AMARC RESOURCES LTD.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED
DECEMBER 31, 2017 and 2016

(Expressed in Canadian Dollars)

(Unaudited)

Notice to Reader

In accordance with subsection 4.3(3) of National Instrument 51-102, management of the Company advises that the Company's auditors have not performed a review of these interim financial

Amarc Resources Ltd.

Condensed Consolidated Interim Statements of Financial Position

(Unaudited – Expressed in Canadian Dollars)

	Note	December 31, 2017	March 31, 2017
ASSETS			
Current assets			
Cash	3	$ 1,210,789	$ 930,890
Amounts receivable and other assets	5	699,303	38,891
Marketable securities		100,256	29,468
		2,010,348	999,249
Non-current assets			
Restricted cash	4	173,143	112,815
Total assets		$ 2,183,491	$ 1,112,064
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	7	$ 83,940	$ 14,841
Balance due to a related party	10	63,621	175,337
Director's loan	8	–	390,243
		147,561	580,421
Non-current liabilities			
Director's loan	8	736,361	940,257
Total liabilities		883,922	1,520,678
Shareholders' deficiency			
Share capital	9	63,557,056	59,559,910
Reserves	9	5,185,817	5,740,875
Accumulated deficit		(67,443,304)	(65,709,399)
		1,299,569	(408,614)
Total liabilities and shareholders' deficiency		$ 2,183,491	$ 1,112,064

Nature of operations and going concern (note 1)
Event occuring after the reporting period (note 12)

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

/s/ Robert A. Dickinson

Robert A. Dickinson
Director

/s/ Rene G. Carrier

Rene G. Carrier
Director

Amarc Resources Ltd.

Condensed Consolidated Interim Statements of Loss

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

	Note	Three months ended December 31, 2017	Three months ended December 31, 2016	Nine months ended December 31, 2017	Nine months ended December 31, 2016
Expenses	10,11				
Exploration and evaluation		$ 1,699,311	$ 310,653	$ 6,061,163	$ 2,599,504
Assays and analysis		82,542	27,942	187,718	116,794
Drilling		218,247	–	931,006	263,705
Equipment rental		22,791	1,080	66,403	24,003
Geological		244,256	146,327	1,348,809	741,827
Helicopter and fuel		117,160	–	1,519,029	568,658
Property costs and assessments		749,200	64,374	905,070	304,572
Site activities		153,422	21,194	801,184	362,966
Socioeconomic		91,316	44,596	222,277	188,928
Travel and accommodation		20,377	5,140	79,667	28,051
Administration		278,714	155,761	830,232	547,336
Legal, accounting and audit		54,988	12,498	168,806	34,016
Office and administration	11(b)	159,137	101,401	514,725	436,851
Shareholder communication		50,366	27,259	88,846	41,203
Travel and accommodation		8,386	2,594	25,295	3,008
Trust and regulatory		5,837	12,009	32,560	32,258
Cost recoveries		(1,139,552)	(414,300)	(5,644,975)	(2,932,597)
Pursuant to IKE agreements	6(a)	(452,818)	(414,300)	(3,162,847)	(2,932,597)
Pursuant to JOY agreement	6(b)	(686,734)	–	(2,482,128)	–
		838,473	52,114	1,246,420	214,243
Other items					
Finance income		(9,822)	(1,871)	(20,191)	(7,110)
Interest expense – director's loans	8	22,685	34,986	105,904	94,643
Transaction cost – director's loans	8	220,173	61,811	405,861	125,692
Foreign exchange loss		(3,139)	43	(4,089)	–
Gain on disposition of marketable securities		–	–	–	(14,806)
Net loss		$ 1,068,370	$ 147,083	$ 1,733,905	$ 412,662
Basic and diluted loss per common share		$ 0.01	$ 0.00	$ 0.01	$ 0.00
Weighted average number of common shares outstanding		166,335,502	141,424,061	153,110,486	141,424,061

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

Amarc Resources Ltd.

Condensed Consolidated Interim Statements of Comprehensive (Income) Loss

(Unaudited - Expressed in Canadian Dollars)

	Three months ended December 31,		Nine months ended December 31,	
	2017	**2016**	**2017**	**2016**
Net loss	$ 1,068,370	$ 147,083	$ 1,733,905	$ 412,662
Other comprehensive (income) loss:				
Items that may be reclassified subsequently to profit and loss:				
Revaluation of marketable securities	(70,230)	2,874	(70,788)	(7,275)
Reallocation of the fair value of marketable securities upon disposition	–	–	–	14,806
Total other comprehensive (income) loss	(70,230)	2,874	(70,788)	7,531
Comprehensive loss	$ 998,140	$ 149,957	$ 1,663,117	$ 420,193

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

Amarc Resources Ltd.

Condensed Consolidated Interim Statements of Changes in Deficiency

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

		Share capital		Reserves				
	Note	Number of shares	Amount	Share-based payments reserve	Investment revaluation reserve	Share warrants reserve	Deficit	Total
Balance at April 1, 2016		141,424,061	$ 58,967,910	$ 2,202,640	$ 21,402	$ 3,133,363	$ (64,666,751)	$ (341,436)
Issuance of share purchase warrants	9(c)	–	–	–	–	607,406	–	607,406
Total other comprehensive loss		–	–	–	(7,531)	–	–	(7,531)
Loss for the period		–	–	–	–	–	(412,662)	(412,662)
Balance at December 31, 2016		141,424,061	$ 58,967,910	$ 2,202,640	$ 13,871	$ 3,740,769	$ (65,079,413)	$ (154,223)
Balance at April 1, 2017		145,424,061	$ 59,559,910	$ 2,202,640	$ 29,466	$ 3,508,769	$ (65,709,399)	$ (408,614)
Issuance of common shares pursuant to a private placement, net of issuance costs	9(b)	13,045,500	2,481,300	–	–	–	–	2,481,300
Issuance of common shares pursuant to a property option agreement	9(b)	1,944,444	350,000	–	–	–	–	350,000
Issuance of common shares pursuant to exercise of share purchase warrants	9(c)	6,555,555	540,000	–	–	–	–	540,000
Reallocation of share warrants reserve to share capital for exercised warrants	9(c)	–	625,846	–	–	(625,846)	–	–
Total other comprehensive income		–	–	–	70,788	–	–	70,788
Loss for the period		–	–	–	–	–	(1,733,905)	(1,733,905)
Balance at December 31, 2017		166,969,560	$ 63,557,056	$ 2,202,640	$ 100,254	$ 2,882,923	$ (67,443,304)	$ 1,299,569

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

Amarc Resources Ltd.

Condensed Consolidated Interim Statements of Cash Flows

(Unaudited - Expressed in Canadian Dollars)

	Note	Nine months ended December 31, 2017	2016
Operating activities			
Loss for the period		$ (1,733,905)	$ (412,662)
Adjustments for:			
Finance income		(20,191)	(7,110)
Interest expense – director's loans	8	105,904	94,643
Transaction cost – director's loans	8	405,861	125,692
Non-cash property payments	6(b)	350,000	–
Gain on disposition of marketable securities		–	(14,806)
Changes in working capital items			
Amounts receivable and other assets		(660,412)	94,030
Restricted cash		(60,328)	101,674
Accounts payable and accrued liabilities		69,099	46,940
Balance due to a related party		(111,716)	(83,926)
Net cash used in operating activities		(1,655,688)	(55,525)
Investing activities			
Acquisition of mineral property interest		–	(505,101)
Proceeds from disposition of marketable securities		–	19,805
Interest received		20,191	7,110
Net cash provided by investing activities		20,191	(478,186)
Financing activities			
Net proceeds from issuance of common shares pursuant to a private placement	9(b)	2,481,300	–
Net proceeds from issuance of common shares pursuant to exercise of share purchase warrants	9(c)	540,000	–
Proceeds from director's loan		–	500,000
Repayment of director's loans	8	(1,000,000)	–
Interest paid on director's loans	8	(105,904)	(94,644)
Net cash provided by financing activities		1,915,396	405,356
Net increase in cash		279,899	(128,355)
Cash, beginning balance		930,890	747,408
Cash, ending balance	3	$ 1,210,789	$ 619,053

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

1. NATURE OF OPERATIONS AND GOING CONCERN

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

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

These condensed consolidated interim financial statements (the "Financial Statements") have been prepared on a going concern basis, which contemplates the realization of assets and the discharge of liabilities in the normal course of business for the foreseeable future.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

(a) *Statement of compliance*

These Financial Statements have been prepared in accordance with IAS 34, Interim Financial Reporting ("IAS 34"), as issued by the International Accounting Standards Board ("IASB"), and interpretations by the IFRS Interpretations Committee ("IFRIC"). These Financial Statements do not include all of the information and footnotes required by International Financial Reporting Standards ("IFRS") for complete financial statements for year-end reporting purposes. These Financial

Statements should be read in conjunction with the Company's financial statements as at and for the year ended March 31, 2017. Results for the reporting period ended December 31, 2017 are not necessarily indicative of future results. The accounting policies and methods of computation applied by the Company in these Financial Statements are the same as those applied by the Company in its most recent annual financial statements which are filed under the Company's profile on SEDAR at www.sedar.com.

The Board of Directors of the Company authorized these Financial Statements for issuance on February 28, 2018.

