

AMARC RESOURCES LTD.
CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED
MARCH 31, 2004, 2003 and 2002

(Expressed in Canadian Dollars)

DE VISSER GRAY

CHARTERED ACCOUNTANTS

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AUDITORS' REPORT

To the Shareholders of Amarc Resources Ltd.

We have audited consolidated balance sheets of Amarc Resources Ltd. as at March 31, 2004 and 2003, and the consolidated statements of operations and deficit and cash flows for each of the years in the three year period ended March 31, 2004. 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 and the United States of America. 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, 2004 and 2003 and the results of its operations and cash flows for each of the years in the three year period ended March 31, 2004 in accordance with generally accepted accounting principles in Canada. As required by the British Columbia Company Act, we report that, in our opinion, these principles have been applied on a consistent basis.

"De Visser Gray"

CHARTERED ACCOUNTANTS

Vancouver, British Columbia
July 19, 2004

AMARC RESOURCES LTD.

Consolidated Balance Sheets

(Expressed in Canadian Dollars)

	March 31 2004	March 31 2003
ASSETS		
Current assets		
Cash and equivalents	\$ 13,724,673	\$ 9,849
Marketable securities (note 4)	125,000	605,050
Amounts receivable and prepaids	121,888	256,982
Balances receivable from related parties (note 9)	81,839	–
	14,053,400	871,881
Equipment (note 5)	60,188	77,225
Mineral property interests (note 6)	73,929	–
Reclamation deposit (note 10)	–	70,000
	\$ 14,187,517	\$ 1,019,106
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 182,759	\$ 90,451
Balances payable to related parties (note 9)	–	165,550
	182,759	256,001
Shareholders' equity		
Share capital (note 8(b))	20,638,830	8,635,675
Contributed surplus (note 8(e))	413,168	5,805
Deficit	(7,047,240)	(7,878,375)
	14,004,758	763,105
Nature of operations (note 1)		
Commitments (note 13)		
Subsequent events (note 14)		
	\$ 14,187,517	\$ 1,019,106

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/ Jeffrey R. Mason

Jeffrey R. Mason
Director

AMARC RESOURCES LTD.

Consolidated Statements of Operations

(Expressed in Canadian Dollars)

	Years ended March 31		
	2004	2003	2002
Expenses			
Conference and travel	\$ 33,404	\$ 12,157	\$ 73,266
Depreciation	17,037	20,750	4,052
Exploration (note 7)	460,252	405,330	3,735,839
Exploration - stock-based compensation (note 8(c))	186,935	–	–
Legal, audit, and accounting	53,913	158,814	178,908
Management and consulting	79,964	73,697	110,971
Office and administration	28,468	107,304	79,820
Salaries and benefits	140,619	272,965	110,766
Shareholder communication	21,495	126,193	20,552
Stock-based compensation (note 8(c))	220,428	5,805	–
Trust and filing	43,915	11,550	11,843
Gain on sale of capital assets	–	–	(2,907)
	1,286,430	1,194,565	4,323,110
Other items			
Foreign exchange gain (loss)	(9,621)	(64,609)	1,580
Gain (loss) on sale of marketable securities	2,052,596	(19,500)	–
Government grants (note 11)	–	–	387,880
Interest	74,590	4,963	47,032
Write down of marketable securities	–	(581,010)	–
	2,117,565	(660,156)	436,492
Net income (loss) for the year	\$ 831,135	\$ (1,854,721)	\$ (3,886,618)
Basic and diluted net income (loss) per share	\$ 0.04	\$ (0.12)	\$ (3.73)
Weighted average number of common shares outstanding	21,421,096	15,170,448	1,041,233

Consolidated Statements of Deficit

(Expressed in Canadian Dollars)

	Years ended March 31		
	2004	2003	2002
Deficit, beginning of year	\$ (7,878,375)	\$ (6,023,654)	\$ (2,137,036)
Net income (loss) for the year	831,135	(1,854,721)	(3,886,618)
Deficit, end of year	\$ (7,047,240)	\$ (7,878,375)	\$ (6,023,654)

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

AMARC RESOURCES LTD.

Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

Cash provided by (applied to):	Years ended March 31		
	2004	2003	2002
Operating activities			
Income (loss) for the year	\$ 831,135	\$ (1,854,721)	\$ (3,886,618)
Items not involving cash			
Common shares received	–	(1,300,000)	–
Common shares issued for property fees	–	53,699	–
Depreciation	17,037	20,750	4,052
Gain on sale of capital assets	–	–	(2,907)
Loss (gain) on sale of marketable securities	(2,052,596)	19,500	–
Stock-based compensation (note 8(c))	407,363	5,805	–
Write down of marketable securities	–	581,010	–
Changes in non-cash working capital items			
Amounts receivable and prepaids	135,094	3,257	(205,551)
Balances receivable from and payable to related parties	(247,389)	1,344,464	(851,433)
Accounts payable and accrued liabilities	92,308	(130,869)	203,866
	(817,048)	(1,257,105)	(4,738,591)
Investing activities			
Proceeds from sale of marketable securities	2,657,646	94,440	–
Mineral property interests	(73,929)	–	–
Proceeds from sale of capital assets	–	–	4,813
Purchase of equipment	–	(76,984)	(24,514)
Purchase of marketable securities	(125,000)	–	–
Reclamation deposit (note 10)	70,000	–	(70,000)
	2,528,717	17,456	(89,701)
Financing activities			
Issuance of share capital, net of costs	12,003,155	221,224	1,819,393
	12,003,155	221,224	1,819,393
Increase (decrease) in cash and equivalents	13,714,824	(1,018,425)	(3,008,899)
Cash and equivalents, beginning of year	9,849	1,028,274	4,037,173
Cash and equivalents, end of year	\$ 13,724,673	\$ 9,849	\$ 1,028,274

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

Supplementary disclosure of non-cash financing and investing activities:

During the year ended March 31, 2003, the Company issued an aggregate of 265,680 common shares at a value of \$53,699 for property fees. The Company also recorded 7,000,000 common shares of Expatriate Resources Ltd. at a value of \$1.3 million. Refer to note 6(c).

