Amarc Resources Ltd.

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED
MARCH 31, 2008, 2007, and 2006

(Expressed in Canadian Dollars, unless otherwise stated)

D E V I S S E R G R A Y L L P
CHARTERED ACCOUNTANTS

401 - 905 West Pender Street
Vancouver, BC Canada
V6C 1L6

Tel: (604) 687-5447
Fax: (604) 687-6737

AUDITORS' REPORT

To the Shareholders of Amarc Resources Ltd.,

We have audited the balance sheets of Amarc Resources Ltd. as at March 31, 2008 and 2007 and the statements of operations and deficit, shareholders' equity and cash flows for each of the years in the three year period ended March 31, 2008. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2008 and 2007 and the results of its operations and cash flows for each of the years in the three year period ended March 31, 2008 in accordance with Canadian generally accepted accounting principles.

"De Visser Gray LLP"

CHARTERED ACCOUNTANTS

Vancouver, British Columbia
July 29, 2008

AMARC RESOURCES LTD.

Consolidated Balance Sheets

(Expressed in Canadian Dollars)

		March 31 2008		March 31 2007
ASSETS				
Current assets				
Cash and cash equivalents	$	7,713,995	$	2,916,194
Amounts receivable and prepaid expenses		249,252		112,441
Balances receivable from related parties (note 8)		–		5,714,191
		7,963,247		8,742,826
Equipment (note 5)		20,369		25,462
Mineral property interests (note 6)		4		–
	$	**7,983,620**	**$**	**8,768,288**
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable and accrued liabilities	$	44,377	$	78,012
Balance due to related party (note 8)		180,767		–
		225,144		78,012
Shareholders' equity				
Share capital (note 7(a) and (b))		30,747,065		27,287,248
Contributed surplus (note 7(e))		1,469,931		2,295,248
Deficit		(24,458,520)		(20,892,220)
		7,758,476		8,690,276
Nature and continuance of operations (note 1)				
Commitments (note 7(b))				
Subsequent events (notes 6(a)(i))				
	$	**7,983,620**	**$**	**8,768,288**

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

Approved by the Board of Directors

/s/ Ronald W. Thiessen

Ronald W. Thiessen
Director

/s/ Robert A. Dickinson

Robert A. Dickinson
Director

AMARC RESOURCES LTD.

Consolidated Statements of Operations and Deficit

(Expressed in Canadian Dollars)

	Years ended March 31		
	2008	**2007**	**2006**
Expenses			
Amortization	$ 5,092	$ 6,366	$ 10,154
Conference and travel	93,829	60,402	37,471
Exploration (schedule)	3,066,939	1,033,060	3,012,825
Legal, accounting, and audit	55,162	33,465	64,160
Management and consulting	48,795	54,714	92,987
Office and administration	183,842	150,163	137,155
Property investigation	2,596	10,396	4,316
Salaries and benefits	257,060	229,024	382,254
Shareholder communication	72,860	51,857	72,531
Stock-based compensation (note 7(c))	–	–	(16,282)
Trust and filing	26,903	18,719	17,946
	3,813,078	1,648,166	3,815,517
Other items			
Foreign exchange (gain) loss	138,026	(38,098)	2,645
Gain on sale of marketable securities (note 8(c))	(68,992)	–	(92,887)
Loss on sale of equipment	–	1,678	–
Write down of accounts receivable	–	–	45,088
Write down of mineral property interest (note 6)	–	98,429	10,000
Write down of marketable securities	–	–	190,392
Interest and other income	(315,812)	(333,737)	(129,852)
	(246,778)	(271,728)	25,386
Loss and comprehensive loss for the year	$ (3,566,300)	$ (1,376,438)	$ (3,840,903)
Deficit, beginning of year	$ (20,892,220)	$ (19,515,782)	$ (15,674,879)
Deficit, end of year	$ (24,458,520)	$ (20,892,220)	$ (19,515,782)
Basic and diluted loss per share	$ (0.06)	$ (0.03)	$ (0.08)
Weighted average number of common shares outstanding	63,343,763	54,557,473	49,880,651

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

AMARC RESOURCES LTD.

Consolidated Statements of Shareholders' Equity

(Expressed in Canadian Dollars)

		Year ended March 31, 2008		Year ended March 31, 2007		Year ended March 31, 2006
Share capital	Number of shares		Number of shares		Number of shares	
Balance at beginning of the year	62,949,473	$ 27,287,248	52,459,473	$ 23,997,068	47,737,142	$ 22,387,954
Options exercised	–	–	–	–	7,000	1,190
Warrants exercised	–	–	–	–	4,665,331	1,586,212
Shares issued for property option payments	–	–	–	–	50,000	18,750
Fair value of options allocated to shares issued on exercise	–	–	–	–	–	2,962
Private placement at $0.50 per share, net of issue costs	–	–	10,490,000	5,097,607	–	–
Fair value of warrants issued (note 7(d))	–	–	–	(1,807,427)	–	–
Exercise of share purchase warrants at $0.55 per share	4,790,000	2,634,500	–	–	–	–
Fair value of warrants allocated to shares issued on exercise	–	825,317	–	–	–	–
Balance at end of the year	67,739,473	30,747,065	62,949,473	27,287,248	52,459,473	23,997,068
Contributed surplus						
Balance at beginning of the year		2,295,248		487,821		507,065
Non-cash stock-based compensation		–		–		(16,282)
Fair value of options allocated to shares issued on exercise		–		–		(2,962)
Fair value of warrants issued		–		1,807,427		–
Fair value of warrants allocated to shares issued on exercise		(825,317)		–		–
Balance at end of the year		1,469,931		2,295,248		487,821
Deficit						
Balance at beginning of the year		(20,892,220)		(19,515,782)		(15,674,879)
Loss for the year		(3,566,300)		(1,376,438)		(3,840,903)
Balance at end of the year		(24,458,520)		(20,892,220)		(19,515,782)
TOTAL SHAREHOLDERS' EQUITY		$ 7,758,476		$ 8,690,276		$ 4,969,107

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

AMARC RESOURCES LTD.

Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Years ended March 31		
Cash provided by (used in)	**2008**	**2007**	**2006**
Operating activities			
Loss for the year	$ (3,566,300)	$ (1,376,438)	$ (3,840,903)
Items not involving cash			
Amortization	5,092	6,366	10,154
Common shares issued for property fees	–	–	18,750
Gain on sale of marketable securities	(68,992)	–	(92,887)
Loss on sale of equipment	–	1,678	–
Non-cash interest income (note 8(c))	(53,629)	–	–
Stock-based compensation (note 7(c))	–	–	(16,282)
Write down of accounts receivable	–	–	45,088
Write down of mineral property interest	–	98,429	10,000
Write down of marketable securities	–	–	190,392
Changes in non-cash working capital items			
Amounts receivable and prepaids	(136,812)	(11,524)	116,668
Balances receivable from and payable to related parties	202,079	19,117	(326,580)
Accounts payable and accrued liabilities	(33,636)	39,581	(739,540)
	(3,652,198)	(1,222,791)	(4,625,140)
Investing activities			
Proceeds from sale of equipment	–	3,445	–
Proceeds from sale of marketable securities	315,499	–	240,292
Loan to a related party	5,500,000	(5,500,000)	–
	5,815,499	(5,496,555)	240,292
Financing activities			
Issuance of share capital, net of costs	2,634,500	5,097,607	1,587,402
	2,634,500	5,097,607	1,587,402
Increase (decrease) in cash and cash equivalents	**4,797,801**	**(1,621,739)**	**(2,797,446)**
Cash and cash equivalents, beginning of year	2,916,194	4,537,933	7,335,379
Cash and cash equivalents, end of year	**$ 7,713,995**	**$ 2,916,194**	**$ 4,537,933**
Components of cash and cash equivalents are as follows:			
Cash	$ 511,900	$ 1,016,630	$ 278,568
Cash equivalents	7,202,095	1,899,564	4,259,365
	$ 7,713,995	**$ 2,916,194**	**$ 4,537,933**

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

Supplementary cash flow information:

Interest paid	$ –	$ –	$ –
Taxes paid	–	–	–
Interest received	262,942	141,410	126,782
Non cash financing and investing activities:			
Issuance of common shares for property option fees	$ -	$ -	$ 18,750
Common shares received from Endurance Gold Corporation (note 6(a)(vi))	$ -	$ -	$ 47,500
Common shares received from Rockwell Diamonds Inc. (note 8(c))	$ 246,507	$ -	$ -
Fair value of share warrants issued on private placement charged to share capital (note 7(b))	$ -	$ 1,807,427	$ -
Fair value of share warrants transferred to share capital on warrants exercised from contributed surplus	$ 825,317	$ -	$ -
Fair value of stock options transferred to share capital on options exercised from contributed surplus (notes 7(b) & (e))	$ -	$ -	$ 2,962

AMARC RESOURCES LTD.

Consolidated Schedules of Exploration Expenses

(Expressed in Canadian Dollars)

	Years ended March 31		
	2008	**2007**	**2006**
Assays and analysis	$ 283,281	$ 162,429	$ 205,889
Drilling	–	–	260,900
Engineering	7,581	–	–
Equipment rental	83,933	25,695	186,127
Freight	18,582	2,122	40,214
Geological	1,721,493	635,870	1,117,544
Graphics	21,128	9,762	19,094
Helicopter	391,877	42,358	260,720
Property fees and assessments	67,489	18,831	23,310
Property option payments	60,000	25,000	78,750
Site activities	372,491	64,297	727,397
Travel and accommodation	39,084	46,696	92,880
Incurred during the year	**3,066,939**	**1,033,060**	**3,012,825**
Cumulative expenditures, beginning of year	14,382,635	13,349,575	10,336,750
Cumulative expenditures, end of year	**$ 17,449,574**	**$ 14,382,635**	**$ 13,349,575**

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

1. NATURE AND CONTINUANCE OF OPERATIONS

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

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

2. BASIS OF PRESENTATION AND PRINCIPLES OF CONSOLIDATION

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

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Cash and cash equivalents

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

(b) Equipment

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

(c) Reclamation deposits

Reclamation deposits are recorded at cost and are included in amounts receivable and prepaid expenses.

(d) *Mineral property interests and related asset retirement obligations*

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

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

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

Administrative expenditures are expensed in the period incurred.

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

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

The Company has no material asset retirement obligations as the disturbance at the exploration sites as at March 31, 2008 has been minimal.

(e) *Government assistance*

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

(f) *Share capital*

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

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

Share issue costs are deducted from share capital.

(g) *Stock-based compensation*

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

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

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

(h) Use of estimates

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

(i) Foreign currency translation

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

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

(j) Segment disclosures

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

(k) Income taxes

The Company uses the asset and liability method of accounting for income taxes. Under this method, future income tax assets and liabilities are computed based on differences between the carrying amount of assets and liabilities on the balance sheet and their corresponding tax values, generally using the enacted or substantively enacted income tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Future income tax assets also result from unused loss carry-forwards and other deductions. Future tax assets are recognized to the extent that they are considered more likely than not to be realized. The valuation of future income tax assets is adjusted, if necessary, by the use of a valuation allowance to reflect the estimated realizable amount.

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

(l) *Loss per share*

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

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

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

(m) *Impairment of long-lived assets*

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

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

(n) *Variable interest entities*

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

(o) Comparative figures

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

4. CHANGES IN ACCOUNTING POLICIES

(a) Newly Adopted Accounting Policies

Effective April 1, 2007, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA") relating to financial instruments. As required by the transitional provisions of these new standards, these new standards have been adopted on a prospective basis with no restatement to prior period financial statements.

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

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

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

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

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

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

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

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

(ii) *Section 3865 – Hedges*

This new standard specifies the circumstances under which hedge accounting is permissible and how hedge accounting may be performed. The Company currently does not have any financial instruments which qualify for hedge accounting.

(iii) *Section 1530 – Comprehensive Income*

Comprehensive income is the change in the Company's shareholder equity that results from transactions and other events from other than the Company's shareholders and includes items that would not normally be included in net earnings (loss), such as unrealized gains or losses on available-for-sale investments. This standard requires certain gains and losses that would otherwise be recorded as part of net earnings to be presented in other "comprehensive income" until it is considered appropriate to recognize into net earnings. This standard requires the presentation of comprehensive income, and its components in a separate financial statement that is displayed with the same prominence as the other financial statements. Accumulated other comprehensive income is presented as a new category in shareholders' equity.

