

GOLDEN STAR RESOURCES LTD.

Form 6-K

February 14, 2018

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 6-K**

**REPORT OF FOREIGN PRIVATE ISSUER**

**PURSUANT TO RULE 13a-16 OR 15d-16**

**UNDER THE SECURITIES EXCHANGE ACT OF 1934**

**For the month of February 2018**

**Commission File Number 001-12284**

**GOLDEN STAR RESOURCES LTD.**

**(Translation of registrant's name into English)**

**150 King Street West**

**Suite 1200**

**Toronto, Ontario**

**M5H 1J9, Canada**

**(Address of principal executive office)**

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934. Yes  No

If  Yes  is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 14, 2018

**GOLDEN STAR RESOURCES LTD.**

By: /s/ André van Niekerk  
André van Niekerk

Executive Vice President and

Chief Financial Officer

**EXHIBIT INDEX**

**Exhibit No. Description of Exhibit**

99.1            Press Release dated February 14, 2018 - Golden Star reports further high grade drilling results from  
Wassa Underground

**DIRECTORS AND SENIOR MANAGEMENT**

Not applicable.

**B. ADVISERS**

Not applicable.

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**C. AUDITORS**

Not applicable.

**ITEM 2 OFFER STATISTICS AND EXPECTED TIMETABLE**

Not applicable.

**ITEM 3 KEY INFORMATION****A. SELECTED FINANCIAL DATA**

The following tables summarize selected financial data for Amarc extracted from the Company's audited financial statements for related fiscal years. The data should be read in conjunction with the Company's audited financial statements included as an exhibit in this Annual Report.

The following table is derived from the financial statements of the Company which have been prepared in accordance with and using accounting policies in full compliance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") effective for each of the Company's fiscal year presented.

The following selected financial data is presented in thousands of Canadian Dollars.

**Statements of Financial Position Data**

(\$ 000 s)	2016	2015	2014	2013	2012
Equipment, net	\$ 1,096	\$ 1,755	\$ 5,306	\$ 7,644	\$ 18,176
Total assets	1,096	1,755	5,306	7,644	18,176
Total liabilities	1,438	1,279	105	460	961
Working capital surplus (deficit)	(312)	242	4,840	5,633	16,224
Share capital	58,968	58,955	58,761	58,756	58,741
Reserves	5,357	5,069	5,103	4,937	4,558
Accumulated deficit	(64,667)	(63,548)	(58,664)	(56,509)	(46,083)
Net assets (liabilities)	(341)	476	5,201	7,184	17,216
Shareholders' equity (deficiency)	(341)	476	5,201	7,184	17,216

**Statements of Comprehensive Loss Data**

(\$ 000 s, except per share amounts and number of shares)	2016	2015	2014	2013
Interest and other income	\$ (10)	\$ (38)	\$ (69)	\$ (129)
General and administrative expenses	1,289	1,478	1,306	1,823
Exploration expenditures, net of METC	2,773	3,278	1,095	8,422
Contributions pursuant to IKE Option Agreement	(3,067)			
Share-based payments			103	434
Other	134	166	(280)	6
Gain on sale of mineral property				(130)
Flow-through shares premium				(130)
Net loss for the year	1,119	4,884	2,155	10,426
Other comprehensive loss (income)	33	35	(63)	55
Total comprehensive loss	\$ 1,152	\$ 4,919	\$ 2,092	\$ 10,481
Basic and diluted net loss per share	\$ 0.01	\$ 0.04	\$ 0.02	\$ 0.08
Weighted average number of common shares outstanding	141,406,301	139,357,212	138,644,883	138,602,746



Pursuant to SEC Release No. 33-8879 "Acceptance from Foreign Private Issuers of Financial Statements Prepared in Accordance with International Reporting Standards without Reconciliation to U.S. GAAP", the Company includes selected financial data prepared in compliance with IFRS without reconciliation to U.S. GAAP.

### Currency and Exchange Rates

As of the date of this Annual Report, the rate of exchange of the Canadian Dollar, based on the daily noon rate in Canada as published by the Bank of Canada, was US\$1.00 = Canadian \$1.3178. Exchange rates published by the Bank of Canada are available on its website, [www.bankofcanada.ca](http://www.bankofcanada.ca), are nominal quotations not buying or selling rates and are intended for statistical or analytical purposes.