AMARC RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2004

(Expressed in Canadian Dollars)

1. NATURE 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 exploration of mineral properties. Its principal mineral property interests are located in British Columbia, Canada, and Durango State, Mexico.

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 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 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, S.A. de C.V. and Amarc Exploraciones Mineras, S.A. de C.V., 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 (note 6).

3. SIGNIFICANT ACCOUNTING POLICIES

(a) *Cash and 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) *Marketable securities*

Marketable securities are recorded at the lower of cost and quoted market value.

(c) *Equipment*

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

(d) *Reclamation deposits*

Reclamation deposits are recorded at cost (note 10).

(e) *Mineral property interests*

The acquisition costs of mineral properties are deferred until the properties are placed into production, sold or abandoned. These deferred costs are amortized on a unit-of-production basis

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(Expressed in Canadian Dollars)

over the estimated useful life of the related properties following the commencement of production or written off if the properties are allowed to lapse or are abandoned. If the deferred mineral property costs are determined not to be recoverable over the estimated useful life or are less than estimated fair market value, the unrecoverable portion is charged to earnings 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.

(f) *Share capital*

Common shares issued for mineral property interests are recorded at the 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 as 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) *Share-based compensation*

Subsequent to April 1, 2002, the Company accounts for all non-cash share-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, share-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 share-based payments is periodically re-measured until counterparty performance is complete, and any change therein is recognized over the period and in the same manner as if the Company had paid cash instead of paying with or using equity instruments. The cost of non-cash share-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.

Prior to April 1, 2003, no compensation cost was required to be recorded for all other non-cash share-based employee compensation awards. Pursuant to new accounting standards issued by the Canadian Institute of Chartered Accountants, the Company commenced recording non-cash share-

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based payments to employees using the fair value method on a prospective basis effective April 1, 2003. There has been no effect on any prior periods presented.

Consideration received by the Company upon the exercise of share purchase options, and the stock-based compensation previously credited to contributed surplus related to such options, 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 depreciation of equipment, as well as the assumptions used in determining the fair value of non-cash share-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 depreciation, are translated at average exchange rates for the period. Depreciation is translated at the same exchange rates as the assets to which it relates.

Foreign exchange gains or losses are expensed.

(j) Income taxes

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

Future income tax assets also result from unused loss carryforwards 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.

The Company's accounting policy for future income taxes currently has no effect on the financial statements of any of the periods presented.

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Notes to the Consolidated Financial Statements

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(Expressed in Canadian Dollars)

(k) *Loss per share*

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

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

Diluted loss per share has not been presented as the effect of outstanding options and warrants would be anti-dilutive.

(l) *Fair value of financial instruments*

The carrying values of cash and equivalents, amounts receivable, and accounts payable and accrued liabilities approximate their fair value due to their short term nature. The Company is not exposed to significant credit risk or interest rate risk.

(m) *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. MARKETABLE SECURITIES

	Number of Shares	Book value	Market value
March 31, 2004			
Expatriate Resources Ltd. common shares	250,000	\$ 125,000	\$ 112,500
StrataGold Corporation common shares	206,093	-	84,498
March 31, 2003			
Expatriate Resources Ltd. common shares	6,050,500	\$ 605,050	\$ 605,050

The common shares of StrataGold Corporation ("StrataGold") were acquired pursuant to the sale by Expatriate Resources Ltd. ("Expatriate") of its gold property assets to its wholly-owned subsidiary, Stratagold, and the subsequent divestiture of Stratagold shares by Expatriate to the existing shareholders of Expatriate on a pro-rata basis. In November 2003, the Company received 702,093 unrestricted common shares of StrataGold from Expatriate pursuant to this divestiture.

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Notes to the Consolidated Financial Statements

For the year ended March 31, 2004

(Expressed in Canadian Dollars)

5. EQUIPMENT

	Cost	Accumulated Depreciation	Net Book Value
March 31, 2004			
Automotive	\$ 24,514	\$ 14,058	\$ 10,456
Site equipment	77,551	27,819	49,732
	\$ 102,065	\$ 41,877	\$ 60,188
March 31, 2003			
Automotive	\$ 24,514	\$ 9,576	\$ 14,938
Site equipment	77,551	15,264	62,287
	\$ 102,065	\$ 24,840	\$ 77,225

6. MINERAL PROPERTY INTERESTS

Acquisition Costs	Buck Property	RAD Property	Total
British Columbia, Canada			
Balance at March 31, 2004	\$ 65,929	\$ 8,000	\$ 73,929

(a) *British Columbia, Canada*

In January 2004, Amarc entered into agreements to acquire 100% interests in each of the Buck, RAD, Sitka and Bob and JMD mineral properties, subject to regulatory approvals.

The 4,750 hectare **Buck** claims, located 20 kilometres south of Houston, were acquired by reimbursing the optionee \$65,929, which represents the cost of staking the property and line cutting to establish a survey grid over it.

The 2,000 hectare **RAD** claims, located 250 kilometres west of Williams Lake, were acquired from United Mineral Services Ltd., a private company owned by a director of the Company, by reimbursing the \$8,000 staking cost.

The 1,275 hectare **Sitka** Gold Property ("Sitka"), located 30 kilometres northeast of Port Hardy, was acquired subsequent to the year end and after receipt of regulatory approvals, by paying \$20,000 in cash and issuing 80,000 shares of the Company.