As at March 31, 2008, the Company had no accumulated other comprehensive income and for the year ended March 31, 2008, comprehensive income (loss) equals net loss.

(iv) *Section 1506 - Accounting Changes*

This standard establishes criteria for changing accounting policies, together with the accounting treatment and disclosure of changes in accounting policies, changes in accounting estimates and correction of errors. Changes in accounting policies are only permitted when required by a primary source of GAAP or when the change will result in more reliable and more relevant information.

(v) *Financial Instruments – Disclosure (Section 3862) and Presentation (Section 3863)*

These standards replace CICA 3861, *Financial Instruments – Disclosure and Presentation.* They increase the disclosures for those previously required, which will enable users to evaluate the significance of financial instruments for an entity's financial position and performance, including disclosures about fair value. In addition, disclosure is required of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk. The quantitative disclosures must provide information about the extent to which the entity is exposed to risk, based on information provided internally to the entity's key management personnel. This standard is effective for the Company for interim and annual periods beginning on or after January 1, 2008.

The Company has opted for an early adoption of this standard, with effect from April 1, 2007, and the additional disclosure requirements have been incorporated in these financial statements.

Except as stated in note 4(a)(*v*), the application of these new standards has had no impact on the Company's financial statements as at and for the year ended March 31, 2008.

(b) *Accounting Standards Issued But Not Yet Adopted*

(i) *Section 1535 – Capital Disclosures*

This standard requires disclosure of an entity's objectives, policies and processes for managing capital, quantitative data about what the entity regards as capital and whether the entity has complied with any capital requirements and, if it has not complied, the consequences of such non-compliance. This standard is effective for the Company for interim and annual periods relating to fiscal years beginning on or after January 1, 2008. The Company is currently evaluating the effects of adopting this standard.

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

CICA 1400, General Standards of Financial Statement Presentation, was amended to include requirements to assess and disclose an entity's ability to continue as a going concern. The new requirements are effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2008. The Company is currently evaluating the impact of this new standard.

(iii) *International Financial Reporting Standards ("IFRS")*

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of

(Expressed in Canadian Dollars)

IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

5. EQUIPMENT

	Cost	Accumulated Amortization	Net Book Value
March 31, 2008			
Site equipment	$ 77,551	$ 57,182	$ 20,369
March 31, 2007			
Site equipment	$ 77,551	$ 52,089	$ 25,462

6. MINERAL PROPERTY INTERESTS

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

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

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

(Expressed in Canadian Dollars)

Property Acquisition Costs	Balance at March 31, 2005	Acquired during the year	Credited during the year	Written down during year	Balance at March 31, 2006
British Columbia, Canada					
Buck	$ 55,929	$ –	$ –	$ –	$ 55,929
Nechako	90,000	–	(47,500)	–	42,500
Witch	10,000	–	–	(10,000)	–
Total	$ 155,929	$ –	$ (47,500)	$ (10,000)	$ 98,429

(a) British Columbia, Canada

(i) Tulox Property

On May 7, 2007, the Company entered into an agreement with Tulox Resources Inc., formerly named Sitec Ventures Corp. ("Tulox") for the sale of the Tulox property (the "Property") for consideration of ten million common shares of Tulox, an inactive NEX-listed public company. The agreement is subject to certain conditions including regulatory approval. Under the agreement, the Company will receive a 3% net smelter returns ("NSR") royalty, following the commencement of commercial production on the Property. In addition, the Company receives a "Back in Right" whereby, on completion of $5,000,000 of exploration expenditures on the Property by Tulox, the Company will have a 90 day period during which it can acquire a 60% interest in the Property by agreeing to fund a further $10,000,000 of exploration expenditures on the Property. On April 15, 2008, the Company and Tulox mutually agreed to extend the closing date of this agreement

(ii) Peak Property

On September 27, 2007, the Company entered into a letter agreement with a private arm's-length company for an exclusive option whereby the Company may acquire, over up to a three year period, the right to earn an undivided 100% interest in the Peak property, subject to a 2% NSR, which the Company may acquire for $2,000,000. The agreement is subject to certain conditions, including the signing of a formal agreement and the acceptance of such formal agreement by the TSX Venture Exchange (the "Effective Date"). Consideration for acquiring the 100% undivided interest in the Peak property is to consist of staged payments totaling $85,000 and the incurring of expenditures totaling $175,000 on the property from the date of signing the letter agreement until the third anniversary of the Effective Date. The Company and the vendor of the Peak property have mutually agreed to defer signing of the formal agreement beyond December 31, 2007 as originally anticipated.

(ii) Pond Property

On September 27, 2007, the Company entered into a letter agreement with a private arm’s-length company for an exclusive option whereby the Company may acquire, over up to a four year period, the right to earn an undivided 100% interest in the Pond property, subject to a 2% NSR, which the Company may acquire for $2,000,000. The agreement is subject to certain conditions, including the signing of a formal agreement and the acceptance of such formal agreement by the TSX Venture Exchange (the "Effective Date"). Consideration for acquiring the 100% undivided interest in the Pond property is to consist of staged payments totaling $215,000 and the incurring of expenditures totaling $225,000 on the property from the date of signing the letter agreement until the fourth anniversary of the Effective Date. The Company and the vendor of the Pond property have mutually agreed to defer signing of the formal agreement beyond December 31, 2007 as originally anticipated.

(iv) Bodine Property, British Columbia

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

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

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

(v) Witch Properties

In September 2004, the Company acquired a 100% interest in the Witch porphyry gold-copper property for a cash payment of $10,000. The property originally comprised approximately 4,600 hectares and is located in the Witch Lake/Chuchi Lake region, approximately 80 kilometers north-northwest of Fort St. James, British Columbia. Amarc added to the property by staking additional claims and conducting further exploration work. Certain claims were allowed to lapse.

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

At March 31, 2008, all of the Company’s Witch and Chona claims had either been sold or had lapsed.