The following tables set out the exchange rates, based on the daily noon rates in Canada as published by the Bank of Canada for the conversion of Canadian Dollars into U.S. Dollars.

	For year ended March 31 (Canadian Dollar per U.S. Dollar)				
	2016	2015	2014	2013	2012
End of period	\$ 1.2971	\$ 1.2683	\$ 1.1053	\$ 1.0156	\$ 0.9991
Average for the period	\$ 1.3114	\$ 1.1387	\$ 1.0533	\$ 1.0013	\$ 0.9930
High for the period	\$ 1.4589	\$ 1.2803	\$ 1.1251	\$ 1.0418	\$ 1.0604
Low for the period	\$ 1.1951	\$ 1.0634	\$ 1.0023	\$ 0.9710	\$ 0.9449

### Monthly High and Low Exchange Rate (Canadian Dollar per U.S. Dollar)

	High	Low
June (to June 20, 2016)	\$ 1.3091	\$ 1.2695
May 2016	\$ 1.3136	\$ 1.2548
April 2016	\$ 1.3170	\$ 1.2544
March 2016	\$ 1.3468	\$ 1.2962

### B. CAPITALIZATION AND INDEBTEDNESS

Not applicable.

### C. REASONS FOR THE OFFER AND USE OF PROCEEDS

Not applicable.

### D. RISK FACTORS

An investment in the Company's common shares is highly speculative and subject to a number of risks. Only those persons who can bear the risk of the entire loss of their investment should participate. An investor should carefully consider the risks described below and the other information that the Company furnishes to, or files with, the Securities and Exchange Commission and with Canadian securities regulators before investing in the Company's common shares. The risks described below are not the only ones faced by the Company. Additional risks that management is aware of or that the Company currently believes are immaterial may indeed become important factors that affect the Company's business. If any of the following risks occur, or if others occur, the Company's business, operating results and financial condition could be seriously harmed and the investor may lose all of his investment.

### 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.

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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 impact any 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.

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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.

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

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

**If The Company Raises Additional Funding Through Equity Financings, Then The Company's Current Shareholders Will Suffer Dilution.**

The Company will require additional financing in order to complete full exploration of the Company's mineral properties. Management anticipates that the Company will have to sell additional equity securities including, but not limited to, its common stock, share purchase warrants or some form of convertible security. The effect of additional issuances of equity securities will result in the dilution of existing shareholders' percentage ownership interests.

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**The Company believes it is likely a "passive foreign investment company" which may have adverse U.S. federal income tax consequences for U.S. shareholders.**

U.S. shareholders should be aware that the Company believes it was classified as a passive foreign investment company ("PFIC") during one or more previous tax years, and may be a PFIC in the current tax year and possibly in subsequent tax years. If the Company is a PFIC for any tax year during a U.S. shareholder's holding period, then such U.S. shareholder generally will be required to treat any gain realized upon a disposition of common shares, or any so-called "excess distribution" received on its common shares, as ordinary income, and to pay an interest charge on a portion of such gain or distributions, unless the shareholder makes a timely and effective "qualified electing fund" election or a "mark-to-market" election with respect to the common shares. A U.S. shareholder who makes a qualified electing fund election generally must report on a current basis its share of the Company's net capital gain and ordinary earnings for any tax year in which the Company is a PFIC, whether or not the Company distributes any amounts to its shareholders. A U.S. shareholder who makes the mark-to-market election generally must include as ordinary income each year the excess of the fair market value of the common shares over the taxpayer's basis therein. This paragraph is qualified in its entirety by the discussion below under the heading "Certain United States Federal Income Tax Considerations." Each U.S. shareholder should consult its own tax advisor regarding the PFIC rules and the U.S. federal income tax consequences of the acquisition, ownership, and disposition of common shares.

**The Company's Shareholders Could Face Significant Potential Equity Dilution.**

Amarc has a share purchase option plan which allows the management to issue options to its employees and non-employees based on the policies of the Company. If further shares, options, or warrants are issued, they will likely act as an upside damper on the trading range of the Company's shares. As a consequence of the passage of time since the date of their original sale and issuance, none of the Company's shares remain subject to any hold period restrictions in Canada or the United States. The unrestricted resale of outstanding shares from the exercise of dilutive securities may have a depressing effect on the market for the Company's shares.

**Penny Stock Classification Could Affect The Marketability Of The Company's Common Stock And Shareholders Could Find It Difficult To Sell Their Stock.**

The penny stock rules in the United States require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document that provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction, and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation.

