-	-	-	370,000
After five years	-	14,405,000	-	1,011,000
No expiry date	1,388,000	-	24,578,000	80,000
Total	\$ 1,388,000	\$ 14,405,000	\$ 24,578,000	\$ 1,461,000

Amarc Resources Ltd.

Notes to the Financial Statements

For the years ended March 31, 2016, 2015 and 2014

(Expressed in Canadian Dollars, unless otherwise stated)

12. SUPPLEMENTARY INFORMATION TO STATEMENT OF LOSS

(a) *Employee salaries and benefits*

The employees' salaries and benefits included in exploration and evaluation expenses and administration expenses are as follows:

	Year ended March 31,		
	2016	2015	2014
Exploration and evaluation expenses	\$ 748,000	\$ 1,296,000	\$ 731,000
General and administration expenses	882,000	1,066,000	884,000
Total	\$ 1,630,000	\$ 2,372,000	\$ 1,615,000

(b) *Office and administration expenses*

Office and administration expenses include the following:

	Year ended March 31,		
	2016	2015	2014
Salaries and benefits	\$ 845,695	\$ 1,019,118	\$ 833,735
Insurance	146,802	105,463	98,668
Data processing and retention	111,743	155,634	141,580
Other office expenses	8,382	13,553	30,955
Total	\$ 1,112,622	\$ 1,293,768	\$ 1,104,938

13. FINANCIAL RISK MANAGEMENT

(a) *Capital management objectives*

The Company's primary objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders, and to have sufficient liquidity available to fund ongoing expenditures and suitable business opportunities as they arise.

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

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

There were no changes to the Company's approach to capital management during the year ended March 31, 2016.

Amarc Resources Ltd.

Notes to the Financial Statements

For the years ended March 31, 2016, 2015 and 2014

(Expressed in Canadian Dollars, unless otherwise stated)

The Company is not subject to any externally imposed equity requirements.

(b) Carrying amounts and fair values of financial instruments

The Company's marketable securities are carried at fair value, based on quoted prices in active markets.

As at March 31, 2016 and 2015, the carrying values of the Company's financial assets and financial liabilities approximate their fair values.

(c) Financial instrument risk exposure and risk management

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

Credit risk

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

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

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Company ensures that there is sufficient cash in order to meet its short-term business requirements, after taking into account the Company's holdings of cash and cash equivalents.

At March 31, 2016, the Company's current liabilities, including the current portion of director's loans, exceed its cash balance. After the reporting period the Company arranged to extend the maturity date of the director's loan (note 8) classified as a current liability at March 31, 2016. The Company has sufficient cash and cash equivalents to meet its commitments associated with its financial liabilities in the near term, other than the amounts payable to related parties.

Interest rate risk

The Company is subject to interest rate risk with respect to its investments in cash and cash equivalents. The Company's policy is to invest cash at variable rates of interest and cash reserves are to be maintained in cash and cash equivalents in order to maintain liquidity, while achieving a satisfactory return for shareholders. Fluctuations in interest rates when cash and cash equivalents mature impact interest income earned. As at March 31, 2016 and 2015, the Company's exposure to interest rate risk was nominal.

Amarc Resources Ltd.

Notes to the Financial Statements

For the years ended March 31, 2016, 2015 and 2014

(Expressed in Canadian Dollars, unless otherwise stated)

Price risk

Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company is subject to price risk in respect of its investments in marketable securities.

The objective of price risk management is to eliminate or limit emerging risk exposures within acceptable parameters, while optimizing return and meeting strategic goals.

As at March 31, 2016 and 2015, the Company's exposure to price risk was not significant to relation to these Financial Statements.