(b) Basis of presentation and consolidation

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

These Financial Statements include the financial statements of the Company and its only subsidiary named 1130346 B.C. Ltd. (the "Subco"), incorporated under the laws of BC. The Subco is Amarc's wholly-owned subsidiary and was incorporated for the purposes of entering into an option agreement (note 6(b)) and as of December 31, 2017 the Subco did not have any asset, liability, income or expense. Intercompany balances and transactions are eliminated in full on consolidation.

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

(c) Significant accounting estimates and judgments

The critical judgements and estimates applied in the preparation of these Financial Statements are consistent with those applied in the Company's audited financial statements as at and for the year ended March 31, 2017.

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

Accounting standards issued but not yet effective

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

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

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

- IFRS 16, Leases

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

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

3. CASH

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

4. RESTRICTED CASH

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

5. AMOUNTS RECEIVABLE AND OTHER ASSETS

	December 31, 2017	March 31, 2017
Sales tax refundable	$ 254,328	$ 38,891
Contributions receivable (note 6(b))	444,975	–
Total	$ 699,303	$ 38,891

6. EXPLORATION AND EVALUATION EXPENSES AND COST RECOVERIES

During the three and nine months ended December 31, 2017, the Company's mineral exploration and evaluation expenses were incurred on its IKE, JOY, PINE and DUKE projects.

(a) *IKE Project*

The IKE Project is located in south-central BC. In July 2017, the Company announced it had entered into a Mineral Property Farm-In Agreement with Hudbay Minerals Inc. ("Hudbay"), pursuant to which Hudbay may acquire, through a staged investment process, up to a 60% ownership interest in the IKE Project. The Company records the amount of contributions received or receivable from Hudbay pursuant to the IKE Property Farm-In Agreement as cost recoveries in the Statement of Loss to the extent it incurs expenditures against such contributions.

<u>Relinquished Option Agreement</u>

During the three and nine months ended December 31, 2016, the Company recorded a gross amount of cost recovery of $414,300 and $2,932,597, respectively, representing contributions received pursuant to a definitive agreement with Thompson Creek Metals Company Inc. ("Thompson Creek") dated February 2016, whereby the latter had an option to acquire, through a staged investment process within five years, a 30% ownership interest in the mineral claims and crown grants covering the IKE Project.

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

In January 2017, Thompson Creek (having been taken over by Centerra Gold Inc.) relinquished its option and elected to exchange its 10% participating interest for a 1% Conversion Net Smelter Royalty from mine production, capped at a total of $5 million. As a result, the Company maintained a 100% interest in the IKE Project.

(b) JOY Project

The JOY Project, located in north-central BC, comprises the JOY and PINE properties, and certain adjacent claims (the "Staked Claims") acquired directly by Amarc. In November 2016, the Company entered into a purchase agreement with a private company wholly owned by one of its directors (note 10(c)) to purchase 100% of the JOY property at the vendor's direct acquisition costs of $335,299. In addition, Amarc concluded agreements with each of Gold Fields Toodoggone Exploration Corporation ("GFTEC") and Cascadero Copper Corporation ("Cascadero") in mid-2017 pursuant to which Amarc can purchase 100% of the PINE property. Subsequently, Hudbay and Amarc agreed to include both the PINE property and the Staked Claims into the JOY Project.

In August 2017, the Company announced that it had entered into a Mineral Property Farm-In Agreement with Hudbay, pursuant to which Hudbay may acquire, through a staged investment process, up to a 60% ownership in the JOY Project. The Company records the amount of contributions received or receivable from Hudbay pursuant to the Farm-In Agreement as cost recoveries in the Statement of Loss to the extent it incurs expenditures against such contributions.

(c) DUKE Project

In November 2016, the Company entered into a purchase agreement with a privately company wholly owned by one of its directors (note 10(c)) to purchase a 100% interest in the DUKE property at the vendor's direct acquisition costs of $168,996. The DUKE property is located in central BC.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2017	March 31, 2017
Accounts payable	$ 83,940	$ 14,841

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

8. DIRECTOR'S LOANS

Unsecured loans payable to a director	Nine months ended December 31, 2017	Year ended March 31, 2017
Opening balance	$ 1,330,500	$ 1,234,849
Net amount advanced	–	500,000
Transaction costs	–	(607,406)
Repayments	(1,000,000)	–
Amortisation of transaction costs	405,861	203,057
Closing balance	$ 736,361	$ 1,330,500

	December 31, 2017	March 31, 2017
Current portion	$ –	$ 390,243
Non-current portion	736,361	940,257
Total	$ 736,361	$ 1,330,500

Transaction costs	Three months ended December 31,		Nine months ended December 31,	
	2017	2016	2017	2016
Interest on director's loan	$ 22,685	$ 34,986	$ 105,904	$ 94,643
Amortization of transaction costs	220,173	61,811	405,861	125,692
Total	$ 242,858	$ 96,797	$ 511,765	$ 220,335

2015-Loan Agreement

In September 2015, the Company entered into a loan agreement (the "2015-Loan Agreement") with its Director and Chairman, Robert Dickinson (the "Lender") pursuant to which the Lender advanced to the Company a principal sum of $500,000 with a two-year term and at an interest rate of 7% per annum. Pursuant to the 2015-Loan Agreement, the Company issued 5,555,555 common share purchase warrants (note 9(c)) to the Lender with an expiry term of two years and exercise price of $0.09.

The 2015-Loan Agreement was fully repaid in September 2017.

2016-Loan Agreement

In November 2016, the Company and the Lender entered into another loan agreement (the "2016-Loan Agreement"), pursuant to which a previous loan agreement for a principal sum of $1,000,000 and with a due date of November 26, 2016 was extended for three years on customary conditions, and the principal sum was increased to $1,500,000 by way of an additional advance of $500,000 to fund mineral property acquisitions (note 6(b) and (c)). The 2016-Loan Agreement is subject to a fixed interest at 9% per annum. Pursuant to the 2016-Loan Agreement, the Company issued to the

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

Lender a loan bonus comprising of 10,000,000 common share purchase warrants (note 9(c)) with a three-year term and an exercise price of $0.08 per share.

During the current period, $500,000 of the 2016-Loan Agreement was repaid to the Lender, leaving a balance outstanding as at December 31, 2017 of $1,000,000.

These advances were measured as financial liabilities at their (cash) transaction values, with the unamortized balance of directly applicable costs, comprised of the fair values of the bonus warrants granted, representing a partially offsetting asset balance. Such costs are being expensed pro-rata over the term of the debt, with the effect on the balance sheet presentation being that the aggregate debt is accreted towards its face value.

9. CAPITAL AND RESERVES

(a) *Authorized and outstanding share capital*

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

As at December 31, 2017, there were 166,969,560 Common Shares outstanding (March 31, 2017: 145,424,061).

(b) *Share issuance*

In September 2017, the Company announced a private placement financing, issuing 13,045,500 Common Shares at a price of $0.20 per Common Share for gross proceeds of $2,609,100, and incurred share issuance costs of $127,800 for net proceeds of $2,481,300.

In October 2017, pursuant to a property option agreement (note 6(b)), the Company issued 1,944,444 Common Shares.

(c) *Share purchase warrants*

The following common share purchase warrants were outstanding at December 31, 2017 and March 31, 2017:

	Exercise price	December 31, 2017	March 31, 2017
Issued pursuant to:			
the 2015-Loan Agreement[(i)]	$0.09	–	1,555,555
the 2016-Loan Agreement[(ii)]	$0.08	5,000,000	10,000,000
Total		5,000,000	11,555,555

(i) In September 2015, 5,555,555 share-purchase warrants were issued pursuant to the 2015-Loan Agreement (note 8); the fair value of these warrants at issue was determined to be $322,143 at $0.058 per warrant, using the Black Scholes option pricing model and based on the following assumptions: risk-free rate of 0.51%; expected volatility of 130%; the underlying's market price of $0.09, expiry term of 2 years; and dividend yield of nil. In March 2017, 4,000,000 of these warrants were exercised and in September 2017, the remainder of 1,555,555 warrants were exercised.

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

(ii) In November 2016, 10,000,000 share-purchase warrants were issued pursuant to the 2016-Loan Agreement (note 8); the fair value of these warrants at issue was determined to be $607,406 at $0.061 per warrant, using the Black Scholes option pricing model and based on the following assumptions: risk-free rate of 0.79%; expected volatility of 135%; the underlying's market price of $0.08, expiry term of 3 years; and dividend yield of nil. These warrants expire in November 2019. In September 2017, 5,000,000 of these warrants were exercised.

10. RELATED PARTY TRANSACTIONS

Balances due to related parties		December 31, 2017		March 31, 2017
Hunter Dickinson Services Inc. (note 10(b))	$	63,621	$	157,282
United Mineral Services Ltd. (note 10(c))		–		18,055
	$	63,621	$	175,337

(a) *Transactions with key management personnel*

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

Note 8 includes the details of a director's loans. Note 6 includes the details of the acquisition of mineral property interests from a private entity wholly-owned by one of the Company's directors.

During the nine months ended December 31, 2017 and 2016, the Company's President and Director, Chief Financial Officer, and Corporate Secretary provided services to the Company under a service agreement with Hunter Dickinson Services Inc. (note 10(b)). There was no other transaction with KMP during the nine months ended December 31, 2017 and December 31, 2016.