(vi) Iskut Properties

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

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

During the year ended March 31, 2007, the Company concluded that no further work was warranted on the properties. On December 6, 2006 the Company terminated the Letter Agreement and vended the AA property to the arm's length party. The Company retains a 1.5% NSR on production from the property, 0.5% of which can be purchased by the arm's length party for $1,000,000. This royalty has been recorded at a nominal value of $1 (March 31, 2007 - $nil).

(vii) Sitlika Properties

In addition to the Bodine Property (note 6(a)(iv)), beginning December 2006, the Company has acquired by staking claims 100% interest in seven mineral properties located in Omineca Mining Division of British Columbia, approximately 110 kilometers northeast of Smithers. As of March 31, 2008, these properties included the Aspira, Equus, Huge East, Megamine, Myway, Polymac and Polymet claims and in total comprised 955 square kilometers.

(viii) Pinchi Properties

As at March 31, 2008, the Company held a 100% interest in 262 square kilometers of mineral property located in Omineca Mining Division of British Columbia. These properties comprise of the Grand, Grand North and Petite.

(ix) Carbonate Zinc Properties

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

(b) Other Properties

Yukon Territory and Saskatchewan

The Company has a 5% net profits interest ("NPI") in the 46 mineral claims comprising the Ana Property in the Yukon, and a 2.5% NPI in a mineral lease comprising the Mann Lake Property in Saskatchewan. These net profit interests have been recorded at a nominal value of $1 each (March 31, 2007 - $nil). The Company has neither active exploration programs nor does it plan to undertake any new programs on these properties at the present time.

7. SHARE CAPITAL

(a) Authorized share capital

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

(b) Issued and outstanding common shares

At March 31, 2008, the Company had 67,739,473 (2007 – 62,949,473) common shares issued and outstanding.

(i) Share issuance in private placement

On January 17, 2007, the Company completed a private placement of 10,490,000 units ("Units") at $0.50 per Unit, consisting of 4,490,000 flow-through units and 6,000,000 non-flow-through units.

Each flow-through unit consisted of one flow-through common share and one non-flow-through warrant and each non-flow-through unit consisted of one non-flow-through common share and one warrant. Each warrant entitled the holder to purchase one non-flow-through common share until January 17, 2009, at a price of $0.55 per share. The fair value of share warrants was estimated using the Black-Scholes option pricing model, based upon the following assumptions: risk free interest rate of 4%; weighted average expected life of 2.0 years; vesting period of nil; weighted average volatility of 78%; and expected dividends of nil.

Expenses to be incurred from the proceeds of the flow-through-units were renounced to investors on December 31, 2006. In accordance with the provisions of the Canadian Income Tax Act, the Company spent the proceeds from the flow-through units by December 31, 2007.

In February 2008, the Company offered to the holders of warrants the right to enter into an agreement whereby the existing warrants would be exercisable to acquire flow-through common shares of the Company, in consideration of immediate commitment from the holders to exercise the warrants until March 20, 2008 (note 7(b)(ii)). Consequently, all the warrants outstanding as of March 31, 2008 entitled the holders to acquire non-flow-through shares.

(Expressed in Canadian Dollars)

(ii) Share issuance upon exercise of warrants

During the year ended March 31, 2008, the Company issued 4,440,000 flow-through common shares upon exercise of warrants (note 7(b)(i)) for total proceeds of $2,442,000. The Company also issued 350,000 non-flow-through common shares for proceeds of $192,500 during the year ended March 31, 2008.

In accordance with the provisions of the Income Tax Act (Canada), the Company is obligated to spend the proceeds from the flow-through-shares by December 31, 2009.

(c) Share purchase option compensation plan

The Company has a share purchase option compensation plan approved by the shareholders that allows the Company to grant up to 10% of the issued and outstanding shares of the Company at any one time, typically vesting over up to two years, subject to regulatory terms and approval, to its directors, employees, officers, and consultants. The exercise price of each option may be set equal to or greater than the closing market price of the common shares on the TSX Venture Exchange on the day prior to the date of the grant of the option, less any allowable discounts. Options have a maximum term of five years and terminate 30 days following the termination of the optionee's employment, except in the case of retirement or death. As at March 31, 2008 and March 31, 2007, no options were outstanding.

(d) Share purchase warrants

The continuity of share purchase warrants (each warrant redeemable for one common share) for the year ended March 31, 2008 was:

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

(Expressed in Canadian Dollars)

The continuity of share purchase warrants for the year ended March 31, 2007 was:

Expiry date	Exercise Price	March 31 2006	Issued	Exercised	Expired/ Cancelled	March 31 2007
January 17, 2009	$ 0.55	–	10,490,000	–	–	10,490,000
Weighted average exercise price		$ –	$ 0.55	$ –	$ –	$ 0.55

There were no warrants outstanding as of March 31, 2006.

(e) *Contributed surplus*

The components of contributed surplus were:

	March 31, 2008	March 31, 2007
Fair value of warrants	$ 982,110	$ 1,807,427
Cumulative stock-based compensation	892,917	892,917
Contributed surplus transferred to share capital relating to options exercised	(405,096)	(405,096)
Balance, end of the year	**$ 1,469,931**	**$ 2,295,248**

8. RELATED PARTY BALANCES AND TRANSACTIONS

	As at March 31	
Balances receivable (payable)	2008	2007
Hunter Dickinson Services Inc. (a)	$ (180,767)	$ 21,314
Rockwell Diamond Inc. (c)	–	5,692,877
Total	$ (180,767)	$ 5,714,191

	Year ended March 31		
Transactions	2008	2007	2006
Services rendered and expenses reimbursed:			
Hunter Dickinson Services Inc. (a)	$ 1,603,106	$ 884,888	$ 1,377,312
Hunter Dickinson Group Inc. (b)	$ –	$ –	$ 6,400
Rockwell Diamond Inc. (c)	$ 5,553,629	$ 5,692,877	$ –

(Expressed in Canadian Dollars)

(a) Hunter Dickinson Services Inc (“HDSI”) formerly named Hunter Dickinson Inc ("HDI") and its wholly-owned subsidiaries are private companies owned equally by several public companies, one of which is the Company, and have certain directors in common with the Company. HDSI provides geological, technical, corporate development, administrative and management services to, and incurs third party costs on behalf of, the Company on a full cost recovery basis pursuant to an agreement dated December 31, 1996. Balances receivable from HDSI have arisen in the normal course of exploration work on the Company's mineral properties and from the provision of ongoing administrative and technical services.