The 1,200 hectare **Bob** and the adjacent 100 hectare **JMD** properties, located 80 km west of Quesnel, were acquired subsequent to the year end after receipt of regulatory approvals by issuing 200,000 shares of the Company, to a prospecting partnership. Of these 200,000 shares, 50,000 will be held in escrow until the Company has reached a third party joint venture agreement or has completed a total of \$250,000 in exploration expenditures.

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For the year ended March 31, 2004

(Expressed in Canadian Dollars)

In February and March 2004, the Company entered into agreements to acquire the 2,000 hectare **Crystal** Property, the 2,000 hectare **Orr** Property, and the 2,175 hectare **Jim** Property by agreeing to pay the costs of staking. The Crystal and Orr claims are located approximately 45 kilometres southeast and 35 kilometres southeast of the town of 100 Mile House respectively, and the Jim Property is located 6 kilometres northeast of Horsefly. Subsequently, the Company staked four mineral claims to this property.

In March 2004, the Company entered into an agreement to acquire the 6,400 hectare **GBR** Property (formerly known as the Wolverine Property) located approximately 70 kilometres northwest of Dease Lake. Amarc has the option to acquire a 100% interest in the mineral claims, subject to a net smelter royalty, from the Iskut North Syndicate by making cash payments totaling \$225,000 (of which \$15,000 was paid subsequent to year end) and issuing 450,000 shares (of which 30,000 were issued subsequent to the year end).

(b) *Durango State, Mexico*
Inde Property

The Inde Property ("the Property") comprises approximately 270 hectares and consists of five mineral concessions, of which three are owned outright by the Company and two are held under option. The Company was assigned its interest in the Property in November 2001 from Hunter Dickinson Group Inc., ("HDGI"), a private company related by certain directors in common, in consideration for US\$475,000, which was paid during the 2002 fiscal year. The Company also assumed the position of HDGI in the option agreement to acquire two of the claims from the underlying vendor which, as amended during the current fiscal year, will require future semi-annual payments of US\$125,000 commencing in December, 2003 until a required balloon payment of US\$3.0 million in June 2006. These two claims carry a net smelter returns royalty of 4%, capped at an aggregate of US\$2.0 million.

During the 2003 fiscal year, the Company paid finder's fees in connection with the Property of \$43,393 and 265,680 common shares, and also paid the underlying property vendor US\$25,000 (2002 – US\$125,000) in connection with the option agreement assigned from HDGI. No further finder's fees are owed on this property.

In December 2003, and concurrent with the amendment to the underlying option agreement, the Company optioned the Property to Minera Bugambillas, S.A. de C.V. ("Bugambillas"). Bugambillas can earn up to a 70% interest in the Inde Property by exercising two options. Under the First Option, Bugambillas can earn a 51% interest by incurring \$2.2 million in expenditures on the property within three years (of which \$100,000 must be spent in the first year, \$500,000 in the second year and a further \$1.6 million in the third year). Bugambillas must also make all required option payments to the underlying property vendor for the first year.

(c) *Manitoba, Canada*
Fox River Property

By an agreement dated November 15, 2001, the Company acquired the right to participate in the Fox River Project by investing in, and becoming a general partner of, a limited partnership which

AMARC RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2004

(Expressed in Canadian Dollars)

held an option to acquire property interests comprising four Special Exploration Permits located near Thompson, Manitoba.

The Fox River Property comprised two permits covering 285,588 hectares owned 100% by Falconbridge Limited ("Falconbridge") and two permits covering 28,392 hectares which were subject to an option agreement between Falconbridge and W. Bruce Dunlop Limited NPL. The Fox River Project option rights held by the partnership entitled it to earn a 60% interest in the Project by expending an aggregate of \$12.5 million prior to December 31, 2005, subject to Falconbridge's right to back-in to a 60% interest by completing and financing a bankable feasibility study and by arranging financing and completion guarantees for mine development. The expenditures were to be made at the rate of \$2.5 million per year, with the completion date of the first year's amount extended to September 30, 2002, which the Company met.

The other significant general partner of the limited partnership was initially Expatriate Resources Ltd. ("Expatriate"), an unrelated public company. Expatriate's departure from the limited partnership resulted in it surrendering its interest to HDGI and issuing to HDGI 7 million common shares, which shares were then allotted to the Company during the comparative fiscal year at a value of \$1.3 million. Refer to note 9(b).

During the year ended March 31, 2003, the Company sought an extension to earn an interest in the Fox River property, which was not agreed to by Falconbridge. In January 2003, the Company terminated its option to earn the joint venture interest from Falconbridge Limited on the Fox River Project.

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

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(Expressed in Canadian Dollars)

7. EXPLORATION EXPENSES

Year ended March 31, 2004	Mexico - Inde Property	British Columbia Properties	Fox River Property	Year ended March 31, 2004
Assays and analysis	\$ 575	\$ 115,087	\$ –	\$ 115,662
Engineering	–	6,431	–	6,431
Equipment rental	1,119	1,446	–	2,565
Geological	3,964	287,284	–	291,248
Graphics	–	7,197	–	7,197
Helicopter	–	2,302	–	2,302
Property fees/assessment	(6,051)	500	–	(5,551)
Site activities	24,361	15,055	662	40,078
Travel and accommodation	238	82	–	320
Incurred during the year	24,206	435,384	662	460,252
Cumulative exploration expenses, beginning of year	2,323,210	–	1,810,526	4,133,736
Cumulative exploration expenses, end of year	\$ 2,347,416	\$ 435,384	\$ 1,811,188	\$ 4,593,988