(b) *Balances and transactions with Hunter Dickinson Inc.*

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

The Company has two Directors in common with HDSI, namely: Robert Dickinson and Ronald Thiessen. In addition, the Company's President and Director, Chief Financial Officer, and Corporate Secretary are employees of HDSI and work for the Company under an employee secondment arrangement between the Company and HDSI.

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

HDSI provides technical, geological, corporate communications, regulatory compliance, and administrative and management services to the Company, on an as-needed and as-requested basis from the Company. Because of this relationship, the Company has ready access to a range of diverse and specialized expertise on a regular basis, without having to engage or hire full-time experts. Services from HDSI are provided on a non-exclusive basis. The Company is not obligated to acquire any minimum amount of services from HDSI. The value of services received from HDSI is determined based on a charge-out rate for each employee performing the service and for the time spent by the employee. Such charge-out rates are agreed and set annually in advance.

HDSI also incurs third-party costs on behalf of the Company; such third-party costs are reimbursed by the Company to HDSI at cost without any markup and such costs include, for example, directors and officers insurance, travel, conferences, and communication services.

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

Transactions with HDSI	Three months ended December 31,		Nine months ended December 31,	
	2017	2016	2017	2016
Services received from HDSI and as requested by Amarc	$ 382,000	$ 240,000	$ 1,068,000	$ 803,000
Information technology-infrastructure and support services	15,000	15,000	45,000	45,000
Reimbursement , at cost, of 3rd party expenses incurred by HDSI on behalf of Amarc	$ 17,000	$ 3,000	$ 89,000	$ 24,000

(c) Balances and transactions with United Mineral Services Ltd.

United Mineral Services Ltd. ("UMS") is a privately held company wholly-owned by one of the Company's Directors. UMS is engaged in the acquisition and exploration of mineral property interests.

In November 2016, the Company acquired from UMS a 100% interest in two mineral property interests, namely JOY and DUKE, for aggregate acquisition costs of $504,295 (note 6(b) and 6(c)). Subsequent to the acquisition of the properties, UMS has incurred third-party costs on behalf of the Company, for example, mineral property claims paid on behalf of the Company. These third-party costs are reimbursed by the Company at a 5% markup.

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

	Three months ended December 31,		Nine months ended December 31,	
	2017	2016	2017	2016
Acquisition of mineral property interests	$ –	$ 504,295	$ –	$ 504,295
Services received from UMS and as requested by Amarc	–	–	10,080	–
Reimbursement of third-party expenses incurred by UMS on behalf of Amarc	–	–	9,349	–

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

11. SUPPLEMENTARY INFORMATION TO STATEMENT OF LOSS

(a) *Employee salaries and benefits*

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

	Three months ended December 31,		Nine months ended December 31,	
	2017	2016	2017	2016
Salaries and benefits included in the following:				
Exploration and evaluation expenses	$ 267,000	$ 143,000	$ 859,000	$ 581,000
General and administration expenses[(i)]	173,000	113,000	415,000	336,000
Total	$ 440,000	$ 256,000	$ 1,274,000	$ 917,000

(i) This amount includes salaries and benefits included in office and administration expenses (note 11(b)) as well as other expenses classified as general and administration expenses.

(b) *Office and administration expenses*

Office and administration expenses include the following:

	Three months ended December 31,		Nine months ended December 31,	
	2017	2016	2017	2016
Salaries and benefits	$ 134,000	$ 84,000	$ 347,000	$ 307,000
Insurance	5,000	–	111,000	79,000
Data processing and retention	16,000	16,000	46,000	46,000
Other office expenses	5,000	1,000	10,000	4,000
Total	$ 160,000	$ 101,000	$ 514,000	$ 436,000

12. EVENT AFTER THE REPORTING PERIOD

After the end of the reporting period, in January 2018, the Company issued 1,816,667 Common Shares pursuant to the PINE Property option agreements (note 6(b)).

AMARC RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE NINE MONTHS ENDED DECEMBER 31, 2017

AMARC RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE NINE MONTHS ENDED DECEMBER 31, 2017

1.1 DATE

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the audited financial statements (the "Annual Financial Statements") of Amarc Resources Ltd. ("Amarc", or the "Company") for the year ended March 31, 2017 and the unaudited financial statements (the "Interim Financial Statements") of the Company for the three and nine months ended December 31, 2017, both of which are publicly available on SEDAR at www.sedar.com. All monetary amounts herein are expressed in Canadian Dollars ("CAD") unless otherwise stated.

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

This MD&A is prepared as of February 28, 2018.

Cautionary Note to Investors Concerning Forward-looking Statements

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

Cautionary Note to Investors Concerning Estimates of Inferred Resources:

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

1.2 OVERVIEW

Amarc is a mineral exploration and development company with an experienced and successful management team focused on developing a new generation of British Columbia ("BC") copper mines. By combining strong projects and funding with successful management, Amarc has created a solid platform to now commence value creation.

Through its 2017 work programs Amarc has substantially advanced its 100% owned IKE, DUKE and JOY porphyry copper deposit districts located in southern, central and northern BC, respectively. Each of these copper districts have proximity to industrial infrastructure, power, rail and highways. The IKE, DUKE and JOY Projects have significant potential for the discovery of important scale, porphyry copper-gold and copper-molybdenum deposits.

LOCATION OF THE COMPANY'S IKE, DUKE AND JOY PROJECTS

The 462 km² IKE Project is located 33 km northwest of the historical mining community of Gold Bridge. Work at the IKE property has now delineated a copper-molybdenum-silver mineralized system, measuring at least 3.5 km by 2 km, through combined induced polarization chargeability ("IP") surveys, talus geochemical sampling and the earlier drilling of 21 core holes at the IKE deposit. The IKE porphyry has the geological earmarks of important copper-molybdenum-silver mines like Morenci and Sierrita in Arizona, and Valley in BC. In addition, at least five significant porphyry copper deposits targets have been established within 10 km of the IKE discovery that remain to be fully explored.

Amarc has partnered with Hudbay Minerals Inc. ("Hudbay") to efficiently advance the IKE Project. Under the terms of the agreement Hudbay can earn an initial 50% interest in the IKE Project by spending $40 million of expenditures before December 31, 2021. Amarc is the current operator. Hudbay has confirmed 2018 funding of $1.5 million, which is to be focused on drilling new extensions to the IKE deposit.

Amarc's DUKE deposit and an adjacent 190 km^2 porphyry copper district is located 80 km northeast of Smithers, BC and 30 km north of former mines (Bell and Granisle) operated by Noranda Mines. DUKE has been intermittently explored by prior operators with surface geochemical and geophysical surveys, as well as 30 shallow diamond drill holes. Many of the holes drilled intersected significant lengths of porphyry copper-molybdenum-silver-gold mineralization that remains open both laterally and to depth. Amarc completed two deep drill holes in late 2017, both of which indicate the discovery of an important porphyry copper-molybdenum-silver-gold deposit to depths significantly below mineralization intercepted by historical drill holes. Importantly, after intersecting some 400 m of copper-molybdenum mineralization, the continuation of the most westerly of the two drill holes encountered adjacent bulk tonnage-style gold-copper mineralization that is open to expansion. With the previously producing Bell and Granisle porphyry gold-copper mines nearby, this unexpected and exciting new development multiplies both the potential of the DUKE project, and the regional porphyry district staked by Amarc. Aggressive drilling is planned for 2018.

Amarc's 464 km^2 JOY mineral property lies 310 km north of Mackenzie in a region of BC considered to have high potential for the discovery of important scale, porphyry gold-copper deposits. At JOY, with the new acquisition of the expansive PINE claims, the Company now controls the northern extension to the prolific Kemess gold-copper district. Centerra Gold recently announced the $310 million acquisition of AuRico Metals, owner of the Kemess District. Amarc has identified a new, 20 km long northeast trending structural corridor, the Finlay Magnetic Corridor, which hosts over 10 compelling porphyry gold-copper deposit targets. These focused targets are the result of extensive historical surface surveys and drilling.

Amarc has also partnered with Hudbay to advance the JOY Project. Under the terms of this agreement Hudbay can earn an initial 50% interest in the JOY Project by spending $20 million of expenditures before December 31, 2021. Amarc is the current operator. The partners have agreed to include Amarc's recently acquired PINE claims into the JOY Project. Hudbay has confirmed 2018 funding of $3.15 million of which $1.15 million will be paid to Amarc in 2018 towards its PINE acquisition costs. Extensive field work is planned for 2018 including systematic IP, geochemical and geological surveys over the more than 10 deposit-scale targets already identified within and adjacent to the Finlay Magnetic Corridor. Drilling is expected to follow, targeting sulphide systems delineated by the IP surveys for major gold-copper deposits.

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

The IKE Project (comprising the IKE, Granite, Juno and Galore Properties)

Amarc has a 100% interest in the IKE, Granite, Juno and Galore Properties which make up the IKE Project.

The IKE deposit discovery, together with the surrounding district of additional prospective porphyry copper (±molybdenum±silver±gold) targets, have the potential to possess the grades and tonnages necessary to develop into an important new BC mining camp. In addition to the main IKE mineral property, Amarc has secured extensive mineral claims in the region to cover other compelling deposit targets, as well as potential infrastructure sites.