(b) Hunter Dickinson Group Inc. ("HDGI") is a private company with certain directors in common with the Company that provided consulting services to the Company at market rates.

(c) Rockwell Diamonds Inc., formerly named Rockwell Ventures Inc., ("Rockwell") is a public company with certain directors in common with the Company. On January 26, 2007, the Company advanced $5,500,000 to Rockwell pursuant to a 90-day promissory note. Interest on the promissory note was calculated at a rate of 20% per annum, compounded quarterly. Interest was payable in common shares of Rockwell, based upon the ten day average closing price, less a 10% discount. On April 18, 2007, Rockwell repaid the principal amount of the loan, together with 497,993 common shares of Rockwell at a deemed price of $0.495, representing payment of interest on the 90-day promissory note. For the year ended March 31, 2008, interest income of $53,629 was recorded on the promissory note.

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

9. INCOME TAXES

As at March 31, 2008 and 2007, the estimated tax effects of the significant components within the Company’s future income tax assets (liabilities) are as follow:

	March 31 2008	March 31 2007
Future income tax assets (liabilities)		
Resource pools	$ 2,553,000	$ 2,348,000
Loss carry forwards	1,024,000	1,096,000
Share issued cost	23,000	59,000
Other	–	–
Subtotal	3,600,000	3,503,000
Valuation allowance	(3,600,000)	(3,503,000)
Net future income tax asset	$ –	$ –

(Expressed in Canadian Dollars)

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

	March 31 2008	March 31 2007
Combined Canadian federal and provincial statutory rate	33.47%	31.00%
Income tax at statutory rates	$ (1,191,000)	$ (427,000)
Non-deductible items	264,000	2,000
Change in future tax rates	830,000	320,000
Benefit of share issuance costs	–	(31,000)
Change in valuation allowance	97,000	136,000
	$ –	$ –

At March 31, 2008, the Company had non-capital losses available for Canadian income tax purposes totaling approximately $3.9 million (2007 – $3.4 million) expiring in various periods to 2028.

10. FINANCIAL INSTRUMENTS

a) Fair Value of Financial Instruments

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

b) Financial Instrument Risk Exposure and Risk Management

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

(i) Credit Risk

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

(ii) Liquidity Risk

The Company ensures that there is sufficient cash in order to meet its short term business requirements, after taking into account the Company's holdings of cash and cash equivalents. The

Company's cash and equivalents are invested in business accounts, commercial paper and treasury bills, which are immediately available on demand for the Company's use.

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

(iii) *Price Risks*

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

Foreign exchange risk

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

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

Expressed in CAD equivalents	As at March 31, 2008	As at March 31, 2007
Financial assets		
United States dollars	$ 946,129	$ 1,071,053
Mexican pesos	40,235	43,675
Total financial assets	$ 986,364	$ 1,114,728

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

The Company currently does not engage in foreign currency hedging.

The following significant exchange rates applied during the year:

	Year ended March 31	
	2008	2007
USD to CAD		
United States dollars – closing rate	1.0265	1.1546
United States dollars – average rate	1.0322	1.1386
MXN to CAD		
Mexican Peso – closing rate	10.341	9.56
Mexican Peso – average rate	10.556	9.63

Interest rate risk

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

Market risk

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

YEAR ENDED MARCH 31, 2008

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

1.1 Date 3
1.2 Overview 3
1.3 Selected Annual Information 9
1.4 Summary of Quarterly Results 10
1.5 Results of Operations 11
1.6 Liquidity 12
1.7 Capital Resources 13
1.8 Off-Balance Sheet Arrangements 13
1.9 Transactions with Related Parties 13
1.10 Fourth Quarter 13
1.11 Proposed Transactions 14
1.12 Critical Accounting Estimates 14
1.13 Changes in Accounting Policies including Initial Adoption 14
1.14 Financial Instruments and Other Instruments 14
1.15 Other MD&A Requirements 14
1.15.1 Additional Disclosure for Venture Issuers without Significant Revenue 14
1.15.2 Disclosure of Outstanding Share Data 15
1.15.3 Internal Controls over Financial Reporting and Disclosure Controls 15

1.1 Date

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the audited consolidated financial statements of Amarc Resources Ltd. ("Amarc", or the "Company") for the year ended March 31, 2008 and the audited consolidated financial statements for the year ended March 31, 2007, which are publicly available on SEDAR at www.sedar.com.

This MD&A is prepared as of July 24, 2008. All dollar figures stated herein are expressed in Canadian dollars, unless otherwise specified.

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

1.2 Overview

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

The Sitlika Zinc-Copper Belt

Located in central British Columbia, the Sitlika Belt, which has high potential to host major zinc and copper volcanogenic massive sulphide ("VMS") deposits, extends for some 226 kilometers from the Endako – Vanderhoof area towards the northwest, through one of the best endowed mineral districts in the Province.

In December 2006 Amarc acquired, by staking and option agreement, exploration properties covering an area of approximately 1,100 square kilometers along the under-explored Sitlika Zinc-Copper Belt. Subsequently, the Company increased its tenure position through staking to approximately 1,600 square kilometers as of March 31, 2008, and to approximately 2,000 square kilometers as of July 24, 2008.

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

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

To date, Amarc has spent a total of approximately $2.8 million on exploration over the entire Sitlika Belt and approximately $1.6 million and $0.7 million on the Bodine and Aspira properties, respectively. An initial exploration expenditure of $2.75 million has been planned for the 2008 field season, with substantial additional funding on hand and available as necessary to follow up on positive results.

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

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

Field crews are currently on-the-ground further delineating the Bodine targets for planned drill follow-up during the 2008 field season.