Further, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from such rules; the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These additional broker-dealer practices and disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the Company's common shares in the United States, and shareholders may find it more difficult to sell their shares.

**The Company's Financial Statements Have Been Prepared Assuming The Company Will Continue On A Going Concern Basis, But There Can Be No Assurance That The Company Will Continue As A Going Concern.**

The Company's financial statements have been prepared on the basis that it will continue as a going concern. The Company has prioritized the allocation of available financial resources in order to meet key corporate and mineral development expenditure requirements in the near term. The costs required to complete exploration and development of the Company's projects may be well in excess of this amount. Accordingly, unless additional funding is obtained, the going concern assumption may have to change. If Amarc is unable to obtain adequate additional financing, the Company will be required to curtail operations and exploration activities. Furthermore, failure to continue as a going concern would require that Amarc's assets and liabilities be restated on a liquidation basis which could differ significantly from the going concern basis.

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## **Litigation**

The Company is may in future be subject to legal proceedings. If the Company is unable to resolve these matters favorably it may have a material adverse effect of the Company.

## **ITEM 4 INFORMATION ON THE COMPANY**

### **A. HISTORY AND DEVELOPMENT OF THE COMPANY**

#### **Incorporation**

Amarc Resources Ltd. was incorporated on February 2, 1993, pursuant to the *Company Act* (British Columbia, Canada) (the "BCCA"), as "Patriot Resources Ltd." and changed its name on January 26, 1994 to "Amarc Resources Ltd." The BCCA was replaced by the *Business Corporations Act* (British Columbia) (the "BCA") in March 2004 and the Company is now governed by the BCA.

Amarc became a public company or "reporting issuer" in the Province of British Columbia on May 30, 1995. The common shares of Amarc were listed (symbol AHR) on the Vancouver Stock Exchange ("VSE") on August 4, 1995 and continue to trade on the TSX Venture Exchange ("TSX Venture"), formerly the Canadian Venture Exchange, the successor stock exchange to the VSE.

Amarc commenced trading on the OTC Bulletin Board ("OTCBB") in the United States in June 2004 under the symbol AXREF.

#### **Offices**

The head office of Amarc is located at 15th Floor, 1040 West Georgia Street, Vancouver, British Columbia, Canada V6E 4H1, telephone (604) 684-6365, facsimile (604) 684-8092. The Company's registered office is in care of its attorneys, McMillan LLP, 1500 Royal Centre P.O. Box 11117, 1055 West Georgia Street, Vancouver, British Columbia, Canada V6E 4N7, telephone (604) 689-9111, fax (604) 685-7084.

#### **Company Development**

Amarc has been engaged in the acquisition and exploration of mineral properties since its incorporation. The Company is currently actively exploring a number of properties located in British Columbia, Canada. All of the Company's mineral properties are at the exploration stage.

### **B. BUSINESS OVERVIEW**

Amarc is in the business of exploring and developing mineral properties. The Company's exploration activities are primarily focused in British Columbia, Canada, where it has assembled a portfolio of projects through ground staking and option agreements. Exploration on these properties is aimed at ascertaining whether the properties host commercially viable mineral deposits.

#### **British Columbia Mineral Tenure**

On January 12, 2005, the Province of British Columbia adopted an on-line mineral tenure system that includes mineral tenure acquisition and tenure maintenance procedures, as well as a method of converting previous format claims (legacy claims) to new format claims (cell claims). All of the Company's mineral tenures have been converted to cell claims resulting in new tenure numbers and marginally larger claim boundaries. The mineral claims are maintained through the completion of exploration activities referred to as "Assessment Work". The financial requirements related

to this exploration work are stated as \$5 per hectare per year during the first two years following location of the mineral claim, \$10 per hectare per year during the third and fourth years, \$15 per hectare per year during the fifth and sixth years, and \$20 per hectare per year for subsequent years. If the Assessment Work is not completed, the mineral claims may be maintained by a cash payment, but if this payment is not made before the forfeiture date, the tenure is relinquished. The required payment to maintain a mineral claim for one year is double the value of the Assessment Work for the particular year.

One other type of mineral tenure exists, called crown-granted mineral claims, on which the perimeter has been physically surveyed. Crown-granted mineral claims are maintained by paying taxes on an annual basis. Unlike mineral claims, the taxes can be paid late with penalties and interest. If the taxes remain unpaid after a specified period of time, the claims will revert to the Crown and will be subsequently made available for acquisition by normal procedures.