AMARC RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED MARCH 31, 2016

AMARC RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2016

1.1	Date.....	1
1.2	Overview	2
1.3	Selected Annual Information	13
1.4	Summary of Quarterly Results	13
1.5	Results of Operations.....	13
1.6	Liquidity.....	14
1.7	Capital Resources.....	15
1.8	Off-Balance Sheet Arrangements	15
1.9	Transactions with Related Parties.....	15
1.10	Fourth Quarter	16
1.11	Proposed Transactions.....	16
1.12	Critical Accounting Estimates.....	16
1.13	Changes in Accounting Policies including Initial Adoption	16
1.14	Financial Instruments and Other Instruments	16
1.15	Other MD&A Requirements.....	16
1.15.1	Additional Disclosure for Venture Issuers without Significant Revenue	17
1.15.2	Disclosure of Outstanding Share Data.....	17
1.15.3	Disclosure Controls and Procedures.....	17
1.15.4	Internal Controls over Financial Reporting Procedures.....	17
1.15.5	Limitations of Controls and Procedures.....	18
1.16	Risk Factors.....	19

AMARC RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2016

1.1 DATE

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the audited financial statements ("Financial Statements") of Amarc Resources Ltd. ("Amarc", or the "Company") for the year ended March 31, 2016, 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 July 22, 2016.

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.

AMARC RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2016

1.2 OVERVIEW

Amarc is a British Columbia-based mineral exploration and development company with an experienced and successful management team that is focused on advancing the IKE Project, a major new porphyry copper-molybdenum-silver discovery located near the heartland of British Columbia's ("BC") 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 new copper-molybdenum-silver discovery at its 100% owned IKE property located in southern BC. Assay results from 18 holes, totaling 10,437 metres, completed in 2014 and 2015 at IKE have all intersected varying amounts of chalcopyrite and molybdenite mineralization over an increasingly broad area, now measuring 1,200 metres east-west by 1,000 metres north-south and extending to depths of over 500 metres. Copper equivalent grades returned over long continuous drill intercepts continue to compare favourably to the range of copper equivalent grades for mineral resources and mineral reserves at active BC porphyry copper (\pm molybdenum \pm gold \pm silver) mines. Mineralization encountered by the drilling at IKE remains open to expansion in all lateral directions and to depth.

The IKE discovery, together with the surrounding district of additional prospective porphyry copper (\pm molybdenum \pm silver \pm gold) targets that remain to be drill tested, have the potential to possess the grades and resources necessary to develop into an important mining camp. In addition to the main

AMARC RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2016

IKE mineral property, Amarc has secured extensive mineral claims in the region to cover these compelling deposit targets, as well as potential infrastructure sites.

Thompson Creek Metals Company Inc. ("Thompson Creek") funded the work programs at IKE in 2015, and can earn up to a 50% interest in the project through a staged funding process that includes, among other things, the completion of a Feasibility Study.

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 and the Granite, Juno and Galore District Properties (collectively the IKE Project).

As of March 31, 2016, Amarc had a 100% interest in the IKE, Granite and Juno properties, and also had the right to acquire a 70% interest in the Galore property.

The IKE deposit is located approximately 45 kilometres northwest of the historical mining communities of Gold Bridge and Bralorne, in a region characterized by broad U-shaped valleys. Amarc's 2014 and 2015 core drilling programs at IKE were conducted above tree line within two adjoining large and barren cirques. The district surrounding the IKE discovery has long been explored for its numerous showings of copper, molybdenum, gold and silver mineralization. Current access to the properties is by helicopter, although significant infrastructure exists in the region. Mainline logging roads, which lead west from Gold Bridge are located 20 kilometres to the south of IKE. Access to power, railways and highways is available in the area of Gold Bridge and the nearby towns of Lillooet and Pemberton.

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 0.44% copper equivalent (CuEQ)¹ comprising 0.29% Cu and 0.043% Mo; 182 metres of 0.41% 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 data from Amarc's nine holes totaling 5,409 metres (numbered 14001 through 14009) completed in 2014 and an additional nine holes totalling 5,028 metres (numbered 15010 through 15018) completed in 2015 at IKE, combined with results from geological, geochemical and geophysical surveys completed outwards from the area drilled indicate the presence of an important porphyry-style copper-molybdenum-silver deposit. All 18 diamond drill holes intersected varying amounts of chalcopyrite and molybdenite mineralization over an increasingly broad area, now measuring 1,200 metres east-west by 1,000 metres north-south and extending to depths of over 500 metres. Copper equivalent grades returned over long continuous drill intercepts continue to compare

¹Copper equivalent (CuEQ) calculations use metal prices: Cu US\$2.25/lb, Mo US\$8.00/lb and Ag US\$17.00/oz. Metallurgical recoveries and net smelter returns are assumed to be 100%.