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

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

In May 2008, a geophysical survey over Aspira defined a 15 kilometer long linear magnetic high that remains open along strike. Parallel to the magnetic high is a pronounced magnetic low or trough feature measuring 150 meters wide and some 15 kilometers long. Geological mapping has confirmed that this magnetic trough coincides with the presence of fine grained sediments, felsic volcanic rocks and the 2 kilometer long (and open ended) highly anomalous zinc in soil anomaly described above. This rock package has likely acted as a preferred stratigraphic interval for the deposition of sulphide mineralization.

An intensive field program is underway along the favorable 15 kilometer trend of the magnetic trough. Work programs, which include geological mapping, stream sediment and soil geochemical sampling and induced polarization geophysical surveys, are defining very compelling drill targets. A drill contractor has been selected and a 12 kilometer long access road to drill sites is currently under construction.

The Sitlika Belt is an exceptionally strong regional exploration play and is being aggressively explored by the Company.

Sitlika Belt Option Agreements

Bodine Property Agreement

In November 2006, Amarc reached an option agreement with an arm's length party to acquire a 100% undivided interest in the, approximately 640 square kilometer, Bodine property. Amarc can acquire its interest in the Bodine property by making staged cash payments totaling $225,000 and expending $2,000,000 on the property over the next four years. The Company has paid $75,000 in property option payments for Bodine to date. The property is subject to a 3% net smelter royalty, 2% of which may be purchased at the Company's sole discretion for $2,000,000 with the remaining 1% subject to a right of first refusal in favor of the Company. Annual advance royalty payments of $50,000 will be required from the fifth year of the agreement to the fifteenth year of the agreement.

Pinchi Belt Gold Properties

As of March 2008, Amarc had reduced its land position along the Pinchi Belt in BC, acquired by staking in 2006 to 2007, from approximately 550 square kilometers to approximately 260 square kilometers.

The properties are underlain by Paleozoic limestone, sedimentary and volcanic rocks that have been intruded by Mesozoic intrusive rocks. These geologic conditions are prospective for the formation of bulk tonnage gold deposits.

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

The costs incurred on the Pinchi program to date total approximately $0.6 million.

Carbonate Zinc Belt

In 2007, Amarc acquired by staking approximately 250 square kilometers along a belt located some 130 kilometers north-northwest of McKenzie, BC. A desk-top analysis of available data has been completed, which resulted in seven targets being selected for follow-up in the field in 2008 and the land position being reduced to approximately 200 square kilometers.

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

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

The cost of the Carbonate Zinc Belt program to date is approximately $66,000.

Other Properties

The Rapid Property

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

The cost of the program to date is approximately $159,000.

Other BC Agreements

The Peak Property Agreement

In September 2007, Amarc entered into a letter agreement with an arm's length party for an exclusive option whereby the Company may acquire, over up to a three year period, the right to earn an undivided 100% interest in the **Peak** property, subject to a 2% net smelter royalty, which the Company may acquire from the arm's length party for $2,000,000. Consideration for acquiring the 100% undivided interest in the Peak property is to consist of staged payments totaling $85,000 (of which $5,000 was paid on signing of letter agreement) and the incurring of expenditures totaling $175,000 on the property from the date of signing the letter agreement until October 31, 2010. The agreement is subject to certain conditions, including the signing of a formal agreement on or before December 31, 2007 and the acceptance of such formal agreement by the TSX Venture Exchange. Both parties subsequently agreed to defer signing of the formal agreement in order to allow compilation of results from geological samples taken by the Company.

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

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

The Pond Property Agreement

In September 2007, Amarc entered into a letter agreement with an arm's length party for an exclusive option whereby the Company may acquire, over up to a four year period, the right to earn an undivided 100% interest in the **Pond** property, subject to a 2% net smelter royalty, which the Company may acquire for $2,000,000. The agreement is subject to certain conditions, including the signing of a formal agreement on or before December 31, 2007 and the acceptance of such formal agreement by the TSX Venture Exchange (the "Effective Date"). Consideration for acquiring the 100% undivided interest in the Pond property is to consist of staged payments totaling $215,000 and the incurring of expenditures totaling $225,000 on the property from the date of signing the letter agreement until the fourth anniversary of the Effective Date. Both parties subsequently agreed to defer signing of the formal agreement in order to allow compilation of results from geological samples taken by the Company.

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

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

The Tulox Property Agreement

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

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

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

Other Property Agreements

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

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

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

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

Market Trends

The zinc price averaged US$1.47/lb in 2007, increasing from $0.48/lb in 2004. Zinc prices in 2008 have averaged US$1.03/lb to mid July. Lead prices increased substantially to average US$1.16/lb over the 2007 year from US$0.60/lb in 2006. Lead prices in 2008 have averaged US$1.15/lb to mid July.

Copper prices have been increasing since late 2003, averaging US$3.03/lb in 2006. The average price in 2007 was approximately US$3.22/lb. Prices have continued to be strong in 2008, averaging US$3.65/lb to mid July.

Gold prices have been increasing for more than three years. Although there was some volatility in 2006 and early 2007, the average price increased to US$697/oz in 2007. Prices have continued to be strong in 2008, averaging US$913/oz to mid July. The silver price has also increased since 2004, from an average of US$6.69/oz in 2004 to US$13.38 in 2007. Silver prices have continued to follow gold and show strength in 2008, averaging US$17.45/oz to mid July.

1.3 Selected Annual Information

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

	As at March 31		
	2008	**2007**	**2006**
Current assets	$ 7,963,247	$ 8,742,826	$ 4,872,158
Mineral property interests	4	–	98,429
Equipment	20,369	25,462	36,951
Total assets	7,983,620	8,768,288	5,007,538
Current liabilities	225,144	78,012	38,431
Shareholders' equity	7,758,476	8,690,276	4,969,107
Total shareholders' equity & liabilities	7,983,620	8,768,288	5,007,538
Working capital	$ 7,738,103	$ 8,664,814	$ 4,833,727