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## **Environmental Matters**

Environmental matters related to mineral exploration companies in British Columbia are administered by the Ministry of Energy and Mines. The Company files notice of its work programs with the Ministry, and a bond is determined that will set aside sufficient cash to reclaim the exploration sites to their pre-exploration land use. Typically, no bond is required for exploration activities such as surface geological and geochemical surveys. However, a bond is required for activities such as machine work including drilling and also for blasting. The required reclamation involves leaving the site in an environmentally stable condition and grooming the sites to prevent forest fire hazards.

## **Mineral Properties and Exploration Activities and Plans**

Amarc is a British Columbia-based mineral exploration and development company with an experienced and successful management team that is focused on advancing the IKE Project, a major new porphyry copper-molybdenum-silver discovery located near the heartland of British Columbia's ( BC ) copper mining industry with proximity to mining infrastructure, power, rail and highways.

In 2014 Amarc made a significant new copper-molybdenum-silver discovery at its 100% owned IKE property located in southern BC. Assay results from 18 holes, totaling 10,437 metres, completed in 2014 and 2015 at IKE have all intersected varying amounts of chalcopyrite and molybdenite mineralization over an increasingly broad area, now measuring 1,200 metres east-west by 1,000 metres north-south and extending to depths of over 500 metres. Copper equivalent grades returned over long continuous drill intercepts continue to compare favourably to the range of copper equivalent grades for mineral resources and mineral reserves at active BC porphyry copper ( $\pm$  molybdenum  $\pm$  gold  $\pm$  silver) mines. Mineralization encountered by the drilling at IKE remains open to expansion in all lateral directions and to depth.

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

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

Amarc is committed to meaningful engagement and building long-term relationships with all communities in the IKE Project area, including mutually beneficial partnerships with Aboriginal groups. A comprehensive engagement plan is in place that is consistent with the current level of exploration activity. The company continues to build on positive relationships with regulators, supporting government's consultation duties to assist with timely and fair regulatory decision-making.

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

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

The IKE is located approximately 45 kilometres northwest of the historical mining communities of Gold Bridge and Bralorne, in a region characterized by broad U-shaped valleys. Amarc's 2014 and 2015 core drilling programs at IKE were conducted above tree line within two adjoining large and barren cirques. The district surrounding the IKE

discovery has long been explored for its numerous showings of copper, molybdenum, gold and silver mineralization. Current access to the properties is by helicopter, although significant infrastructure exists in the region. Mainline logging roads, which lead west from Gold Bridge are located 20 kilometres to the south of IKE. Access to power, railways and highways is available in the area of Gold Bridge and the nearby towns of Lillooet and Pemberton.

At IKE, limited historical drilling indicated the presence of a mineral system with characteristics that are favorable for the development of a viable porphyry copper-molybdenum-silver deposit. Three key historical drill holes (81-2, 11-1 and 11-2) spaced over 220 metres intercepted long intervals of continuous, chalcopyrite and molybdenite mineralization with encouraging grades. These intersections include: 116 metres of 0.44% copper equivalent (CuEQ)<sup>1</sup> comprising 0.29% Cu and 0.043% Mo; 182 metres of 0.41% CuEQ comprising 0.31% Cu, 0.022% Mo and 1.9 g/t Ag; and 64 metres of 0.51% CuEQ, comprising 0.37% Cu, 0.024% Mo and 4.7 g/t Ag. All three of these historical holes ended in mineralization.

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

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Assay data from Amarc's nine holes totaling 5,409 metres (numbered 14001 through 14009) completed in 2014 and an additional nine holes totalling 5,028 metres (numbered 15010 through 15018) completed in 2015 at IKE, combined with results from geological, geochemical and geophysical surveys completed outwards from the area drilled indicate the presence of an important porphyry-style copper-molybdenum-silver deposit. All 18 diamond drill holes intersected varying amounts of chalcopyrite and molybdenite mineralization over an increasingly broad area, now measuring 1,200 metres east-west by 1,000 metres north-south and extending to depths of over 500 metres. Copper equivalent grades returned over long continuous drill intercepts continue to compare favourably to the range of copper equivalent grades for mineral resources and mineral reserves at active BC porphyry copper ( $\pm$  molybdenum  $\pm$  gold  $\pm$  silver) mines. Mineralization encountered by the drilling at IKE remains open to expansion in all lateral directions and to depth.