Year ended March 31, 2003	Mexico - Inde Property	British Columbia Properties	Fox River Property	Year ended March 31, 2003
Assays and analysis	\$ 51,273	\$ –	\$ 15,582	\$ 66,855
Drilling	467,227	–	170,756	637,983
Engineering	3,940	–	1,140	5,080
Equipment rental	24,588	–	5,756	30,344
Freight	13,071	–	663	13,734
Geological	297,126	–	198,247	495,373
Government grants	–	–	(97,438)	(97,438)
Graphics	29,519	–	1,633	31,152
Helicopter	–	–	70,097	70,097
Option earn-in rights	–	–	(1,300,000)	(1,300,000)
Option payments	45,078	–	–	45,078
Property fees/assessment	121,301	–	(5,128)	116,173
Site activities	226,417	–	22,973	249,390
Travel and accommodation	34,078	–	7,431	41,509
Incurred during the year	1,313,618	–	(908,288)	405,330
Cumulative exploration expenses, beginning of year	1,009,592	–	2,718,814	3,728,406
Cumulative exploration expenses, end of year	\$ 2,323,210	\$ –	\$ 1,810,526	\$ 4,133,736

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Notes to the Consolidated Financial Statements

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(Expressed in Canadian Dollars)

8. SHARE CAPITAL

(a) Authorized share capital

The Company's authorized share capital consists of 100,000,000 common shares, without par value.

(b) Issued and outstanding common shares

Common shares issued:	Price	Number of Shares	Amount
Balance March 31, 2001		9,770,000	\$ 6,541,359
Issued during fiscal 2002			
Private placement, January 2002 (net of issue costs)	\$0.40	2,500,000	913,649
Private placement, March 2002 (net of issue costs)	\$0.40	2,500,000	905,744
Balance March 31, 2002		14,770,000	8,360,752
Issued during fiscal 2003			
Warrants exercised	\$0.40	87,500	35,000
Property option payment, September 2002	\$0.42	25,500	10,467
Property option payment, October 2002	\$0.18	240,180	43,232
Private placement, August 2002 (net of issue costs)	\$0.60	345,710	186,224
Balance March 31, 2003		15,468,890	8,635,675
Issued during fiscal 2004			
Options exercised	\$0.18	30,000	5,400
Options exercised	\$0.31	215,000	66,650
Options exercised	\$0.48	513,000	246,240
Warrants exercised	\$0.40	2,412,500	965,000
Warrants exercised	\$0.50	2,500,000	1,250,000
Warrants exercised	\$0.73	32,167	23,482
Private placement, October 2003 ⁽ⁱ⁾	\$0.30	13,000,000	3,849,889
Private placement, December 2003 ⁽ⁱⁱ⁾	\$0.55	8,002,084	4,189,297
Private placement, March 2004 ⁽ⁱⁱⁱ⁾	\$0.75	2,000,000	1,407,197
Balance March 31, 2004		44,173,641	\$ 20,638,830

(i) On October 31, 2003 the Company announced a private placement of 13,000,000 units, of which 5,047,000 were flow-through units and 7,953,000 were non flow-through units, at a price of \$0.30 per unit. Each unit was comprised of one common share and one share purchase warrant exercisable to purchase a common share at a price of \$0.34 for a two year period. The warrants are subject to a 45 day accelerated expiry if the closing trade price of the Company's common shares on the TSX Venture Exchange is at least Cdn\$0.68 for any ten consecutive trading days. This placement completed on December 31, 2003 (note 8(d)), and the Company incurred \$50,111 in share issue costs in respect to it.

(ii) In December 2003, the Company announced and completed a private placement of 8,002,084 units, of which 4,397,906 were flow-through and 3,604,178 were non flow-through, at a price of \$0.55 per unit. Each unit was comprised of one common share and one share purchase warrant exercisable to purchase a common share at a price of \$0.60 for a one year period. The warrants are subject to a 45 day accelerated expiry if, for any

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period of ten consecutive trading days following the expiry of the four month hold period, the closing price of the Company's common shares on the TSX Venture Exchange is at least Cdn\$1.10. The Company incurred share issue costs of \$211,849 in connection with this financing.

- (iii) On March 9, 2004, the Company completed a private placement of 2,000,000 units at a price of \$0.75 per unit. Each unit was comprised of one common share and one share purchase warrant (note 8(d)), exercisable to purchase a common share at a price of \$0.85 for a one year period. The warrants are subject to a 45 day accelerated expiry if, for any period of ten consecutive trading days following the expiry of the four month hold period, the closing price of the Company's common shares on the TSX Venture Exchange is at least \$1.50.

Subsequent to March 31, 2004, 80,000 shares were issued to an independent prospector to acquire the Sitka Gold Property, 150,000 common shares were issued to a third party prospecting partnership to acquire the Bob and JMD properties and 30,000 common shares were issued to a syndicate to acquire the GBR Property (note 6(a)).

(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 2,970,000 share purchase options, vesting over up to two years, subject to regulatory terms and approval, to its employees, officers, directors and consultants. The exercise price of each option can 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.

The continuity of share purchase options for the year ended March 31, 2004 is:

Expiry date	Exercise Price	Mar. 31 2003	Granted	Exercised	Expired/ Cancelled	Mar. 31 2004
April 5, 2003	\$0.56	1,200,000	–	–	(1,200,000)	–
January 30, 2004	\$0.48	667,000	–	(513,000)	(154,000)	–
December 20, 2004	\$0.18	97,000	–	(30,000)	–	67,000
May 9, 2005	\$0.17	–	7,000	–	–	7,000
March 21, 2005	\$0.31	–	2,253,000	(215,000)	(5,000)	2,033,000
March 21, 2005	\$0.36	–	25,500	–	–	25,500
March 21, 2005	\$0.49	–	73,000	–	–	73,000
		1,964,000	2,358,500	(758,000)	(1,359,000)	2,205,500
Weighted average exercise price		\$ 0.51	\$ 0.32	\$ 0.42	\$ 0.55	\$ 0.31

The weighted-average contractual remaining life of share purchase options is 0.97 years.