	Year ended March 31		
	2008	**2007**	**2006**
Expenses (Income)			
Amortization	$ 5,092	$ 6,366	$ 10,154
Conference and travel	93,829	60,402	37,471
Exploration	3,066,939	1,033,060	3,012,825
Legal, accounting and audit	55,162	33,465	64,160
Management and consulting	48,795	54,714	92,987
Office and administration	183,842	150,163	137,155
Property investigation	2,596	10,396	4,316
Salaries and benefits	257,060	229,024	382,254
Shareholder communication	72,860	51,857	72,531
Trust and filing	26,903	18,719	17,946
Foreign exchange loss (gain)	138,026	(38,098)	2,645
Interest income and other	(315,812)	(333,737)	(129,852)
Loss on sale of equipment	–	1,678	–
Write down of accounts receivable	–	–	45,088
Write down of marketable securities	–	–	190,392
Write down of mineral property interest	–	98,429	10,000
Subtotal	3,635,292	1,376,438	3,950,072
Stock-based compensation expense (recovery)	–	–	(16,282)
Gain on sale of marketable securities	(68,992)	–	(92,887)
Net loss for the year	**$ (3,566,300)**	**$ (1,376,438)**	**$ (3,840,903)**
Basic and diluted loss per share	$ (0.06)	$ (0.03)	$ (0.08)
Weighted average number of common shares outstanding	63,343,763	54,557,473	49,880,651

1.4 Summary of Quarterly Results

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

	Mar 31 2008	Dec 31 2007	Sept 30 2007	June 30 2007	Mar 31 2007	Dec 31 2006	Sept 30 2006	June 30 2006
Current assets	7,963	5,991	6,901	8,232	8,743	5,956	$ 4,279	$ 4,704
Other assets	20	22	22	24	25	69	70	73
Total assets	7,984	6,013	6,923	8,256	8,768	6,025	4,349	4,777
Current liabilities	225	40	383	91	78	2,180	77	38
Shareholders' equity	7,758	5,973	6,540	8,165	8,690	3,845	4,272	4,739
Total liabilities & shareholders' equity	7,984	6,013	6,923	8,256	8,768	6,025	4,349	4,777
Working capital	7,738	5,951	6,517	8,141	8,665	3,776	4,202	4,667
Expenses								
Amortization	1	1	1	1	–	2	2	2
Conference and travel	86	4	3	2	–	17	43	–
Exploration	489	443	1,667	467	271	369	301	92
Legal, accounting and audit	27	21	3	3	22	2	6	4
Management and consulting	–	18	7	24	2	3	25	24
Office and administration	49	37	44	54	44	46	35	26
Property investigation	–	1	1	1	2	(4)	10	2
Salaries and benefits	56	78	75	48	60	56	63	50
Shareholder communication	20	21	19	13	10	12	22	8
Trust and filing	11	7	8	1	10	3	5	1
Subtotal	741	631	1,827	614	421	506	512	209
Foreign exchange loss (gain)	(34)	1	83	89	12	(48)	(10)	7
Interest income	(50)	(64)	(93)	(109)	(224)	(31)	(34)	(40)
Other	–	–	–	–	–	–	(1)	(3)
Subtotal	656	568	1,817	594	209	427	467	173
Loss on sale of fixed assets	–	–	–	–	–	–	–	1
Gain on sale of marketable securities	–	–	–	(69)	–	–	–	–
Write-down of mineral property interest	–	–	–	–	43	–	–	56
Net loss for the period	**$ 656**	**$ 568**	**$ 1,817**	**$ 525**	**$ 252**	**$ 427**	**$ 467**	**$ 230**
Basic and diluted net loss per share	$ 0.01	$ 0.01	$ 0.03	$ 0.01	$ 0.00	$ 0.01	$ 0.01	$ 0.00
Weighted average number of common shares outstanding (thousands)	63,923	63,299	63,204	62,949	60,968	52,459	52,459	52,459

1.5 Results of Operations

The net loss for the year ended March 31, 2008 increased to $3,566,300 compared to a net loss of $1,376,438 for the previous year. The increase in loss was mainly due to an increase in exploration activities compared to the previous year.

Exploration expenses for the year ended March 31, 2008, excluding stock-based compensation, increased to $3,066,939, compared to $1,033,060 for the previous year. This increase was due to a greater number of exploration programs being carried out in British Columbia. The major exploration expenditures during the year were geological (2008 – $1,721,493; 2007 – $635,870), site activities (2008 – $372,491; 2007 – $64,297), and assay and analysis (2008 – $283,281; 2007 – $162,429). Option payments related to mineral property interests increased to $60,000, compared to option payments of $25,000 made for the previous year.

The major administrative costs during the year were salaries and benefits (2008 – $257,060; 2007 – $229,024), office and administration (2008 – $183,842; 2007 – $150,163), conference and travel (2008 – $93,829; 2007 – $60,402), management and consulting (2008 – $48,795; 2007 – $54,714), and shareholder communication (2008 – $72,860; 2007 – $51,857). The increase in administrative costs was mainly due to increased exploration activities.

Interest and other income decreased to $315,812 for fiscal year 2008 compared to $333,737 for the previous year. The change in total interest income is attributable to the following factors:

- Interest earned on cash and cash equivalent increased to $262,183, compared to $140,860 for the previous year. This increase was due to higher cash balance in current year mainly because of issuance of share capital during the last quarter of fiscal year 2007, repayment of loan to a related party in first quarter of the current year and exercise of share warrants.

- During the year ended March 31, 2008, $53,629 was recorded on a promissory note on funds lent to a related party, Rockwell Ventures Inc. (now renamed "Rockwell Diamonds Inc."), as compared $192,877 in previous year.

There were no losses on the sale of equipment or write-down of mineral property interest during the fiscal year, compared with a loss of $1,678 on the sale of fixed assets and a write-down of mineral property interest of $98,429 recorded in the prior year.

A foreign exchange loss of $138,026 was recorded during the year ended March 31, 2008, compared with a gain of $38,098 in the previous year. The loss was due primarily to a decline in the Canadian dollar value of US dollar denominated cash and cash equivalents held by the Company.

A gain of $68,992 on the sale of marketable securities was recorded during the current year, compared with $nil during the previous year. The gain resulted from the sale of 497,993 common shares of Rockwell Diamonds Inc., which the Company had received as payment for the interest portion of the promissory note to Rockwell Diamonds Inc.

1.6 Liquidity

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements.