AMARC RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2016

favourably to the range of copper equivalent grades for mineral resources and mineral reserves at active BC porphyry copper (\pm molybdenum \pm gold \pm silver) mines. Mineralization encountered by the drilling at IKE remains open to expansion in all lateral directions and to depth.

Highlights from the 2014 and 2015 drill programs include:

- 247 metres of 0.41% CuEQ¹ @ 0.28% Cu, 0.030% Mo and 2.0 g/t Ag
- 123 metres of 0.41% CuEQ @ 0.32% Cu, 0.017% Mo and 2.5 g/t Ag
- 92 metres of 0.40% CuEQ @ 0.31% Cu, 0.020% Mo and 2.1 g/t Ag
- 194 metres of 0.47% CuEQ @ 0.30% Cu, 0.046% Mo and 0.8 g/t Ag
- 308 metres of 0.39% CuEQ @ 0.26% Cu, 0.032% Mo and 1.8 g/t Ag
- 97 metres of 0.45% CuEQ @ 0.32% Cu, 0.030% Mo and 2.2 g/t Ag
- 124 metres of 0.45% CuEQ @ 0.34% Cu, 0.022% Mo and 3.2 g/t Ag
- 214 metres of 0.37% CuEQ @ 0.26% Cu, 0.023% Mo and 2.2 g/t Ag
- 592 metres of 0.44% CuEQ @ 0.30% Cu, 0.032% Mo and 2.1 g/t Ag
- 86 metres of 0.47% CuEQ @ 0.33% Cu, 0.032% Mo and 2.2 g/t Ag
- 111 metres of 0.36% CuEQ @ 0.30% Cu, 0.010% Mo and 2.3 g/t Ag

¹Copper equivalent (CuEQ) calculations use metal prices: Cu US\$2.25/lb, Mo US\$8.00/lb and Ag US\$17.00/oz. Metallurgical recoveries and net smelter returns are assumed to be 100%.

The IKE discovery, together with the surrounding district of additional prospective porphyry copper (\pm molybdenum \pm silver \pm gold) targets that remain to be drill tested, have the potential to possess the grades and resources necessary to develop into an important mining camp. In addition to the main IKE mineral property, Amarc has secured extensive mineral claims in the region to cover these compelling deposit targets, as well as potential infrastructure sites.

Amarc and Thompson Creek are planning a 2016 field program to advance the IKE discovery and district.

Assay results from all of Amarc's 2014 and 2015 drill holes are summarized in the table below. In addition, a drill plan, cross sections, maps and further results from the 2014 and 2015 programs are presented in the corporate presentation on the Amarc website at <http://www.amarcresources.com>.

AMARC RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2016

IKE DISCOVERY
TABLE OF 2014 AND 2015 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	0.37	0.27	0.020	2.5
					242.0	489.0	247.0	0.41	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	0.43	0.31	0.027	2.0
				incl.	372.9	395.2	22.3	0.43	0.25	0.045	1.7
				incl.	404.1	489.0	84.9	0.48	0.30	0.045	1.7
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	0.39	0.24	0.038	1.6
				incl.	206.0	440.0	234.0	0.42	0.26	0.040	1.7
				and	206.0	364.0	158.0	0.44	0.26	0.046	1.7
				and	368.5	440.0	71.5	0.40	0.27	0.031	1.7
IK14003	-60	180	419.4		10.2	102.0	91.8	0.40	0.31	0.020	2.1
					282.0	365.0	83.0	0.19	0.08	0.029	0.7
IK14004	-50	90	388.6		128.0	189.0	61.0	0.27	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	0.43	0.29	0.038	0.7
				incl.	269.4	463.2	193.8	0.47	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	0.36	0.24	0.028	1.7
				incl.	124.0	432.2	308.2	0.39	0.26	0.032	1.8
				and	124.0	207.8	83.8	0.42	0.31	0.026	2.2
				and	216.4	258.0	41.6	0.42	0.30	0.024	2.8
				and	381.9	432.2	50.4	0.69	0.35	0.088	1.8
				incl.	441.9	490.0	48.1	0.44	0.27	0.044	1.8
IK14007	-60	90	688.5		7.9	24.9	17.0	0.30	0.22	0.020	1.1
					139.5	167.0	27.5	0.24	0.06	0.051	0.5
					223.0	274.0	51.0	0.22	0.05	0.048	0.5
					304.0	411.9	107.9	0.23	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	0.33	0.23	0.023	1.5
					278.1	567.0	288.9	0.36	0.27	0.022	1.6
				incl.	287.7	384.3	96.6	0.45	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
IK14009	-45	270	376.1		10.5	200.0	189.5	0.23	0.16	0.018	1.1
				incl.	10.5	98.0	87.5	0.28	0.20	0.019	1.4
IK15010	-45	88	615.0		207.0	417.0	210.0	0.40	0.30	0.018	2.9