IKE Deposit

The IKE Project is located approximately 33 km northwest of the historical mining communities of Gold Bridge and Bralorne, in south-central BC. Core drilling of the IKE deposit is located above tree line within large and barren cirques. Although current access to the site is by helicopter, there is good infrastructure in the region. Mainline logging roads leading northwest from Gold Bridge extend to within 13 km of the southern extent of the IKE property. Power, railways and highways are all available in the area of Gold Bridge and the regional towns of Lillooet and Pemberton.

At IKE, limited historical drilling indicated the presence of a mineral system with characteristics that are favorable for the development of a viable porphyry copper-molybdenum-silver deposit. Three key historical drill holes (81-2, 11-1 and 11-2) spaced over 220 m apart intercepted long intervals of continuous, chalcopyrite and molybdenite mineralization with encouraging grades. These intersections include: 116 m of 0.46% copper equivalent (CuEQ)[1] comprising 0.29% Cu and 0.043% Mo; 182 m of 0.41% CuEQ comprising 0.31% Cu, 0.022% Mo and 1.9 g/t Ag; and 64 m of 0.51% CuEQ, comprising 0.37% Cu, 0.024% Mo and 4.7 g/t Ag. All three of these historical holes ended in mineralization.

Amarc has made a significant new porphyry copper-molybdenum-silver discovery at IKE. All 21 wide-spaced core holes drilled by Amarc at IKE (2014-9 holes; 2015-9 holes; 2016-3 holes for a total of 12,360 m) have intersected long intervals of chalcopyrite and molybdenite mineralization, with grades that compare favourably to the range of copper equivalent grades at operating BC porphyry copper mines. Copper, molybdenum and silver mineralization has been intersected over an increasingly broad area measuring 1.2 km m east-west by 1.0 km north-south, and 875 m vertically.

[1] Copper equivalent (CuEQ) calculations use metal prices: Cu US$3.00/lb, Mo US$12/lb and Ag US$18/oz.

The drilling indicates the potential for extensive resource volumes which remain open to expansion in all lateral directions and to depth. Notably the drilling completed to date has tested only a portion of the over plus 7 km^2 IKE hydrothermal system.

Highlights from the 2014, 2015 and 2016 drill programs include:

- 247 m of 0.42% CuEQ[1] @ 0.28% Cu, 0.030% Mo and 2.0 g/t Ag
- 123 m of 0.41% CuEQ @ 0.32% Cu, 0.017% Mo and 2.5 g/t Ag
- 92 m of 0.41% CuEQ @ 0.31% Cu, 0.020% Mo and 2.1 g/t Ag
- 194 m of 0.49% CuEQ @ 0.30% Cu, 0.046% Mo and 0.8 g/t Ag
- 308 m of 0.40% CuEQ @ 0.26% Cu, 0.032% Mo and 1.8 g/t Ag
- 97 m of 0.46% CuEQ @ 0.32% Cu, 0.030% Mo and 2.2 g/t Ag
- 124 m of 0.45% CuEQ @ 0.34% Cu, 0.022% Mo and 3.2 g/t Ag
- 214 m of 0.37% CuEQ @ 0.26% Cu, 0.023% Mo and 2.2 g/t Ag
- 592 m of 0.44% CuEQ @ 0.30% Cu, 0.032% Mo and 2.1 g/t Ag
- 86 m of 0.48% CuEQ @ 0.33% Cu, 0.032% Mo and 2.2 g/t Ag
- 111 m of 0.36% CuEQ @ 0.30% Cu, 0.010% Mo and 2.3 g/t Ag
- 148 m of 0.54% CuEQ @ 0.39% Cu, 0.030% Mo and 2.9 g/t Ag
- 287 m of 0.39% CuEQ @ 0.30% Cu, 0.017% Mo and 2.2 g/t Ag

[1]Copper equivalent (CuEQ) calculations use metal prices: Cu US$3.00/lb, Mo US$12/lb and Ag US$18/oz. Metallurgical recoveries and net smelter returns are assumed to be 100%.

Assay results from all of Amarc's 2014, 2015 and 2016 drill holes are summarized in the Management's Discussion and Analysis for the Six Months Ended December 31, 2017 filed on www.sedar.com. In addition, a drill plan, cross sections and maps are presented in the corporate presentation on the Amarc website at www.amarcresources.com.

Notably, IP geophysical work undertaken in 2017 showed the IKE mineralized system to be much larger than originally thought and is now known to extend for at least 3.5 km east-west by 2 km north-south, as outlined by IP surveys and talus fines geochemical sampling. Central to this large sulphide-mineralized system are the 21 discovery core holes drilled by Amarc in 2014 through 2016 and as described above. Maps, cross sections and figures illustrating the newly expanded IKE mineralized system and its potential are presented in the corporate presentation on the Amarc website at www.amarcresources.com.

Hudbay, Amarc's partner at IKE, has confirmed 2018 funding of $1.5 million, which is to be focused on drilling the potential new extensions to the IKE deposit in order to delineate the deposit's overall geometry and copper-molybdenum-silver grade distribution. Permits from the provincial government for the 2018 field season are in hand.

Like many major porphyry deposits, the IKE deposit formed in a very active, multi-stage hydrothermal system that was extensive and robust. Geological mapping and logging of diamond drill core at IKE indicate the deposit is hosted entirely by multi-phase intrusive rocks. Its overall geological setting is similar to that of many important porphyry belts along the Cordillera in North and South America.

At IKE, chalcopyrite and molybdenite mineralization occurs as fine to relatively coarse, mostly discrete grains, mainly as disseminations and less commonly in fractures and veins. Multi-element analyses have returned consistently and unusually low concentrations of metallurgically or environmentally deleterious elements. These characteristics, and the generally low concentrations of pyrite at IKE, suggest excellent potential to produce clean, good-grade copper and molybdenum concentrates by standard flotation processing.

IKE District Targets

Important-scale porphyry copper (± gold ± molybdenum ± silver) deposit targets proximal to the IKE discovery were indicated by Amarc's exploration in 2014, 2015 and 2016, and also in reports from sporadic historical exploration in the region by previous operators.

During the 2016 field season, these targets were evaluated by geochemical and geophysical surveys with the goal of establishing and prioritizing porphyry copper deposit targets for drilling. In addition, Amarc completed comprehensive regional geological mapping of the central 130 km^2 of the IKE district in order to fully comprehend the overall mineral potential of the region.

The 2016 district surveys defined a number of significant porphyry copper deposit targets and, in addition, potential precious metal epithermal deposit targets. Age dating of porphyry mineralization discovered within the IKE district has confirmed at least four separate porphyry mineralizing events, which occurred over an exceptionally long period of 46 million years. These deposit targets are located along, to a few km inboard of, the contact of the northeastern margin of the Coastal Plutonic Complex ("CPC") with older volcano-sedimentary rocks. In general, porphyry, porphyry-related and epithermal mineralization located closer to the CPC contact tends to be more gold-bearing whereas deposits such as IKE that lie inboard of the CPC contact are copper-molybdenum-silver dominated.

Results from Amarc's 2016 district-wide, geophysical, geochemical and geological surveys are summarized in the Management's Discussion and Analysis for the Six Months Ended December 31, 2017 filed on www.sedar.com.

In 2017 work in the IKE district focused on exploration on a select number of the regional porphyry copper deposit targets located within 10 km of the IKE deposit and as delineated in the prior field seasons. Field programs included 20 km^2 of detailed geological mapping, collection of 616 talus fines geochemical samples, completion of 82 line-km of IP surveys and exploration drilling of nine core holes totalling 2,796 m in three targets. The results of these surveys are summarized in the corporate presentation on the Amarc website at www.amarcresources.com. At least five significant porphyry copper deposit targets have been established that require further exploration.

One hole was drilled at the Rowbottom porphyry copper deposit target located 4.5 km northwest of the IKE deposit. This hole intersected significant intervals of porphyry copper-molybdenum mineralization hosting elevated silver and gold values, which are cut by a number of post mineral dykes. This hole was drilled into an IP anomaly measuring 1.3 km by 1.0 km that remains open for further surveying. Additional drilling is required both laterally and to depth in order to determine the geometry and grade distribution of the Rowbottom deposit. Assay results from hole RB17001 are tabulated below.

ROWBOTTOM 2017 Assay Results										
Hole ID	Dip (⁰)	Azim (⁰)	From (m)	To (m)	Int.[2,3,4] (m)	CuEQ[1] (%)	Cu (%)	Mo (%)	Ag (g/t)	Au (g/t)
RB17001	-50	90	63	129	66	0.40	0.29	0.006	4.1	0.08
			333	354	21	0.51	0.38	0.007	4.3	0.11

Eight, very wide-spaced wildcat exploration holes in the IKE district were also completed at the Mad Major and OMG targets, a 32 km^2 area which hosts pronounced anomalous copper, molybdenum and tungsten surface geochemical anomalies combined with extensive IP chargeability results. One hole (MM17005) in this extensive target returned copper and molybdenum values within an intrusive dyke-like body, as reported below. Further work is required to determine if a large, nearby, mineralized intrusive body could be the source of the well-mineralized dyke intersection.