Highlights from the 2014 and 2015 drill programs include:

247 metres of 0.41% CuEQ<sup>1</sup> @ 0.28% Cu, 0.030% Mo and 2.0 g/t Ag

123 metres of 0.41% CuEQ @ 0.32% Cu, 0.017% Mo and 2.5 g/t Ag

92 metres of 0.40% CuEQ @ 0.31% Cu, 0.020% Mo and 2.1 g/t Ag

194 metres of 0.47% CuEQ @ 0.30% Cu, 0.046% Mo and 0.8 g/t Ag

308 metres of 0.39% CuEQ @ 0.26% Cu, 0.032% Mo and 1.8 g/t Ag

97 metres of 0.45% CuEQ @ 0.32% Cu, 0.030% Mo and 2.2 g/t Ag

124 metres of 0.45% CuEQ @ 0.34% Cu, 0.022% Mo and 3.2 g/t Ag

214 metres of 0.37% CuEQ @ 0.26% Cu, 0.023% Mo and 2.2 g/t Ag

592 metres of 0.44% CuEQ @ 0.30% Cu, 0.032% Mo and 2.1 g/t Ag

86 metres of 0.47% CuEQ @ 0.33% Cu, 0.032% Mo and 2.2 g/t Ag

111 metres of 0.36% CuEQ @ 0.30% Cu, 0.010% Mo and 2.3 g/t Ag

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

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

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

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

## IKE DISCOVERY

**TABLE OF 2014 AND 2015 ASSAY RESULTS**

Drill Hole ID	Dip (°)	Azim (°)	EOH (m)	Incl.	From (m)	To (m)	Int. <sup>2,3</sup> (m)	CuEQ <sup>1</sup> (%)	Cu (%)	Mo (%)	Ag (g/t)
IK14001	-45	0	742.2		55.0	213.7	158.7	0.37	0.27	0.020	2.5
					242.0	489.0	247.0	0.41	0.28	0.030	2.0
				incl.	242.0	275.0	33.0	0.43	0.35	0.011	4.1

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				incl.	284.6	362.5	77.9	0.43	0.31	0.027	2.0
				incl.	372.9	395.2	22.3	0.43	0.25	0.045	1.7
				incl.	404.1	489.0	84.9	0.48	0.30	0.045	1.7
					528.0	634.6	106.6	0.28	0.23	0.009	1.9
IK14002	-45	100	551.1		57.3	180.1	122.8	0.41	0.32	0.017	2.5
					206.0	494.6	288.6	0.39	0.24	0.038	1.6
				incl.	206.0	440.0	234.0	0.42	0.26	0.040	1.7
				and	206.0	364.0	158.0	0.44	0.26	0.046	1.7
				and	368.5	440.0	71.5	0.40	0.27	0.031	1.7
					521.7	551.1	29.4	0.42	0.15	0.076	0.6
IK14003	-60	180	419.4		10.2	102.0	91.8	0.40	0.31	0.020	2.1
					282.0	365.0	83.0	0.19	0.08	0.029	0.7
IK14004	-50	90	388.6		128.0	189.0	61.0	0.27	0.13	0.036	0.9
IK14005	-60	0	772.7		32.0	80.0	48.0	0.27	0.23	0.007	1.4