AMARC RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2016

Drill Hole ID	Dip (°)	Azim (°)	EOH (m)	Incl.	From (m)	To (m)	Int. ^{2,3} (m)	CuEQ ¹ (%)	Cu (%)	Mo (%)	Ag (g/t)
				Incl.	207.0	268.0	61.0	0.40	0.31	0.016	2.9
				Incl.	293.0	417.0	124.0	0.45	0.34	0.022	3.2
				and	293.0	358.0	65.0	0.53	0.39	0.028	3.7
				and	378.0	417.0	39.0	0.41	0.32	0.016	2.9
					444.0	603.0	159.0	0.28	0.22	0.011	2.1
IK15011	-45	88	486.3		20.1	60.0	40.0	0.42	0.31	0.023	2.5
IK15012	-45	88	675.0		213.0	516.0	303.0	0.34	0.25	0.018	2.1
				Incl.	213.0	286.0	73.0	0.33	0.28	0.008	2.2
				Incl.	301.9	516.0	214.2	0.37	0.26	0.023	2.2
				and	301.9	371.3	69.4	0.45	0.32	0.028	3.0
				and	423.0	516.0	93.0	0.39	0.29	0.022	2.0
					549.5	558.0	8.5	0.47	0.35	0.026	3.0
IK15013	-45	88	693.3		33.0	693.3	660.3	0.41	0.28	0.030	2.0
				Incl.	75.0	666.5	591.5	0.44	0.30	0.032	2.1
				and	75.0	99.0	24.0	0.42	0.24	0.044	1.9
				and	129.0	300.5	171.5	0.44	0.32	0.025	2.2
				and	435.5	666.5	231.0	0.56	0.37	0.045	2.7
IK15014	-45	88	480.9		249.7	335.2	85.5	0.47	0.33	0.032	2.2
IK15015	-50	268	423.3		312.3	420.3	108.0	0.41	0.15	0.067	1.5
				Incl.	312.3	378.3	66.0	0.51	0.19	0.085	1.9
IK15016	-45	88	483.3		243.0	369.3	126.3	0.27	0.14	0.031	1.5
				Incl.	285.0	360.3	75.3	0.29	0.17	0.029	1.7
IK15017	-45	88	441.3		15.0	75.0	60.0	0.29	0.26	0.005	1.6
					201.0	355.7	154.7	0.30	0.17	0.031	1.1
				Incl.	240.0	355.7	115.7	0.33	0.18	0.039	1.2
IK15018	-45	88	441.3		138.0	159.0	21.0	0.33	0.25	0.016	1.5
					201.0	312.4	111.4	0.36	0.30	0.010	2.3
				Incl.	216.0	288.3	72.3	0.43	0.35	0.013	2.5
				and	216.0	243.3	27.3	0.51	0.42	0.015	2.6
					471.3	730.5	259.2	0.25	0.20	0.010	1.3
				Incl.	471.3	540.3	69.0	0.33	0.25	0.017	1.8
				and	651.3	730.5	79.2	0.29	0.23	0.012	1.5

Notes:

¹ Copper equivalent (CuEQ) calculations use metal prices: Cu US\$2.25/lb, Mo US\$8.00/lb and Ag US\$17.00/oz.

Metallurgical recoveries and net smelter returns are assumed to be 100%.

² Widths reported are drill widths, such that the true 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. Geological mapping and logging of diamond drill core at IKE indicate the deposit is hosted entirely by multi-phase intrusive rocks. Its overall geological setting is similar to that of many important porphyry belts along the Cordillera in North and South America. The footprint of the hydrothermal system at IKE is over six square kilometres.