Subsequent to March 31, 2004, 35,000 share purchase options were exercised at \$0.31.

AMARC RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2004

(Expressed in Canadian Dollars)

The continuity of share purchase options for the year ended March 31, 2003 is:

Expiry date	Exercise Price	Mar. 31 2002	Granted	Exercised	Expired/ Cancelled	Mar. 31 2003
April 5, 2003 (i)	\$0.56	1,200,000	–	–	–	1,200,000
January 30, 2004	\$0.48	688,000	–	–	(21,000)	667,000
December 20, 2004	\$0.18	–	97,000	–	–	97,000
		1,888,000	97,000	–	(21,000)	1,964,000
Weighted average exercise price		\$ 0.53	\$ 0.18	\$ –	\$ 0.48	\$ 0.51

The exercise prices of all share purchase options granted during the period were equal to the market price at the grant date. Using an option pricing model with the assumptions noted below, the estimated fair value of all options granted during the period have been reflected in the statement of operations as follows:

	Year ended Mar. 31, 2004	Year ended Mar. 31, 2003
Exploration		
Engineering	\$ 32,130	\$ –
Environmental, socioeconomic and land	8,682	–
Geological	146,123	–
	186,935	–
Office and administration	220,428	5,805
Total compensation cost recognized in operations, credited to contributed surplus	\$ 407,363	\$ 5,805

The assumptions used to estimate the fair value of options granted during the year were:

Risk free interest rate	3%
Weighted average expected life	1.4 years
Vesting period	0–6 months
Weighted average expected volatility	103%
Expected dividends	nil

AMARC RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2004

(Expressed in Canadian Dollars)

(d) *Share purchase warrants*

The continuity of share purchase warrants (each warrant exercisable into one common share) for the year ending March 31, 2004 is:

Expiry date	Exercise Price	Mar. 31 2003	Issued	Exercised	Expired/ Cancelled	Mar. 31 2004
December 27, 2003 ⁽ⁱⁱ⁾	\$ 0.73	345,710	–	(32,167)	(313,543)	–
December 31, 2003 ⁽ⁱⁱⁱ⁾	\$ 0.50	200,000	–	–	(200,000)	–
January 7, 2004 ⁽ⁱ⁾	\$ 0.40	2,412,500	–	(2,412,500)	–	–
March 8, 2004 ^(iv)	\$ 0.50	2,500,000	–	(2,500,000)	–	–
December 31, 2004	\$ 0.60	–	8,002,084	–	–	8,002,084
March 9, 2005	\$ 0.85	–	2,000,000	–	–	2,000,000
December 31, 2005	\$ 0.34	–	13,000,000	–	–	13,000,000
		5,458,210	23,002,084	(4,944,667)	(513,543)	23,002,084
Weighted average exercise price	\$	0.47	\$ 0.47	\$ 0.45	\$ 0.64	\$ 0.47

The continuity of share purchase warrants (each warrant exercisable into one common share) for the year ended March 31, 2003 is:

Expiry date	Exercise Price	Mar. 31 2002	Issued	Exercised	Expired/ Cancelled	Mar. 31 2003
January 7, 2003	\$ 0.40	87,500	–	(87,500)	–	–
September 8, 2003	\$ 0.50	2,500,000	–	–	–	2,500,000
December 27, 2003 ⁽ⁱⁱ⁾	\$ 0.73	–	345,710	–	–	345,710
December 31, 2003 ⁽ⁱⁱⁱ⁾	\$ 0.50	200,000	–	–	–	200,000
January 7, 2004 ⁽ⁱ⁾	\$ 0.40	2,412,500	–	–	–	2,412,500
		5,200,000	345,710	(87,500)	–	5,458,210
Weighted average exercise price	\$	0.45	\$ 0.73	\$ 0.40	\$ –	\$ 0.47

- (i) In December 2002, the TSX Venture Exchange gave approval for 2,412,500 warrants to have their original expiry dates of January 7, 2003 and July 7, 2003 extended to January 7, 2004.
- (ii) Each share purchase warrant entitles the holder to purchase an additional common share at a price of \$0.73 until December 27, 2003. The share purchase warrants are subject to a 45-day accelerated expiry if the closing price of the common shares of the Company as traded on the TSX Venture Exchange is at least \$1.10 for ten consecutive trading days.
- (iii) In December 2002, the Company amended the exercise price of 200,000 warrants from their original price of \$1.00 to \$0.50.
- (iv) In September 2003, the TSX Venture Exchange gave approval to extend the expiry date of 2,500,000 share purchase warrants from September 8, 2003 to March 8, 2004.

The contractual remaining life of share purchase warrants is 1.33 years.

Subsequent to March 31, 2004, 356,668 share purchase warrants were exercised at \$0.34

AMARC RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2004

(Expressed in Canadian Dollars)

(e) *Contributed surplus*

Balance, March 31, 2002	\$	–
Changes during 2003:		
Non-cash share-based compensation (note 7(c))		5,805
Contributed surplus, March 31, 2003		5,805
Changes during 2004:		
Non-cash share-based compensation (note 7(c))		407,363
Contributed surplus, March 31, 2004		\$ 413,168

9. RELATED PARTY BALANCES AND TRANSACTIONS

Balances receivable (payable)	As at March 31		
	2004	2003	2002
Hunter Dickinson Inc. (a)	\$ 85,263	\$ (258,534)	\$ 1,057,075
Hunter Dickinson Group Inc. (b)	(3,424)	92,984	160,976
Anooraq Resources Corporation (c)	–	–	48,652
Farallon Resources Ltd. (d)	–	–	(87,789)
Total	\$ 81,839	\$ (165,550)	\$ 1,178,914