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Drill Hole ID	Dip (°)	Azim (°)	EOH (m)	Incl.	From (m)	To (m)	Int. <sup>2,3</sup> (m)	CuEQ <sup>1</sup> (%)	Cu (%)	Mo (%)	Ag (g/t)				
IK14006	-45	90	681.8		269.4	552.3	282.9	0.43	0.29	0.038	0.7				
				incl.	269.4	463.2	193.8	0.47	0.30	0.046	0.8				
					602.9	616.1	13.2	0.33	0.29	0.009	0.6				
					9.0	75.0	66.0	0.25	0.21	0.008	1.3				
					124.0	574.3	450.3	0.36	0.24	0.028	1.7				
				incl.	124.0	432.2	308.2	0.39	0.26	0.032	1.8				
				and	124.0	207.8	83.8	0.42	0.31	0.026	2.2				
				and	216.4	258.0	41.6	0.42	0.30	0.024	2.8				
				and	381.9	432.2	50.4	0.69	0.35	0.088	1.8				
				incl.	441.9	490.0	48.1	0.44	0.27	0.044	1.8				
IK14007	-60	90	688.5		671.0	681.8	10.8	0.33	0.28	0.007	2.0				
					7.9	24.9	17.0	0.30	0.22	0.020	1.1				
					139.5	167.0	27.5	0.24	0.06	0.051	0.5				
					223.0	274.0	51.0	0.22	0.05	0.048	0.5				
					304.0	411.9	107.9	0.23	0.12	0.030	0.7				
IK14008	-45	90	788.8		135.4	168.0	32.6	0.30	0.24	0.009	2.0				
					233.0	258.5	25.5	0.33	0.23	0.023	1.5				
					278.1	567.0	288.9	0.36	0.27	0.022	1.6				
				incl.	287.7	384.3	96.6	0.45	0.32	0.030	2.2				
				incl.	418.7	462.8	44.0	0.38	0.31	0.015	1.8				
				incl.	484.0	564.0	80.0	0.38	0.30	0.018	1.6				
IK14009	-45	270	376.1		605.0	648.0	43.0	0.25	0.20	0.012	1.0				
				incl.	10.5	200.0	189.5	0.23	0.16	0.018	1.1				
IK15010	-45	88	615.0		10.5	98.0	87.5	0.28	0.20	0.019	1.4				
					207.0	417.0	210.0	0.40	0.30	0.018	2.9				
				Incl.	207.0	268.0	61.0	0.40	0.31	0.016	2.9				
				Incl.	293.0	417.0	124.0	0.45	0.34	0.022	3.2				
				and	293.0	358.0	65.0	0.53	0.39	0.028	3.7				
IK15011	-45	88	486.3		378.0	417.0	39.0	0.41	0.32	0.016	2.9				
					444.0	603.0	159.0	0.28	0.22	0.011	2.1				
					20.1	60.0	40.0	0.42	0.31	0.023	2.5				
				IK15012	-45	88	675.0		213.0	516.0	303.0	0.34	0.25	0.018	2.1
								Incl.	213.0	286.0	73.0	0.33	0.28	0.008	2.2
IK15013	-45	88	693.3		301.9	516.0	214.2	0.37	0.26	0.023	2.2				
					301.9	371.3	69.4	0.45	0.32	0.028	3.0				
					423.0	516.0	93.0	0.39	0.29	0.022	2.0				
					549.5	558.0	8.5	0.47	0.35	0.026	3.0				
					33.0	693.3	660.3	0.41	0.28	0.030	2.0				
				Incl.	75.0	666.5	591.5	0.44	0.30	0.032	2.1				
				and	75.0	99.0	24.0	0.42	0.24	0.044	1.9				
	129.0	300.5	171.5	0.44	0.32	0.025	2.2								
IK15014	-45	88	480.9		435.5	666.5	231.0	0.56	0.37	0.045	2.7				
					249.7	335.2	85.5	0.47	0.33	0.032	2.2				
IK15015	-50	268	423.3		312.3	420.3	108.0	0.41	0.15	0.067	1.5				
				Incl.	312.3	378.3	66.0	0.51	0.19	0.085	1.9				
IK15016	-45	88	483.3		243.0	369.3	126.3	0.27	0.14	0.031	1.5				

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				Incl.	285.0	360.3	75.3	0.29	0.17	0.029	1.7
IK15017	-45	88	441.3		15.0	75.0	60.0	0.29	0.26	0.005	1.6
					201.0	355.7	154.7	0.30	0.17	0.031	1.1
				Incl.	240.0	355.7	115.7	0.33	0.18	0.039	1.2
IK15018	-45	88	441.3		138.0	159.0	21.0	0.33	0.25	0.016	1.5
					201.0	312.4	111.4	0.36	0.30	0.010	2.3
				Incl.	216.0	288.3	72.3	0.43	0.35	0.013	2.5
				and	216.0	243.3	27.3	0.51	0.42	0.015	2.6
					471.3	730.5	259.2	0.25	0.20	0.010	1.3
				Incl.	471.3	540.3	69.0	0.33	0.25	0.017	1.8
				and	651.3	730.5	79.2	0.29	0.23	0.012	1.5

Notes:

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

<sup>2</sup> Widths reported are drill widths, such that the true thicknesses are unknown.