At IKE, chalcopyrite and molybdenite mineralization occurs as fine to relatively coarse, mostly discrete grains, mainly as disseminations and less commonly in fractures and veins. Multi-element

AMARC RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2016

analyses have returned consistently and unusually low concentrations of metallurgically or environmentally deleterious elements. These characteristics, and the generally low concentrations of pyrite at IKE, suggest excellent potential to produce clean, good-grade copper and molybdenum concentrates by standard flotation processing.

Field exploration conducted by Amarc, in addition to the 2014 and 2015 drilling programs, includes a detailed ground induced polarization survey over IKE as well as a district-wide high resolution airborne magnetic survey, and geological mapping with copper and multi-element-in-talus fines geochemical surveys over prioritized target areas. Collectively, these survey results indicate exciting potential for a number of deposit-scale targets beyond the immediate area of the current IKE discovery drilling. Exploration results from Amarc's surveys and historical programs by previous operators throughout the district, combined with the common tendency of porphyry deposits to form clusters lead the Company to believe a number of targets identified near to IKE have potential to host additional bulk-tonnage porphyry copper mineralization.

Amarc is committed to working constructively with governments and stakeholders towards the responsible development of the IKE project, while contributing to the sustainable development of local communities. Work programs are planned to achieve high levels of environmental performance and local benefits, including providing opportunities for employment, contracting and training for local people. The Company is working hard to support government's consultation duties to assist with timely and fair decision making. Amarc is committed to meaningful and constructive engagement with First Nation communities and has offered and remains open to the comprehensive and progressive agreements it has proposed at the early discovery-stage of project development. The Company believes that the best outcome is always achieved in the atmosphere of openness, constructive discussions, and mutual respect from all interested parties.

[IKE and the Granite and Galore District Property Agreements](#)

The mineral claims comprising the Juno property were staked and are owned 100% by Amarc.

The material terms of the agreement with Thompson Creek and the three mineral property acquisition agreements relating to the IKE and district properties are set out below. All royalties held by the respective vendors referenced have been capped or can be purchased by Amarc (in either case in the \$250,000 to \$4 million range).

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 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 also 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 before December 31, 2019, of which \$3 million for 2015 has been funded. For each \$5 million of project expenditures funded, Thompson Creek will incrementally earn a 10% ownership interest. As of July 14, 2016, Thompson Creek had funded \$5 million in project expenditures and as such had earned a 10% ownership interest in the IKE, Granite and Juno properties and the right to earn a 10% interest in the Galore property, subject

AMARC RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2016

to the Galore Property Agreement (see below). 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.

If Thompson Creek fully exercises the Stage 1 Option, 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 to fund and complete a Feasibility Study for the IKE Project that could serve as the basis for a decision by an internationally recognized financial institution to finance the 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 conditions. While completing the Feasibility Study work under the Stage 2 Option, Thompson Creek would also be required to meet all other expenditures necessary to maintain and advance the Project.

Thompson Creek will become operator upon initiation of the Stage 2 Option period, and will remain operator so long as it holds a 50% interest. When Thompson Creek has concluded its earn-in period, the parties expect to form a joint venture to further develop the IKE Project 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.

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

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 \$1.86 million 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 million (payable in cash or common shares of Amarc at the Company's sole election). The maximum aggregate amount payable under the NSR is \$2 million.

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 \$1.86 million 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 million (\$1 million 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

AMARC RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2016

to purchase the remaining half of the royalty (1%) for \$2 million (\$1 million 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) to the Optionors annually commenced on 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.

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 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 \$1.5 million less any amount of royalty already paid.

Galore Property Agreement

In July 2014, the Company entered into an option and joint venture agreement (the "Galore Option Agreement") with Galore Resources Inc. ("Galore"), 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 (\$1.5 million 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 million in exploration expenditures within two years. Upon exercise of the initial or additional option (collectively, the "Galore Option"), Galore 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 (collectively, the "NSR Royalties") each of which may be purchased for \$250,000 on or before December 31, 2024 and a 10% net profits interest royalty (collectively, the "NPI Royalties") which may be purchased at any time until December 31, 2024 for \$400,000 less any amount of an NPI Royalty already paid.