MAD MAJOR/OMG 2017 Assay Results									
Hole ID	Dip (0)	Azim (0)	From (m)	To (m)	Int.[2,3,4] (m)	CuEQ[1] (%)	Cu (%)	Mo (%)	Ag (g/t)
MM17005	-45	250	81	90	9	0.78	0.57	0.046	3.0

[1] Copper equivalent (CuEQ) calculations in both tables above use metal prices: Cu US$3.00/lb, Mo US$12/lb, Ag US$18/oz and Au US$1,300/oz (when reported). Metallurgical recoveries and net smelter returns are assumed to be 100%. Note that Au is included in the CuEQ calculations in respect to Rowbottom and DUKE but not for the IKE deposit or Mad Major.
[2] Widths reported are drill widths, such that the true thicknesses are unknown.
[3] All assay intervals represent length weighted averages.
[4] Some figures may not sum exactly due to rounding.

IKE Project Agreements

The mineral claims comprising the Juno property were staked and are owned 100% by Amarc. The property acquisition agreements relating to the IKE, Galore and Granite properties, which together with the JUNO property comprise the IKE project, are outlined below.

The material terms of the former agreement with and the terms under which Thompson Creek Metals Inc. ("Thompson Creek") relinquished its option to earn up to a 50% interest in the IKE Project, and the three mineral property acquisition agreements relating to the IKE and district properties are set out below. The remaining royalties held by the respective vendors referenced have been capped or can be purchased by Amarc (in the $2 million to $4 million range).

IKE Project Agreement with Thompson Creek

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

Under the terms of the Agreement, Thompson Creek could earn an initial 30% interest in the IKE Project under a Stage 1 Option by funding $15 million of expenditures before December 31, 2019, of which $3 million for 2015 and $2 million for 2016 were funded. For each $5 million of project expenditures funded, Thompson Creek would incrementally earn a 10% ownership interest. As of July 14, 2016, Thompson Creek had funded $5 million in project expenditures and as such had earned a 10% ownership interest in the IKE, Granite and Juno properties and the right to earn a 10% interest in the Galore Property (see below). Stage 1 Option expenditures could be accelerated by Thompson Creek at its discretion. Amarc remained as operator during the Stage 1 earn-in period.

If Thompson Creek fully exercised the Stage 1 Option, Thompson Creek would have a one-time right under a Stage 2 Option to elect to earn an additional 20% ownership interest in the IKE Project (for a total 50% ownership interest). To fulfill its obligations under the Stage 2 Option, Thompson Creek had to commit to fund and complete a Feasibility Study for the IKE Project that could serve as the basis for a decision by an internationally recognized financial institution to finance the development of a mining project. This Feasibility Study had to be completed within a two-year period, which could be extended to three years under certain conditions. While completing the Feasibility Study work under the Stage 2 Option, Thompson Creek would also be required to meet all other expenditures necessary to maintain and advance the IKE Project.

Thompson Creek would become operator upon initiation of the Stage 2 Option period, and would remain operator so long as it holds a 50% interest. When Thompson Creek had concluded its's earn-in period, the parties expected to form a joint venture to further develop the IKE Project provided that Thompson Creek earned a minimum 10% interest. Amarc would remain operator of the Project in the instance that Thompson Creek does not earn a 50% interest.

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

On January 11, 2017 Amarc announced that Thompson Creek, having been acquired by gold-focused Centerra Gold Inc., relinquished its option to earn up to a 50% interest in the IKE Project. Thompson Creek having acquired a 10% participating interest in the IKE Project by investing $6 million in exploration programs undertaken in 2015 and 2016, has elected to exchange its participating interest for a 1% Conversion Net Smelter Royalty from mine production; capped at a total of $5 million. As a result, Amarc has re-acquired 100% interest in the IKE Project.

IKE Project Agreement with Hudbay

On July 6, 2017 Amarc announced it had entered into a Mineral Property Farm-In Agreement (the "Agreement") with Hudbay, pursuant to which Hudbay may acquire, through a staged investment process, up to a 60% ownership in the IKE Project.

Under the terms of the Agreement, Hudbay can earn an initial 49% ownership interest in the IKE Project under a Stage 1 Farm-in Right by funding $25 million of expenditures before December 31, 2020, of which $3.3 million is committed for 2017.

Provided its Stage 1 Farm-in Right is exercised, Hudbay can, pursuant to a Stage 2 Farm-in Right, elect to earn an additional 1% interest in the IKE Project (for a total 50% interest), by funding $15 million of additional expenditures (for a total of $40 million), also before December 31, 2020.

Stage 1 and Stage 2 Farm-in expenditures can be accelerated by Hudbay at its discretion. Amarc will be the operator during the Stage 1 and Stage 2 periods. A Joint Venture ("JV") will be formed when Hudbay has acquired a 49% interest in the IKE Project.

Provided that Hudbay has exercised its Stage 2 Farm-in Right and acquired a 50% interest in the IKE Project, it can then elect to go forward via one of two paths.

First, Hudbay can replace Amarc as operator of the JV after it funds all project expenditures and completes a Feasibility Study for the IKE Project by December 31, 2025. Having gained operatorship, Hudbay can then choose to either go forward with Amarc in a 50/50 participating JV, or can instead elect to continue with its Farm-in (the "Stage 3 Farm-in Right") to acquire an additional 10% interest in the IKE Project (for a total 60% interest). To exercise its Stage 3 Farm-in Right, Hudbay must fund all project expenditures required to submit a British Columbia Environment Assessment ("EA") application for the IKE Project and, if applicable, a Canadian EA application, with the application(s) being accepted for review by December 31, 2026. In addition, Hudbay must also continue to fund all project expenditures until the necessary EA Certificate(s) are received. Following receipt of the EA Certificate(s), all IKE Project expenditures going forward will be shared by Hudbay and Amarc on a pro rata basis (Hudbay 60%/Amarc 40%) under the JV.

As a second alternative path, Hudbay can elect, after exercising its Stage 2 Farm-in Right, to proceed directly to the Stage 3 Farm-in Right, so immediately becoming the operator, and acquire a further 10% interest (for a total 60% interest) by, as above, submitting and having accepted for review a British Columbia EA application and, if applicable, a Canadian EA application, by December 31, 2026. Again in this instance, Hudbay must also fund all project expenditures until receipt of the necessary EA Certificate(s). As with the first path, following receipt of the EA Certificate(s), all IKE Project expenditures going forward will be shared by Hudbay and Amarc on a pro rata basis (Hudbay 60%/Amarc 40%) under the JV.

Hudbay has the right to defer either of its 2019 or 2020 expenditures, for a one-year period, subject to certain conditions. If this deferral occurs, Amarc will have a "co-expenditure right", whereby it can incur and fund approved additional expenditures on the IKE Project up to the amount of the deferred expenditures. Hudbay may elect to reimburse Amarc for these additional expenditures, thereby retaining its interest in the Project. Under either path, If Hudbay does not submit the EA application(s) by December 31, 2026, then Amarc will become operator again.

In January, 2018 the Company amended the Agreement with Hudbay to extend the Stage 1 Farm-in Right period by one year to December 31, 2021.

IKE Property Agreement with the Optionors

Amarc holds a 100% interest in the IKE property. In December 2013, the Company entered into an Option and Joint Venture Agreement (the "IKE Agreement") with Oxford Resources Inc. ("Oxford"), whereby the Company acquired the right to earn an 80% ownership interest in the IKE property by making cash payments totaling $125,000, issuing 300,000 shares, and by incurring approximately $1.86 million in exploration expenditures on or before November 30, 2015.

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

As a result of the foregoing, Amarc had the right to acquire a 100% ownership interest in the IKE property directly from two unrelated individuals (formerly the underlying owners and now the "Optionors") by making a cash payment of $40,000 (completed), issuing 100,000 shares (completed), and by incurring approximately $1.86 million in exploration expenditures (completed) on or before November 30, 2015.

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

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

In May 2017, the Company amended the agreement with the Optionors whereby it has the right to purchase 1% of the above mentioned 2% NSR royalty originally purchasable for $2 million prior to December 31, 2018, where Amarc now has the right to purchase that 1% for $2 million ($1 million of which is payable in cash, and the balance in Amarc common shares, or any such combination of cash and shares, at Amarc's discretion) at any time on or before a commercial mine production decision has been made in respect of the IKE Property. In consideration of this amendment, beginning on December 31, 2017 the Company will make an additional Annual Advanced Royalty payment of $25,000 to the Optionors.

Granite Property Agreement

In August 2014, the Company entered into a purchase agreement with Great Quest Fertilizers Ltd. ("Great Quest"), whereby the Company can purchase a 100% ownership interest in the Granite property on or before November 30, 2014 by making staged cash payments totalling $400,000 (completed).

Great Quest holds a 2% NSR royalty on the property which can be purchased for $2 million, on or before commercial production (payable in cash, Amarc common shares, or any such combination, at Amarc's discretion). In addition, there is an underlying 2.5% NSR royalty on certain mineral claims, which can be purchased at any time for $1.5 million less any amount of royalty already paid.

Galore Property Agreement

In July 2014, the Company entered into an option and joint venture agreement (the "Galore Option Agreement") with Galore Resources Inc. ("Galore"), whereby the Company acquired the right to earn an initial 51% ownership interest in the Galore property by incurring $3 million in exploration expenditures within five years ($1.5 million of which may be in recordable assessment credits not directly incurred on the property), and by making staged cash payments up to a maximum of $450,000 (50% of which may be payable in Amarc common shares). Amarc may thereafter acquire an additional 19% ownership interest, for a total 70% ownership interest, by incurring $2 million in exploration expenditures within two years. Upon exercise of the initial or additional option (collectively, the "Galore Option"), Galore and Amarc have agreed to form either a 51/49 or a 70/30 joint venture, as the case may be.