<sup>3</sup> All assay intervals represent length weighted averages

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

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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.

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

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

#### IKE and the Granite and Galore District Property Agreements

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

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

#### *Agreement with Thompson Creek*

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

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

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

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

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

#### *Agreement with the Optionors*

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

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

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

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

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

#### *Granite Property Agreement*

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

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

*Galore Property Agreement*

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

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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 ) 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 on a staged basis on or before January 16, 2018, subject to the Company exercising the Second Option.

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

### **Other Properties**

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

### **The Blackwater District Properties Galileo and Hubble**

Amarc owns a 100% interest in the Galileo and Hubble properties, which are located within the Blackwater district, 75 kilometres southwest of Vanderhoof, BC.

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

The Galileo and Hubble properties are located approximately 17 to 35 kilometres from New Gold's Blackwater gold deposit (Proven and Probable Reserves of 344.4 million tonnes at an average grade of 0.74 g/t gold containing 8.2 million gold ounces, and 5.5 g/t silver containing 60.8 million silver ounces; New Gold news release December 12, 2013).

We caution that although this information is considered by management to be of material importance to the Company and its land holdings in the area and is therefore included in the Company's Canadian public filings, we have no right to explore or mine New Gold's properties. Mineral deposits on adjacent properties are not necessarily probative of the existence, nature or extent of mineral deposits on our properties. In addition, as described elsewhere

in this Annual Report, while the terms "indicated resources" and "inferred resources" are recognized by Canadian regulations, the U.S. Securities and Exchange Commission does not recognize them. It cannot be assumed that all or any part of a mineral resource will ever be upgraded to a higher category. Further, "inferred mineral resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility.

Amarc's Blackwater district properties lie approximately 75 kilometres southwest, of the town of Vanderhoof and 176 kilometres southwest of northern BC's regional hub city of Prince George. The area is characterized by subdued topography and is well served by existing transportation and power infrastructure and a skilled workforce, which supports an active exploration and mining industry.

Amarc is actively working to engage constructively with First Nations and regulators in the area of its permits.

### **The Newton Property**

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

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

### Cautionary Note to Investors Concerning Estimates of Inferred Resources

This section uses the term "inferred mineral resources". The Company advises investors that while this term is recognized and required by Canadian regulations, the U.S. Securities and Exchange Commission does not recognize it. "Inferred mineral resources" have a great amount of uncertainty as to their existence, and great uncertainty 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 all or any part of an inferred resource exists, or is economically or legally mineable.**

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

### NEWTON GOLD PROJECT INFERRED MINERAL RESOURCES

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

#### Notes:

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

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

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

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

Exploration and resource expansion potential are clearly indicated at Newton by the large scale of the hydrothermal system, the structurally- and magmatically-active nature of the geological setting at the time of mineralization, the intensity of the hydrothermal alteration and the strong, widespread metal anomalies that have been confirmed by widely-spaced wildcat drilling. In addition, the Newton 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.

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

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

#### *Newton Property Agreement*

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

#### **Location of Mineral Properties and Claim Information**

All of the Company's active properties are located in British Columbia. The nature of the Company's interests in various mineral properties is described above. The locations of the currently active properties and details of mineral exploration claims and Crown Grants within British Columbia are shown on the map and claim table respectively below.