Transactions	Years ended March 31		
	2004	2003	2002
Services rendered and expenses reimbursed			
Hunter Dickinson Inc. (a)	\$ 502,474	\$ 973,289	\$ 375,964
Hunter Dickinson Group Inc. (b)	12,800	20,736	745,238
C.E.C. Engineering Ltd. (c)	–	10,123	7,888
Property acquisitions			
United Mineral Services Ltd. (d)	73,929	–	–

- (a) Hunter Dickinson Inc. ("HDI") and its wholly-owned subsidiaries are private companies with certain directors in common that provide geological, technical, corporate development, administrative and management services to, and incur 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 (payable to) Hunter Dickinson Inc. have arisen in the normal course of exploration work on the Company's mineral properties and from the provision of ongoing administrative services.
- (b) Hunter Dickinson Group Inc. ("HDGI") is a private company with certain directors in common that provides consulting services at market rates to the Company.
- (c) C.E.C. Engineering Ltd. is a private company controlled by a director, that provides engineering and project management services to the Company based on the fair market value of those services.
- (d) United Mineral Services Ltd. ("UMS") is a private company owned by a director. The Company acquired the 2,000 hectare RAD claims by paying the \$8,000 staking cost which

AMARC RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2004

(Expressed in Canadian Dollars)

had been paid for by UMS and acquired the Buck claims by paying \$65,929, the cost of staking the property and line cutting (note 6(a)).

10. RECLAMATION DEPOSIT

In March 2002, the Company deposited \$70,000 in trust with Gordon J. Fretwell Law Corporation as a reclamation deposit related to the Fox River Property (note 6(c)). On January 10, 2003, the Company terminated the option with Falconbridge on the Fox River property. The reclamation deposit in the amount of \$70,000 was returned to the Company in June 2003.

11. GOVERNMENT GRANTS

During the year ended March 31, 2003, the Company received \$97,438 (year ended March 31, 2002 - \$387,880) from the Manitoba Mineral Exploration Assistance Program, a program which provides financial assistance for non-fuel mineral exploration in Manitoba, in respect of its work on the Fox River Property. Under the terms of this program, the Company is eligible for a rebate of 35% of qualifying expenditures. As each grant application is subject to government review and approval, the Company records the proceeds of these grants upon receipt, and as a reduction of exploration expenses.

12. INCOME TAXES

As of March 31, 2004, the Company had approximately \$1.6 million (2003 - \$2.0 million) in non-capital losses and approximately \$1.55 million (2003 - \$2.0 million) in capital losses for Canadian tax purposes available to reduce taxable income in future years. These non-capital losses expire in various periods ranging from 2010 to 2011. Future tax benefits, if any, resulting from the application of these losses have not been reflected in these financial statements, as it cannot be considered more likely than not that they will be realized.

13. COMMITMENTS

At March 31, 2004, the Company is committed to incur prior to December 31, 2004, on a best efforts basis, approximately \$3.5 million in qualifying Canadian exploration expenses, pursuant to a private placement for which flow-through proceeds were received on or before December 31, 2003 and renounced to subscribers as at that date. To March 31, 2004, approximately \$436,000 had been incurred.

14. SUBSEQUENT EVENTS

Subsequent to the year end, the Company

- (a) issued 391,668 common shares pursuant to the exercise of share purchase options and warrants,

AMARC RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2004

(Expressed in Canadian Dollars)

- (b) acquired a 100% interest in the Sitka Gold Property by paying \$20,000 in cash and issuing 80,000 common shares of Amarc to a third party prospecting partnership (note 6(a)),
- (c) issued 150,000 common shares to a third party prospecting partnership to acquire a 100% interest in the 1,200 hectare Bob and JMD properties (note 6(a)),
- (d) issued 30,000 common shares to a third party prospecting group to acquire a 100% interest in the GBR Property (note 6(a)), and
- (e) announced an agreement to acquire a 100% interest in the Spius gold-copper-molybdenum porphyry property located near Merritt, BC.



Freedom of Information and Protection of Privacy Act: The personal information requested on this form is collected under the authority of and used for the purpose of administering the *Securities Act*. Questions about the collection or use of this information can be directed to the Supervisor, Financial Reporting (604-899-6729), PO Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver BC V7Y 1L2. Toll Free in British Columbia 1-800-373-5393

INSTRUCTIONS

This report must be filed by Exchange Issuers within 60 days of the end of their first, second and third fiscal quarters and within 140 days of their year end. "Exchange Issuer" means an issuer whose securities are listed and posted for trading on the Canadian Venture Exchange and are not listed and posted on any other exchange or quoted on a trading or quotation system in Canada. Three schedules must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements prepared in accordance with generally accepted accounting principles are required as follows:

For the *first, second and third financial quarters*:

Interim financial statements prepared in accordance with section 1751 of the CICA Handbook, including the following: balance sheet, income statement, statement of retained earnings, cash flow statement, and notes to the financial statements.

The periods required to be presented, consistent with CICA Handbook section 1751, are as follows:

- a balance sheet as of the end of the current interim period and a comparative balance sheet as of the end of the immediately preceding fiscal year;
- a statement of retained earnings cumulatively for the current fiscal year-to-date, with a comparative statement for the comparable year-to-date period of the immediately preceding fiscal year; and
- income statements and cash flow statements for the current interim period and cumulatively for the current fiscal year-to-date, with comparative statements for the comparable interim periods (current and year-to-date) of the immediately preceding fiscal year.

For the *financial year end*:

Annual audited financial statements prepared on a comparative basis.

Exchange Issuers with a fiscal year of less than or greater than 12 months should refer to National Policy No. 51 *Changes in the Ending Date of a Financial Year and in Reporting Status* for guidance.