The Galore mineral tenure is comprised of five claim groups and is subject to five underlying option agreements, each of which provides the relevant underlying owner with a 1.5% NSR royalty (collectively, the "NSR Royalties") each of which may be purchased for $250,000 on or before December 31, 2024, and a 10% net profits interest royalty (collectively, the "NPI Royalties") each of which may be purchased at any time until December 31, 2024 for $400,000 less any amount of an NPI Royalty already paid.

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

In addition, in July 2016, the Company also reached an agreement with the underlying owners of the Galore property whereby the Company obtained the right to acquire all of the underlying owners' residual interest in and to the Galore property, including the five NSR Royalties and the five NPI Royalties, in consideration of the payment of $100,000 ($80,000 completed) on a staged basis on or before January 16, 2018, subject to the Company exercising the Second Option.

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

In January 2017 Amarc announced that it had exercised the Second Option and had acquired a 100% interest in the Galore property from Galore, clear of any royalties to Galore, by making a final payment of $280,000. This transaction marks the successful completion by Amarc of a series of property dealings to acquire 100% of mineral claims and crown grants making up the entire IKE Project, subject to the final payment of $20,000 (completed January 16, 2018) to the underlying owners as noted above.

The DUKE Project

Amarc has secured a 100% interest in the DUKE mineral property as well as extensive adjacent mineral claims over nearby second-order exploration targets. DUKE is located 80 km northeast of Smithers BC, within the well-known Babine porphyry-copper district, 30 km north of former mines (Bell and Granisle) operated by Noranda Minerals Inc. between 1966 and 1992, and producing a total of 1.1 billion pounds of copper, 634,000 ounces of gold and 3.5 million ounces of silver[1]. DUKE is also just 10 km northeast of the Morrison Deposit, a 225 million tonne copper-gold-molybdenum porphyry deposit with a completed Feasibility Study[2].

The property is accessible from Smithers by road and an industrial-scale barge crossing of Babine Lake from the town of Granisle. A longer, all-road commute is available from Fort St. James, 150 km to the southeast. Power extends to the former Bell mine.

DUKE was intermittently explored between 1965 and 2010 with geochemical, IP and magnetometer surveys and 30 shallow diamond drill holes. Extensive glacial cover precludes geological surveys and hinders geochemical survey interpretation, but most of the holes drilled intersected significant lengths of porphyry-style mineralization that remains open both laterally and to depth. For example, DDH-14, intersected 87 m of 0.40% Cu, 0.021% Mo, 2.2 g/t Ag and 0.05 g/t Au from 29 m to the end of the hole. Another hole, DDH-02, located 430 m southeast of DDH-14 intersected 107 m of 0.30% Cu, 0.011% Mo, 1.2 g/t Ag, and 0.06 g/t Au from 30 m. Porphyry mineralization was encountered by drill holes over an area of 800 m by 400 m which is open laterally in several directions. The average vertical depth of all holes drilled in this mineralized area is 90 m, with the deepest being only 124 m. Eighty percent of the holes drilled in this mineralized area bottomed in porphyry copper mineralization. Additionally, IP survey results indicate a significant area of prospective ground has yet to be drilled.

In November 2017, Amarc funded two core holes that targeted the Duke deposit. DK17001 drilled at -59^{o} for 518.5 m and DK 17002, located 200 m to the southeast of DK17001, drilled at -45^{o} for

[1] MINFILE Number 093L 146 and 093M 001 MINFILE Production Detail Report, BC Geological Survey, Ministry of Energy and Mines, BC.

[2] Pacific Booker Minerals Inc. news release February 27, 2009.

527 m were designed as an initial test for porphyry mineralization below the historical, unusually shallow drill holes. The two, 2017 core holes intersected mainly biotite-feldspar-porphyry and felsic intrusive rock – rock types that also host the Bell, Morrison and Granisle porphyry copper deposits in the region. Assay results from Amarc's 2017 drilling at DUKE are tabulated below, and a drill plan, cross sections and maps are presented in the corporate presentation on the Amarc website at www.amaracresources.com. These successful results indicate that Amarc has discovered another important porphyry copper-molybdenum-silver-gold deposit, which hosts CuEQ grades comparable to those mined elsewhere in BC.

In addition and importantly, indications are that DK17001 drilled through a copper-molybdenum-silver porphyry deposit and into a potential gold-copper porphyry-type deposit located adjacent to DUKE as evidenced by assay results from 425 m to the end of that hole. This gold-bearing interval hosts a very different geochemical expression than the rocks above which assay for copper, molybdenum and silver; its importance was not specifically recognized during drilling. The last 9.5 m of hole DK17001 returned excellent assays for bulk tonnage gold-copper deposits as highlighted in a separate table below, indicating hole DK17001 was stopped prematurely. Moreover, the host rock to the gold-copper mineralization intercepted in DK17001 also appears to be logged near surface in a shallow (55 m) historical hole drilled about 200 m to the north but that historical interval was not assayed.

DUKE
2017 Assay Results

Hole ID	Dip (⁰)	Azimuth (⁰)	Incl.	From (m)	To (m)	Int.[2,3,4] (m)	CuEQ[1] (%)	Cu (%)	Mo (%)	Ag (g/t)	Au (g/t)
DK17001	-59	266		25	145	120	0.33	0.23	0.015	1.1	0.05
			Incl.	40	73	33	0.41	0.30	0.013	1.4	0.08
				210	243	33	0.35	0.21	0.026	1.2	0.04
				268	278	10	0.31	0.20	0.018	1.3	0.03
				317	347	30	0.35	0.20	0.030	1.1	0.04
				425	518.5	93.5	0.33	0.23	0.001	2.7	0.12
			Incl.	458	479	21	0.41	0.35	0.001	3.3	0.04
			Incl.	509	518.5	9.5	0.57	0.11	0.001	3.0	0.68
DK17002	-45	270		17	130	113	0.37	0.25	0.014	1.4	0.07
			Incl.	17	73	56	0.41	0.29	0.015	1.6	0.08
				238	268	30	0.47	0.33	0.019	1.9	0.07
				308	399	91	0.35	0.21	0.025	1.1	0.04
			Incl.	308	338	30	0.39	0.25	0.022	1.3	0.06
				451	523	72	0.34	0.23	0.022	1.2	0.03
			Incl.	477	523	47	0.40	0.26	0.025	1.4	0.04

DK17001 END OF HOLE 2017 Assay Results										
Hole ID	Dip (⁰)	Azimuth (⁰)	From (m)	To (m)	Int.[2,3,4] (m)	CuEQ[1] (%)	Cu (%)	Mo (%)	Ag (g/t)	Au (g/t)
DK17001	-59	266	509	512	3.0	0.35	0.13	0.002	1.2	0.34
			512	515	3.0	0.77	0.14	0.001	6.7	0.93
			515	518.5	3.5	0.53	0.06	0.001	1.3	0.75

1 Copper equivalent (CuEQ) calculations in both tables above use metal prices: Cu US$3.00/lb, Mo US$12/lb, Ag US$18/oz and Au US$1,300/oz (when reported). Metallurgical recoveries and net smelter returns are assumed to be 100%. Note that Au is included in the CuEQ calculations in respect to Rowbottom and DUKE but not for the IKE deposit or Mad Major.
2 Widths reported are drill widths, such that the true thicknesses are unknown.
3 All assay intervals represent length weighted averages.
4 Some figures may not sum exactly due to rounding.

The Company is developing plans to initiate a grid-type drill program in 2018, in order to commence delineation of the geometry and grade distribution in relation to the both the bulk tonnage gold-copper mineralization and copper-molybdenum-silver mineralization in the DUKE discovery area. Permits from the provincial government for the 2018 field season are in hand.

The surrounding DUKE district, now covered by Amarc mineral claims, also hosts multiple additional porphyry copper exploration targets for future assessment.

DUKE Project Agreement

In November, 2016, the Company entered into a purchase agreement with a private company owned by director Robert A. Dickinson to purchase 100% of the DUKE property (16 mineral claims) at the vendor's direct acquisition costs of $168,996.

There are no royalties associated with the DUKE property.

The JOY Project (comprising the JOY and PINE Properties and the Staked Claims)

The JOY Project comprises the JOY and PINE properties and also the Staked Claims acquired directly by Amarc. In 2016, the Company acquired 100% of the JOY property in the northern portion of the Project. In addition, Amarc concluded agreements with each of Gold Fields Toodoggone Exploration Corporation ("GFTEC") and Cascadero Copper Corporation ("Cascadero") in mid-2017 which provide that Amarc can purchase 100% of the PINE property. Further to the deal with GFTEC and Cascadero being concluded Hudbay and Amarc agreed to include both the PINE property and the Staked Claims into the JOY Project.

The JOY Project is located 310 km north-northwest of Mackenzie in an area of moderate topography in the Kemess District of north-central BC, which is one of BC's best areas for the discovery of precious metals-rich porphyry deposits. Seasonal roads cross the PINE property claims (southern part of the JOY Project), accessing the Pine deposit, and by road from the Brenda porphyry copper deposit, which come within approximately 0.5 km of the JOY Project. The JOY Project is also accessed by helicopter from staging, or from the Kemess mine site located 25 km due south. Power also extends to the Kemess mine site and its 300-person camp.