In July 2016, the Company entered into a second option agreement (the "Second Option Agreement") whereby the Company acquired the right, separate and apart from the Galore Option (the "Second Option") to acquire 100% of Galore's rights in and to the Galore property in consideration of the payment to Galore of \$550,000 on a staged basis on or before January 16, 2018. Under the terms of the Second Option Agreement, upon exercise of the Second Option and the Company acquiring 100% of the Galore property, the Galore Option Agreement will terminate and be of no further force and effect.

In addition, in July 2016, the Company also reached an agreement with the underlying owners of the Galore property whereby the Company obtained the right to acquire all of the underlying owners' residual interest in and to the Galore property, including the five NSR Royalties and the five NPI

AMARC RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2016

Royalties, in consideration of the payment of \$100,000 on a staged basis on or before January 16, 2018, subject to the Company exercising the Second Option.

During the Second Option exercise period, all cash payment and exploration expenditure requirements set out in the Galore Option Agreement shall cease to apply, including with respect to all cash payments payable to the underlying owners.

Other Properties

Amarc's focus with respect to its Newton and Galileo projects is to work towards venturing them out to third parties to further advance exploration.

The Blackwater District Properties – Galileo and Hubble

Amarc owns a 100% interest in the Galileo and Hubble 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 and Hubble 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.

AMARC RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2016

NEWTON GOLD PROJECT - INFERRED MINERAL RESOURCES

Cut-Off Grade (g/t Au)	Size Tonnage (000 t)	Grade		Contained Metal	
		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

AMARC RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2016

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 million at any time. Advance royalty payments of \$25,000 per annum commenced on January 1, 2011.

Market Trends

Average annual prices for copper, molybdenum, gold and silver during last 5 years are shown in the following table:

Calendar year	Average metal price (US\$)			
	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	2.50/lb	6.73/lb	1,160/oz	15.69/oz

AMARC RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2016

1.3 SELECTED ANNUAL INFORMATION

The following information is derived from the Company's annual financial statements which have been prepared in accordance with IFRS as issued by the IASB effective for the respective reporting years of the Company and are expressed in Canadian Dollars. The Company's audited financial statements are publicly available on SEDAR at www.sedar.com.

(\$ 000's, except loss per share)	2016		2015		2014	
Total Assets	\$	1,096	\$	1,755	\$	5,306
Non-current liabilities	\$	235	\$	-	\$	-
Net loss for the year	\$	1,119	\$	4,884	\$	2,155
Basic and diluted loss per common share	\$	0.01	\$	0.04	\$	0.02

1.4 SUMMARY OF QUARTERLY RESULTS

These amounts are expressed in thousands of Canadian Dollars, except per share amounts. Minor differences are due to rounding.

(\$ 000's)	Fiscal Quarter Ended							
	Mar 31, 2016	Dec 31, 2015	Sep 30, 2015	Jun 30, 2015	Mar 31, 2015	Dec 31, 2014	Sep 30, 2014	Jun 30, 2014
Net (income) loss	\$(2,430)	\$ 925	\$ 2,009	\$ 615	\$ 667	\$ 1,223	\$ 2,548	\$ 446
Basic and diluted loss per share	\$ (0.02)	\$ 0.01	\$ 0.02	\$ 0.00	\$ 0.01	\$ 0.01	\$ 0.02	\$ 0.00

The variations in net results over the fiscal quarters presented above were caused by the Company's mineral exploration and evaluation activities, which typically ramp-up in the summer during the 3rd calendar quarters. See the following section of the MD&A for other factors that have caused variations over the fiscal quarters.

1.5 RESULTS OF OPERATIONS

The Company recorded a reduction in net loss of \$3,765,000 to \$1,119,000 during the year ended March 31, 2016, from a loss of \$4,884,000 in the prior comparative year.

As discussed in [1.2 Overview](#), the Company's mineral exploration and evaluation activities were focused on its IKE Property during the current fiscal year as well as during the prior year. The Financial Statements provide a breakdown of the Company's exploration and evaluation expenses, which primarily related to the IKE Project. During the current year, the IKE Project exploration and evaluation activities were funded by Thompson Creek. Accordingly, the Company recorded a cost recovery of \$3,067,403 in the fourth quarter of the current year that resulted in a net income of \$2,340,000 during the quarter and a decrease in overall loss for the current year.