Issuers in the development stage are directed to the guidance provided in CICA Accounting Guideline AcG-11 *Enterprises in the Development Stage* that states "enterprises in the development stage are encouraged to disclose in the income statement and in the cash flow statement cumulative balances from the inception of the development stage."

Issuers that have been involved in a reverse take-over should refer to the guidance found in BCIN #52-701 (previously NIN #91/21) with respect to such transactions including the requirement or disclosure of supplementary information regarding the legal parent's prior financial operations.

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. *Analysis of expenses and deferred costs*

Provide a breakdown of amounts presented in the financial statements for the following: deferred or expensed exploration, expensed research, deferred or expensed development, cost of sales, marketing expenses, general and administrative expenses, and any other material expenses reported in the income statement and any other material deferred costs presented in the balance sheet.

The breakdown should separately present, at a minimum, each component that comprises 20% or more of the total amount for a material classification presented on the face of the financial statements. All other components of a material classification may be grouped together under the heading

"miscellaneous" or "other" in the cost breakdown; the total for "miscellaneous" should not exceed 30% of the total for a material classification.

Breakdowns are required for the year-to-date period only. Breakdowns are not required for comparative periods.

Issuers in the development stage are reminded that Section 3(9)(b) of the BC Securities Commission's Rules requires a schedule or note to the financial statements containing an analysis of each of exploration, research, development and administration costs, whether expensed or deferred and if the issuer is a natural resource issuer, that analysis for each material property. Because the analysis required by Rule 3(9)(b) must be included in the financial statements, the information does not have to be repeated in Schedule B. Consistent with CICA Accounting Guidelines AcG-11, staff considers an issuer to be in the development stage when it is devoting substantially all of its efforts to establishing a new business and planned principal operations have not commenced. Further, in staff's view, the lack of significant revenues for the past two years normally indicates that an issuer is in the development stage.

2. *Related party transactions*

Provide disclosure of all related party transactions as specified in Section 3840 of the CICA Handbook.

3. *Summary of securities issued and options granted during the period*

Provide the following information for the year-to-date period:

- (a) summary of securities issued during the period, including date of issue, type of security (common shares, convertible debentures, etc.), type of issue (private placement, public offering, exercise of warrants, etc.) number, price, total proceeds, type of consideration (cash, property, etc.) and commission paid, and
- (b) summary of options granted during the period, including date, number, name of optionee for those options granted to insiders, generic description of other optionees (e.g. "employees"), exercise price and expiry date.

4. *Summary of securities as at the end of the reporting period*

Provide the following information as at the end of the reporting period:

- (a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,
- (b) number and recorded value for shares issued and outstanding,
- (c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and
- (d) number of shares in each class of shares subject to escrow or pooling agreements.

5. *List the names of the directors and officers as at the date this report is signed and filed.*

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

1. *General Instructions*

(a) Management discussion and analysis provides management with the opportunity to discuss an issuer's business, current financial results, position and future prospects.

- (b) Focus the discussion on material information, including liquidity, capital resources, known trends, commitments, events, risks or uncertainties, that is reasonably expected to have a material effect on the issuer.
- (c) For an issuer with active ongoing operations the discussion should be substantive (e.g. generally two to four pages in length); for an issuer with limited operations the discussion may not be as extensive (e.g. one page).
- (d) The discussion must be factual, balanced and non-promotional.
- (e) Where the discussion relates to a mineral project, as defined in National Instrument 43-101 "Standards of Disclosure for Mineral Projects," the disclosure must comply with NI 43-101.

2. **Description of Business**

Provide a brief description of the issuer's business. Where an issuer is inactive and has no business, disclose these facts together with a description of any plans to reactivate and the business the issuer intends to pursue.

3. **Discussion of Operations and Financial Condition**

Provide a meaningful discussion and analysis of the issuer's operations for the current year-to-date period presented in the financial statements. Discuss the issuer's financial condition as at the date of the most recent balance sheet presented in the financial statements.

The following is a list of items that should be addressed in management's discussion and analysis of the issuer's operations and financial condition. This is not intended to be an exhaustive list of the relevant items.

- (a) expenditures included in the analysis of expenses and deferred costs required under Securities Rule 3(9)(b) and Schedule B;
- (b) acquisition or abandonment of resource properties material to the issuer including material terms of any acquisition or disposition;
- (c) acquisition or disposition of other material capital assets including material terms of the acquisition, or disposition;
- (d) material write-off or write-down of assets;
- (e) transactions with related parties, disclosed in Schedule B or the notes to the financial statements;
- (f) material contracts or commitments;
- (g) material variances between the issuer's financial results and information previously disclosed by the issuer, (for example if the issuer does not achieve revenue and profit estimates previous released, discuss this fact and the reasons for the variance);
- (h) material terms of any existing third-party investor relations arrangements or contracts including:

- i. the name of the person;
- ii. the amount paid during the reporting period; and
- iii. the services provided during the reporting period;

- (i) legal proceedings;
- (j) contingent liabilities;
- (k) default under debt or other contractual obligations;
- (l) a breach of corporate, securities or other laws, or of an issuer's listing agreement with the Canadian Venture Exchange including the nature of the breach, potential ramifications and what is being done to remedy it;
- (m) regulatory approval requirements for a significant transaction including whether the issuer has obtained the required approval or has applied for the approval;
- (n) management changes; or
- (o) special resolutions passed by shareholders.

4. **Subsequent Events**

Discuss any significant events and transactions that occurred during the time from the date of the financial statements up to the date that this report is certified by the issuer.

5. **Financings, Principal Purposes and Milestones**

- (a) In a tabular format, compare any previously disclosed principal purposes from a financing to actual expenditures made during the reporting period.
- (b) Explain any material variances and the impact, if any, on the issuer's ability to achieve previously disclosed objectives and milestones.