The Kemess District is well-known to Amarc's technical team, as Hunter Dickinson Inc. , with which Amarc is associated, is credited as the first company to recognize its true porphyry potential – acquiring both the early-stage Kemess South and Kemess North prospects into their operated company, El Condor Resources, and developing them into significant porphyry copper-gold deposits before that company was taken over. Northgate Minerals went on to produce 3 million ounces of gold and 780 million pounds of copper over a 12-year period to 2010[1] (Kemess South). More recently in January 2018, Centerra Gold Inc. concluded the purchase of the Kemess Project from former owner Aurico Metals for $310 million thereby acquiring the Kemess Underground Project, the Kemess East Deposit and the former Kemess South Mine infrastructure[2] – news that only added to the impetus of the growing mineral exploration and discovery interest in this prodigious region. The advanced stage Kemess Underground Project has received its Environmental Assessment approval and concluded an IBA, in addition to which positive results from a Preliminary Economic Assessment were announced for Kemess East in 2017. Further, exploration drilling at the Kemess East Deposit returned intercepts such as 628 m grading 0.53 g/t Au and 0.41% Cu.

Amarc considers the JOY Project to represent the northern extension to the prolific Kemess porphyry gold-copper district. Highly favorable geology, surface geochemical sampling, along with the drilling of 136 hole by past operators, has resulted in narrowing the exploration focus to a number of important-scale, gold-copper deposit targets. One prime target area, the PINE Deposit is the subject of historical resource estimates that are not categorized as prescribed by National Instrument 43-101.

The 2017 programs at JOY included 50 km^2 of geological mapping, collection of 638 surface geochemical samples, completion of 49 line-km of ground IP and 470 line-km of airborne geophysical surveys along with drilling of 1,527 m in three core holes focused on the JOY property. This drilling tested a coincident IP geophysical and geochemical target on the JOY property claims. The three exploration holes returned strongly anomalous results in gold and zinc over significant intervals, hosted mainly within highly altered quartz monzonite intrusive and volcanic rocks. These results are comparable to those from two historical holes drilled by a previous operator some 2 km to the east on the adjoining PINE property claims. Taken together these long intervals of highly altered and anomalous core may represent a classic rock alteration style typically found flanking porphyry copper-gold deposits.

As work progressed in 2017, Amarc recognized the high potential for major gold-copper deposit discoveries on the PINE property claims. Notably, over 10 incompletely tested or untested multiple magnetic, geochemical and IP compelling porphyry gold-copper deposit targets occur in a prominent, 20 km long, northeast trending structural belt located 1.5 km south of Amarc's 2017 drilling. Amarc has identified this compelling target trend as the Finlay Magnetic Corridor, which also hosts the

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[1] MINFILE Number 094E 094, MINFILE Production Detail Report, BC Geological Survey, Ministry of Energy and Mines, BC.

[2] Centerra Gold Inc. news release January 8, 2018.

historical Pine porphyry gold-copper deposit (see new corporate presentation at www.amarcresources.com). As such the Company to concluded option agreements with GFTEC and Cascadero to acquire the PINE property claims.

Hudbay, Amarc's partner at JOY, has confirmed 2018 funding of $3.15 million of which $1.15 million will be paid to Amarc in January 2018 towards its PINE property acquisition costs and $2 million is to advance the JOY Project. Amarc will be the Operator. Plans being developed for 2018 include systematic IP surveys over the more than 10 deposit-scale targets already identified within and adjacent to the Finlay Magnetic Corridor. Drilling is expected to follow to test the sulphide systems delineated by the IP surveys for major gold-copper deposits. Applications to the provincial government for exploration permits on the newly acquired PINE portion of the project area will advance after community consultation.

JOY Project Agreements

The mineral claims comprising the Staked Claims were staked and are owned 100% by Amarc. The property acquisition agreements relating to the JOY Project, and also the JOY and PINE property claims are outlined below.

JOY Property Agreement

In November, 2016, the Company entered into a purchase agreement with a private company owned by director Robert A. Dickinson to purchase 100% of the JOY property claims (15 mineral claims) at the vendor's direct acquisition costs of $335,299, which included required claim assessment work filings.

The property is subject to an underlying NSR royalty to a former owner from production which is capped at $3.5 million.

JOY Project Agreement with Hudbay

On August 22, 2017 Amarc announced it had entered into a Mineral Property Farm-In Agreement (the "Agreement") with Hudbay, pursuant to which Hudbay may acquire, through a staged investment process, up to a 60% ownership in the JOY Project.

Under the terms of the Agreement Hudbay can earn an initial 49% interest in the JOY Project under a Stage 1 Farm-in Right by funding $15 million of expenditures before December 31, 2020, of which $1.9 million is committed for 2017.

When its Stage 1 Farm-in Right is exercised, Hudbay can, pursuant to a Stage 2 Farm-in Right, earn an additional 1% ownership interest in the JOY Project (for a total 50% ownership interest) by funding $5 million of expenditures (for a total of $20 million) also before December 31, 2020.

Stage 1 and Stage 2 Farm-in expenditures can be accelerated by Hudbay at its discretion. Amarc will be the operator during the Stage 1 and Stage 2 periods. A Joint Venture ("JV") will be formed when Hudbay has acquired a 49% interest in the JOY Project.

Provided that Hudbay has exercised the Stage 2 Farm-in Right and acquired a 50% interest, it can then elect to go forward via one of two paths.

First, Hudbay can replace Amarc as operator of the JV after it funds all project expenditures and completes a Feasibility Study for the JOY Project by December 31, 2025. Having gained operatorship, Hudbay can then choose to either go forward with Amarc in a 50/50 participating JV or Hudbay can instead elect to continue with its Farm-in (the "Stage 3 Farm-in Right") to acquire an additional 10% interest in the JOY Project (for a total 60% ownership interest). To exercise its Stage 3 Farm-in Right, Hudbay must fund all expenditures required to submit a British Columbia environmental assessment ("EA") application for the JOY Project and, if applicable, a Canadian EA application, with the application(s) being accepted for review by December 31, 2026. In addition, Hudbay must also continue to fund all approved project expenditures until all necessary EA Certificates are received. Following receipt of the EA Certificate(s), all approved JOY Project expenditures going forward will be shared by Hudbay and Amarc on a pro rata basis (Hudbay 60%/Amarc 40%) under the JV.

As a second alternative path, after exercising its Stage 2 Farm-in Right Hudbay can elect to proceed directly to the Stage 3 Farm-in Right, so immediately becoming the operator, and acquire a further 10% interest (for a total 60% ownership interest) by, like above, submitting a British Columbia EA application and, if applicable, a Canadian EA application by December 31, 2026. Again, in this instance, Hudbay must also fund all project expenditures until receipt of the necessary EA Certificate(s). Following receipt of project approvals from government, all approved JOY Project expenditures going forward will be shared by Hudbay and Amarc on a pro rata basis (Hudbay 60%/Amarc 40%) under the JV.

Hudbay has a one-time right to defer either of its 2019 or 2020 expenditures in the Stage 1 or Stage 2 Farm-in periods, for a one-year period, subject to certain conditions. If this deferral occurs, Amarc will have a "co-expenditure right", whereby it can incur and fund approved additional expenditures on the JOY Project up to the amount of the deferred expenditures. Hudbay may elect to reimburse Amarc for these additional expenditures, thereby retaining its interest in the Project. Under either alternative path, if Hudbay does not submit the EA application(s) by December 31, 2026, then Amarc will become operator again.

In January, 2018 the Company amended the Agreement with Hudbay to extend the Stage 1 Farm-in Right period by one year to December 31, 2021. The partners have also agreed to include Amarc's recently acquired PINE claims and the Staked Claims into the JOY Project.

PINE Property Agreements

In August, 2017 Amarc announced that it had concluded option agreements with each of GFTEC and Cascadero which enable Amarc to purchase 100% of the 323 km^2 PINE property claims (the "Property").

Agreement with Gold Fields

Amarc's wholly-owned subsidiary ("Amarc Subco") has entered into an option agreement with GFTEC (the "GFTEC Agreement") pursuant to which Amarc Subco obtained the option (the "Option") to acquire all of GFTEC's 51% interest in the Property.

Amarc Subco can exercise the Option at any time within four years from the date of the GFTEC Agreement (the "Option Period") by completing the public listing of Amarc Subco on the TSX Venture Exchange and issuing to GFTEC securities in the capital of that Company so that GFTEC holds 15% of the shares and 15% of any warrants on issue (on a fully diluted basis) following completion of the listing. GFTEC has the right to maintain its 15% pro rata interest through participation in future fundraisings and other share issuances.

To maintain the right to exercise the Option at any time over up to the four-year Option Period, Amarc must conduct in stages, up to a total of $2.75 million of exploration expenditures on the Project. But no expenditures are required after the Option to acquire GFTEC's 51% interest is exercised.