In January 2007, the Company completed a private placement of 10,490,000 units, consisting of 4,490,000 flow-through units and 6,000,000 non-flow-through units at a price of $0.50 per unit. Each flow-through unit consisted of one flow-through common share and one warrant and each non-flow-through unit consisted of one non-flow-through common share and one warrant. Each warrant entitled the holder to purchase one common share until January 17, 2009, at a price of $0.55 per share. In accordance with certain provisions of the Income Tax Act (Canada), the Company spent the flow-through unit proceeds on eligible expenses by December 31, 2007.

During the year ended March 31, 2008, 4,790,000 warrants were exercised for proceeds to the Company of $2,634,500. A total of 4,440,000 flow-through shares and 350,000 non-flow-through shares were issued pursuant to this exercise.

At March 31, 2008, the Company had working capital of approximately $7.7 million which is sufficient to fund its known commitments.

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

Operating activities

Cash used in operating activities was $3,652,198 in fiscal year 2008, compared to $1,222,791 for the previous year. Cash used in operating activities was attributable primarily to exploration programs carried out on its British Columbia mineral properties. The Company anticipates continuing to use its cash to carry out its exploration programs.

Investing activities

Cash flows from investing activities were $5,815,499 in the fiscal year 2008, compared to cash used in investing activities of $5,496,555 in the previous year. Cash inflows from investing activities in the current year consisted of $5,500,000 from the repayment of a loan to a related party and $315,499 in proceeds from the sale of securities. Cash used in investing activities in the prior year resulted from the Company advancing $5,500,000 to Rockwell Ventures Inc. (a public company with certain directors in common with the Company) pursuant to a 90-day promissory note.

Financing activities

Cash flows from financing activities were $2,634,500 in fiscal year 2008, compared to cash flows of $5,097,607 for the previous year. Cash flows from financing activities in the current year were attributable to cash received from exercises of warrants. Cash flows from financing activities in the prior year were attributable to a private placement commenced in December 2006.

Requirement of financing

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

1.7 Capital Resources

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

The Company has applied for refundable investment tax credits under the British Columbia Mining Exploration Tax Credit ("METC") program. These applications are currently under review and audit by the government department responsible for the administration of the METC program. If successful, the Company could receive up to approximately $1.1 million in refunds. The Company records these amounts as received; consequently, as the receipt, amount and timing of such refunds is uncertain, the Company has not accrued any of these amounts as receivable.

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

1.8 Off-Balance Sheet Arrangements

None.

1.9 Transactions with Related Parties

The required disclosure is provided in note 8 of the accompanying audited financial statements as at and for the year ended March 31, 2008.

1.10 Fourth Quarter

The net loss for the fourth quarter of 2008 increased to $656,270 from $567,660 in the third quarter of the year primarily due to an increase in exploration activities.

Exploration expenses increased in the fourth quarter of 2008 to $489,328 from $442,915 in the third quarter of the same year due to the timing of exploration activities.

Conference and travel expenses increased to $86,000 in the fourth quarter from $4,000 in the third quarter. This increase was due to invoicing by a related party, Hunter Dickinson Services Inc., of conference and travel expenses incurred during the calendar year 2007 on behalf of the Company. Salaries and benefits decreased to $56,000 in the fourth quarter of the year from $78,000 in the third quarter and $60,000 in the fourth quarter of the previous year. Overall administrative expenses increased in the fourth quarter of 2008 as compared to the same quarter of fiscal year 2007, primarily due to the increase in the corporate activities associated with the Company's exploration programs.

Interest income decreased by $178,000 in the fourth quarter of 2008 to $50,000 from $228,392 in the fourth quarter of 2007, due to the higher interest income earned on the promissory note due from Rockwell Diamonds Inc.

There was no write down of mineral property interest recorded during the fourth quarter of 2008, compared to $43,000 in the fourth quarter of the previous year.

No stock-based compensation expense or recovery was recorded in the fourth quarter of 2008 or in the fourth quarter of 2007.

1.11 Proposed Transactions

There are no proposed transactions requiring disclosure under this section.

1.12 Critical Accounting Estimates

Not required. The Company is a venture issuer.

1.13 Changes in Accounting Policies including Initial Adoption

The required disclosure is provided in note 4 of the accompanying audited financial statements as at and for the year ended March 31, 2008.

1.14 Financial Instruments and Other Instruments

The required disclosure is provided in note 10 of the accompanying audited financial statements as at and for the year ended March 31, 2008.

1.15 Other MD&A Requirements

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

1.15.1 Additional Disclosure for Venture Issuers without Significant Revenue

(a) capitalized or expensed exploration and development costs;

> The required disclosure is presented as a schedule to the audited consolidated financial statements for the year ended March 31, 2008.

(b) expensed research and development costs;

Not applicable.

(c) deferred development costs;

Not applicable.

(d) general and administration expenses; and

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

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

None.

1.15.2 Disclosure of Outstanding Share Data

The following table details the share capital structure as at July 24, 2008, the date of this MD&A. These figures may be subject to minor accounting adjustments prior to presentation in future consolidated financial statements.

	Expiry date	Exercise price	Number
Common shares			67,739,473
Warrants	January 17, 2009	$0.55	5,700,000

1.15.3 Internal Controls over Financial Reporting and Disclosure Controls

Internal Controls over Financial Reporting

Internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of financial statements in compliance with Canadian generally accepted accounting principles.

An evaluation of the design effectiveness of the Company's internal controls over financial reporting was conducted as of March 31, 2008 by the Company's management, including the Chief Executive Officer and Chief Financial Officer. Based on this evaluation, management has concluded that the design of the Company's internal controls over financial reporting was effective.

There were no adverse changes in the Company's internal controls over financial reporting during the year ended March 31, 2008 that have materially affected, or are reasonably likely to materially affect, its internal controls over financial reporting.

Disclosure Controls and Procedures

The Company's disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is communicated to senior management, to allow timely decisions regarding required disclosure.

An evaluation of the effectiveness of the Company's disclosure controls and procedures, as defined under the rules of the Canadian Securities Administration, was conducted as of March 31, 2008 under the supervision of the Company's Disclosure Committee and with the participation of management. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective. Since the March 31, 2008 evaluation, there have been no adverse changes to the Company's controls and procedures and they continue to remain effective.