6. **Liquidity and Solvency**

Discuss the issuer's working capital position and its ability to meet its ongoing obligations as they become due.

How to File Under National Instrument 13-101 – System for Electronic Document Analysis and Retrieval (SEDAR)

BC Form 51-901 Quarterly and Year End Reports are filed under Category of Filing: Continuous Disclosure and Filing Type: Interim Financial Statements or Annual Financial Statements. Schedule A (Financial Statements) is filed under Document Type: Interim Financial Statements or Annual Financial Statements. Schedule B (Supplementary Information) and Schedule C (management Discussion) are filed under Document Type: BC Form 51-901 (previously Document Type Form 61(BC)).

Meeting the Form Requirements

BC Form 510-901 consists of three parts: Instructions to schedules A, B and C, issuer details and a certificate. To comply with National instrument 132-101 it is not necessary to reproduce the instructions that are set out in BC Form 51-901. A cover page to the schedules titled BC Form 51-901 that includes the issuer details and certificate is all that is required to meet the BC Form 51-901 requirements. The form of the certificate should be amended so as to refer to one or two of the three schedules required to complete the report.

ISSUER DETAILS				DATE OF REPORT	
NAME OF ISSUER				FOR QUARTER ENDED	YY MM DD
AMARC RESOURCES LTD.				MAR. 31, 2004	2004 JULY 15
ISSUER ADDRESS					
1020 – 800 WEST PENDER STREET					
CITY	PROVINCE	POSTAL CODE	ISSUER FAX NO.	ISSUER TELEPHONE NO.	
VANCOUVER	BC	V6C 2V6	604-684-8094	604-684-6365	
CONTACT NAME			CONTACT POSITION		CONTACT TELEPHONE NO.
PAUL MANN			CONTROLLER		604-684-6365
CONTACT EMAIL ADDRESS			WEB SITE ADDRESS		
info@hdgold.com			www.hdgold.com		

CERTIFICATE

The three schedules required to complete this Report are attached and the disclosure contained therein has been approved by the Board of Directors. A copy of this Report will be provided to any shareholder who requests it.

DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED		
/S/ RONALD W. THIESSEN	RONALD W. THIESSEN	YY	MM	DD
		2004	JULY	15
DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED		
/S/ JEFFREY R. MASON	JEFFREY R. MASON	YY	MM	DD
		2004	JULY	15

**AMARC RESOURCES LTD.
ANNUAL REPORT
MARCH 31, 2004**

SCHEDULE A: FINANCIAL INFORMATION

See Consolidated Financial Statements

SCHEDULE B: SUPPLEMENTARY INFORMATION

1. Analysis of expenses and deferred costs:

(a) Exploration expenses – see financial statements, note 7

2. Related party transactions – see financial statements, note 9

3. Summary of securities issued and options granted during the year:

(a) Summary of securities (common shares) issued during the year:

Date of Issue	Type of Security	Type of Issue	Number of Shares	Exercise Price (\$)	Total Proceeds (\$)	Type of Consideration	Commission Paid (\$)
November 2003	Common	Options	30,000	0.18	5,400	Cash	–
November 2003	Common	Warrants	246,000	0.40	98,400	Cash	–
November 2003	Common	Warrants	32,167	0.73	23,482	Cash	–
December 2003	Common	Warrants	520,000	0.40	208,000	Cash	–
December 2003	Common	Private placement	13,000,000	0.30	3,900,000	Cash	21,060
December 2003	Common	Private placement	8,002,084	0.55	4,401,146	Cash	188,367
January 2004	Common	Options	10,000	0.31	3,100	Cash	–
January 2004	Common	Options	513,000	0.48	246,240	Cash	–
January 2004	Common	Warrants	1,646,500	0.40	658,600	Cash	–
January 2004	Common	Warrants	635,000	0.50	317,500	Cash	–
February 2004	Common	Warrants	652,500	0.50	326,250	Cash	–
March 2004	Common	Options	205,000	0.31	63,550	Cash	–
March 2004	Common	Warrants	1,212,500	0.50	606,250	Cash	–
March 2004	Common	Private placement	2,000,000	0.75	1,500,000	Cash	92,803

(b) Summary of stock options granted during the year:

Name of Optionee/Type	Date of Issue	Number of Shares	Exercise Price (\$)	Expiry Date
Employees/Consultants	May 8, 2003	7,000	0.17	May 9, 2005
Employees/Consultants	October 29, 2003	2,253,000	0.31	March 21, 2005
Employees/Consultants	November 25, 2003	25,500	0.36	March 21, 2005
Employees/Consultants	November 25, 2003	73,000	0.49	March 21, 2005

(c) Summary of stock warrants issued during the year:

Name of Optionee/Type	Date of Issue	Number of Shares	Exercise Price (\$)	Expiry Date
Private placement	December 31, 2003	13,000,000	0.34	December 31, 2005
Private placement	December 31, 2003	8,002,084	0.60	December 31, 2004
Private placement	March 9, 2004	2,000,000	0.85	March 9, 2005

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MARCH 31, 2004

4. Summary of securities as at the end of the year:

- (a) Authorized capital: 100,000,000 common shares without par value
- (b) Shares issued: 44,173,641 common shares without par value
- (c) Summary of options, warrants and convertible securities outstanding – see financial statements, note 8
- (d) Number of common shares held in escrow: Nil
Number of common shares subject to pooling: Nil

- 5. List of directors/executives:** Robert A. Dickinson, Director, Chairman
Ronald W. Thiessen, Director, President and CEO
Jeffrey R. Mason, Director, Chief Financial Officer, and Secretary
David J. Copeland, Director
Scott D. Cousens, Director