GFTEC will retain a 2.5% net profits interest royalty ("NPI") on mineral claims comprising about 96% of the Property which are subject to a net smelter return royalty payable to a former owner ("Underlying NSR") and a 1% net smelter returns royalty ("NSR") on the balance of the claims that are not subject to the Underlying NSR. The NPI can be reduced to 1.25% at any time through the payment to GFTEC of $2.5 million in cash or shares. The NSR can be reduced to 0.50% through the payment to GFTEC of $2.5 million in cash or shares. If Amarc Subco does not exercise the Option or terminates the GFTEC Agreement at any time during the four years Option Period, then Amarc Subco may be required to make a termination payment to GFTEC. The level of termination payment, if any, varies with the year of termination and the amount of any exploration expenditures completed; varying over the four-year option from a low of no payment to an absolute maximum of $1,375,000 in the event no exploration work was done by Amarc.

Agreement with Cascadero

Amarc has also entered into an option agreement (the "Cascadero Agreement") with Cascadero pursuant to which Amarc was granted an option (the "Cascadero Option") to acquire all of Cascadero's 49% interest in the Property. In order to exercise the Cascadero Option, Amarc is required to make staged cash payments to Cascadero in the aggregate amount of $1 million before October 31, 2018, and issue on a staged basis common shares in its capital to Cascadero having an aggregate value equal to $950,000 at a minimum per share value of 18 cents before October 31, 2018. In lieu of issuing any common shares, Amarc may elect to pay to Cascadero the value of the shares in cash.

The PINE property is subject to a 3% Underlying NSR royalty payable to a former owner. Amarc has reached an agreement with the former owner to cap the 3% NSR at $5 million payable from production for consideration totaling $100,000 and 300,000 Amarc shares, payable in stages through to January 31, 2019 (the "Capped Royalty Agreement").

The GFTEC Agreement, Cascadero Agreement and Capped Royalty Agreement were subject to TSX Venture Exchange approval which has been received.

Other Properties

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

Galileo – Blackwater District Property

Amarc owns a 100% interest in the Galileo property, which is located within the Blackwater district, approximately 75 km southwest of Vanderhoof, BC, and 176 km southwest of northern BC's regional hub city of Prince George. The area is characterized by subdued topography and is well served by existing transportation and power infrastructure and a skilled workforce, which supports an active exploration and mining industry.

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

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

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

The Newton Property

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

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

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

NEWTON GOLD PROJECT – INFERRED MINERAL RESOURCES

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

Notes:

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

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

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

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

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

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

Amarc has undertaken significant consultation with local First Nations. All parties worked together in a diligent manner in order to develop a positive and respectful working relationship with respect to the Newton property

Newton Property Agreement

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

Market Trends

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

	Average metal price (US$)			
Calendar year	Copper	Molybdenum	Gold	Silver
2013	3.34/lb	10.40/lb	1,397/oz	23.82/oz
2014	3.11/lb	11.59/lb	1,264/oz	19.09/oz
2015	2.50/lb	6.73/lb	1,160/oz	15.69/oz
2016	2.21/lb	6.56/lb	1,251/oz	17.14/oz
2017	2.88/lb	7.26/lb	1,275/oz	17.01/oz
2018 (to the date of this document)	3.17/lb	7.26/lb	1,332/oz	16.96/oz

1.3 SELECTED ANNUAL INFORMATION

Not required for the interim MD&A.

1.4 SUMMARY OF QUARTERLY RESULTS

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

	Fiscal Quarter Ended							
($ 000's)	**Dec 31, 2017**	**Sep 30, 2017**	**Jun 30, 2017**	**Mar 31, 2017**	**Dec 31, 2016**	**Sep 30, 2016**	**Jun 30, 2016**	**Mar 31, 2016**
Net (income) loss	$ 1,068	$ (67)	$ 788	$ 126	$ 147	$ 148	$ 118	$(2,430)
Basic and diluted (income) loss per share	$ 0.01	$ (0.00)	$ 0.01	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ (0.02)

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

1.5 RESULTS OF OPERATIONS

During the three and nine months ended December 31, 2017, the Company recorded a net loss of $1,068,000 and a net loss of $1,734,000, respectively.

The following table provides changes in expenditures and cost recoveries in the current periods compared to the prior periods:

Expenditures/recoveries	Three months ended December 31, 2017	Nine months ended December 31, 2017
Increase in exploration and evaluation expenditures	1,389,000	3,462,000
Increase in administrative expenditures	123,000	283,000
Increase in cost recoveries	725,000	2,712,000

The above noted changes in the level of expenditures and cost recoveries in the current periods compared to the prior periods commensurate with the increase in the Company's operating and financing activities as discussed herein.

A breakdown of the Company's exploration and evaluation expenses for the nine months ended December 31, 2017 is as follows:

	IKE	JOY	DUKE	PINE	Other	Total
Assays and analysis	$ 110,450	$ 55,985	$ 25,695	$ 10,588	$ (15,000)	$ 187,718
Drilling	538,474	215,024	177,508	–	–	931,006
Equipment rental	33,617	20,258	12,528	–	–	66,403
Geological	765,665	466,639	96,382	7,698	12,425	1,348,809
Helicopter and fuel	965,992	553,037	–	–	–	1,519,029
Property costs and assessments	50,198	–	5,672	800,000	49,200	905,070
Site activities	380,775	319,829	96,405	4,175	–	801,184
Socioeconomic	34,110	131,890	55,464	700	113	222,277
Travel and accommodation	51,171	17,199	11,297	–	–	79,667
Total	$2,930,452	$1,779,861	$ 480,951	$ 823,161	$ 46,738	$6,061,163

The Company's mineral exploration and evaluation activities presented above were concentrated in the second quarter of the year.

During the three and nine months ended December 31, 2016, exploration and evaluation expenses primarily related to the Company's IKE project.

The Interim Financial Statements provide a breakdown of the Company's general and administration expenses for the year.

1.6 LIQUIDITY

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

As at December 31, 2017, the Company had a cash balance of $1,211,000 and working capital of approximately $1,863,000. The Company plans its cash spending based on availability of funds.

In September 2017, the Company announced a private placement financing, issuing 13,045,500 Common Shares at a price of $0.20 per Common Share for gross proceeds of $2,609,100, and incurred share issuance costs of $127,800 for net proceeds of $2,481,300.

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

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

1.7 CAPITAL RESOURCES

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

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

1.8 OFF-BALANCE SHEET ARRANGEMENTS

None.

1.9 TRANSACTIONS WITH RELATED PARTIES

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

Hunter Dickinson Inc.

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

The Company has 2 directors in common with HDSI, namely: Robert Dickinson and Ronald Thiessen. Also, the Company’s President and Director, Chief Financial Officer, and Corporate Secretary are employees of HDSI and work for the Company under an employee secondment arrangement between the Company and HDSI.

Pursuant to an agreement dated July 2, 2010, HDSI provides technical, geological, corporate communications, regulatory compliance, and administrative and management services to the Company, on a non-exclusive basis as needed and as requested by the Company. As a result of this relationship, the Company has ready access to a range of diverse and specialized expertise on a regular basis, without having to engage or hire full-time employees or experts. The Company benefits from the economies of scale created by HDSI which itself serves several clients.

The Company is not obligated to acquire any minimum amount of services from HDSI. The monetary amount of the services received from HDSI in a given period of time is a function of annually set and agreed charge-out rates for and the time spent by each HDSI employee engaged by the Company.

HDSI also incurs third-party costs on behalf of the Company. Such third party costs include, for example, directors and officers insurance, travel, conferences, and communication services. Third-party costs are billed at cost, without markup.

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

The details of transactions with HDSI and the balance due to HDSI as a result of such transactions are provided in the Interim Financial Statements, along with the details of borrowings from Mr. Dickinson.

United Mineral Services Ltd.

United Mineral Services Ltd. ("UMS") is a privately held company wholly-owned by one of the Company's directors. UMS is engaged in the acquisition and exploration of mineral property interests. UMS incur third party expenses on behalf of the Company.

Details of transactions with UMS and the balance due to UMS as a result of such transactions are provided in the Interim Financial Statements.

1.10 FOURTH QUARTER

Not required for the interim MD&A.

1.11 PROPOSED TRANSACTIONS

Except as discussed in this MD&A, there are no proposed transactions requiring disclosure under this section.

1.12 CRITICAL ACCOUNTING ESTIMATES

Not required. The Company is a venture issuer.

1.13 CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

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

1.14 FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

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

1.15 OTHER MD&A REQUIREMENTS

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

1.15.1 ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

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

1.15.2 DISCLOSURE OF OUTSTANDING SHARE DATA

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

	Number
Common shares	168,786,227
Share purchase warrants	5,000,000

1.15.3 DISCLOSURE CONTROLS AND PROCEDURES

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

1.15.4 INTERNAL CONTROLS OVER FINANCIAL REPORTING PROCEDURES

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

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

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

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

1.15.5 LIMITATIONS OF CONTROLS AND PROCEDURES

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

1.16 RISK FACTORS

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

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

Exploration and Mining Risks

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

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

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

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

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

First Nations

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

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

Future Profits/Losses and Production Revenues/Expenses

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

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

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

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

Additional Funding Requirements

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

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

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

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

Competitors in the Mining Industry

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

Risks That Are Not Insurable

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

Environmental Matters

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

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

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

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

Market for Securities and Volatility of Share Price

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

Conflicts of Interest

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

Payment of Dividends Unlikely

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

Lack of Revenues; History of Operating Losses

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

General Economic Conditions

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

Reliance on Key Personnel

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

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

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

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