AMARC RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2016

During the fourth quarter of the current year the Company incurred \$139,000 in exploration and evaluation expenses, compared to \$244,000 in the fourth quarter of the prior year, primarily relating to IKE Project's geological and socioeconomic activities.

The Financial Statements provide a breakdown of the Company's general and administration expenses for the year. The Company's general and administration expenses for the fourth quarter were as follows:

General and Administration Expenses	Fourth Quarter ending March 31,	
	2016	2015
Legal, accounting and audit	\$ 17,000	\$ 38,000
Office and administration ⁽ⁱ⁾	208,000	327,000
Shareholder communication	5,000	29,000
Travel and accommodation	2,000	13,000
Trust and regulatory	5,000	8,000
Total	\$ 237,000	\$ 415,000

(i) Office and administration expenses for the quarter include salaries and benefits of \$130,000 (fourth quarter of the prior year: \$259,000)

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, and from director loans. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding to finance the Company's ongoing operations.

As at March 31, 2016, the Company had a cash balance of \$747,000 and a working capital deficit of approximately \$312,000, which was mainly due to a director loan of \$1,000,000 – due in May 2016 – that was classified as a current liability. The maturity date for this loan was extended to November 2016 after the reporting period. At March 31, 2016, the Company had sufficient cash and cash equivalents to settle all its current obligations in due course of business, other than the director's loan. The Company plans its cash spending based on availability of funds.

During the year ended March 31, 2016, the Company received \$3,000,000 in cash from Thompson Creek under the IKE Option Agreement and \$500,000 from a director of the Company as a loan. Additionally, after the reporting period and before the date of this MD&A, the Company received approximately \$2,500,000 from Thompson Creek as additional funding for the IKE Project.

Further advancement and development of the Company's mineral property interests will require additional funding from a combination of the Company's shareholders, the existing or potential new partners, and debt financing. As the Company is currently in the exploration stage, it does not have any revenues from operations. Therefore, the Company relies on funding from its partners for its continuing financial liquidity and the Company relies on the equity market and debt financing as sources of funding.

The Company do not have any material capital lease obligations, purchase obligations or any other long-term obligations.

AMARC RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2016

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 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 Company has 3 directors in common with HDSI, namely: Scott Cousens, Robert Dickinson, and Ronald Thiessen. Also, the Company's President, Chief Financial Officer, and Corporate Secretary are employees of HDSI and work for the Company under an employee secondment arrangement between the Company and HDSI.

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.

AMARC RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2016

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. These time charges consist substantially of salaries, office rent, utilities, office supplies and administration, warehouse space, and insurance.

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 and Balances Due to or from HDSI

This disclosure is provided in note 10(b) of the Financial Statements.

1.10 FOURTH QUARTER

See [1.5 Results of Operations](#) above.

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.

AMARC RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2016

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
Common shares	141,424,061
Share purchase options	3,051,300
Share purchase warrants	5,555,555

1.15.3 DISCLOSURE CONTROLS AND PROCEDURES

The Company's management, with the participation of its Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures. Based on that evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this report, the Company's disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed by the Company in reports it files is recorded, processed, summarized and reported within the appropriate time periods and is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

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:

AMARC RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2016

- 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.

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of March 31, 2016. In making the assessment, it used the criteria set forth in the Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on their assessment, management has concluded that, as of March 31, 2016, the Company's internal control over financial reporting was effective based on those criteria.

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.

AMARC RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2016

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.

AMARC RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2016

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.

AMARC RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2016

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.

AMARC RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2016

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.

AMARC RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2016

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.

Changes in Government Rules, Regulations or Agreements, or Their Application, May Negatively Affect the Company's Ownership Rights, Its Access to or Its Ability to Advance the Exploration and Development of its Mineral Properties

The government currently has in place or may in the future implement laws, regulations, policies or agreements that may negatively affect the Company's ownership rights with respect to its mineral properties or its access to the properties. These may restrain or block the Company's ability to advance the exploration and development of its mineral properties or significantly increase the costs and timeframe to advance the properties.