#### **Location of the IKE, Newton, and Galileo Properties.**

**Mineral Claim and Crown Grant Information for Amarc's BC Properties**

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<b>Program</b>	<b>Mineral Claim Numbers and Crown Grant Numbers (Crown Grants in italics)</b>	<b>Size (sq km)</b>
Newton	208327, 414743, 511965, 511967, 507905, 507914, 514976, 514979, 514981, 615743, 606674, 606675, 606676, 606677, 606678, 606679, 606680, 606681, 606682, 606684, 606685, 606686, 606687, 606688, 606690, 606691, 606692, 606693, 606694, 606695, 606696, 606697, 606698, 606699, 606700, 606701, 606702, 606703, 606704, 606705, 606706, 606707, 606708, 606709, 606710, 606711, 606712, 606713, 606714, 606715, 606716, 606717, 682043, 682063, 682089, 682094, 682095, 682098, 682123, 682143, 682163, 682183, 682206, 682208, 682209, 682210, 682232, 682234, 682236, 682244, 682245, 682263, 682283, 682285, 682286, 682288, 682290, 682303, 682305, 682308, 682309, 682311, 682315, 682317, 682320, 682324, 682327, 682330, 682332, 682335, 682338, 682372, 682373, 682375, 682377, 682384, 682404, 682406, 682407, 606683, 606689, 681863, 681883, 681904, 681943, 681963, 682003, 682213, 682223, 682225, 682227, 682229, 616023, 685683, 685684, 685685, 685686, 685687, 685703, 685704, 685705, 685706, 685707, 685708, 685709, 685723, 685724, 685743, 685763, 685764, 685765, 685767, 685783, 685784, 685785, 685786, 685803, 615803, 615843, 615863, 840950, 840951, 840952, 840953	637
Galileo	763442, 763482, 763502, 763522, 763542, 763582, 763802, 705972, 705974, 705976, 705978, 705980, 705982, 705985, 705988, 705989, 705993, 706016, 706018, 706020, 706022, 706038, 706042, 706045, 706050	119
Hubble	705779, 705780, 705781, 705782, 705783, 705784, 705785, 705786, 705789, 705790, 705822, 705823, 705824, 856080, 856082, 896504, 936604, 936605, 936606, 936607, 936608, 936609, 993663, 993664, 994802, 994803, 994807, 994811, 994812, 994816, 994818, 994819, 994820, 994822, 994824, 994825, 994826, 994842, 994843, 994844, 994862, 994863, 994902	214
IKE	208503, 208579, 208580, 208581, 208582, 208583, 208584, 208585, 208586, 208587, 208588, 208589, 208590, 208502, 208506, 208507, 208505, 208791, 209156, 358602, 358603, 358607, 358599, 358613, 358614, 354057, 354051, 375960, 375964, 376123, 416348, 416349, 416351, 416352, 416508, 415582, 415583, 415584, 415586, 510762, 510764, 510765, 510767, 510971, 510972, 510973, 510974, 510975, 510976, 510979, 511134, 511136, 511138, 511139, 511307, 511418, 511775, 511777, 511778, 511779, 511780, 507495, 507507, 517854, 517855, 517856, 517870, 517871, 517872, 517873, 513817, 513837, 513839, 513840, 513841, 514549, 514550, 514552, 514553, 514555, 514557, 514558, 514559, 514568, 514570, 514571, 514572, 514685, 514691, 514743, 514744, 514745, 522692, 532241, 532242, 532889, 529338, 556557, 550905, 550907, 550908, 560873, 553934, 553937, 553942, 565593, 565594, 565596, 602343, 758582, 841974, 1028843, 1028844, 1028845, 1028888, 1028889, 1028890, 1028891, 1028892, 1040609, 1040610, 1040611, 1039791, 1039849, 1039850 2643, 2644, 2649, 7831, 7832, 7833, 7834, 7835, 7836	461
Pinchi Gold	556348	1
Rapid	580114, 580119, 580181, 580182, 580314	5
Silver Vista	586388, 586512, 995325, 995328, 995387, 995390, 995391, 995398, 995401, 995403, 995405, 995409, 995410, 995413, 995415, 995417, 995420, 995425, 995427, 995429, 995434, 995438, 995439, 995442, 995444, 995445, 995446, 995448, 995450, 995452, 995455, 995458, 995461, 1011344, 1011461, 1011465, 1011492, 1011493, 1029183, 1029186, 1029188, 568283, 568284, 856772, 1029184, 1029187, 1029189	239

Sitlika	542768, 542769, 544623, 544646, 544648, 544649, 545669, 545670, 545672, 546157, 546160, 574571	16
Others	516565, 545760, 545762, 560228, 560236, 560238	18

**C. ORGANIZATIONAL STRUCTURE**

The Company has no subsidiaries.

**D. PROPERTY, PLANT AND EQUIPMENT**

None of the Company's properties have any material tangible fixed assets located thereon.

**ITEM 4A UNRESOLVED STAFF COMMENTS**

Not applicable.

## **ITEM 5 OPERATING AND FINANCIAL REVIEW AND PROSPECTS OVERVIEW**

Amarc is a mineral exploration company with a portfolio of active exploration projects located in British Columbia, Canada. The Company's business strategy is the acquisition and exploration of mineral properties. None of the Company's properties have any mineral reserves or have been proven to host mineralized material which can be said to be "ore" or feasibly economic at current metals prices. The Company incurs significant exploration expenditures as it carries out its business strategy. As Amarc is an exploration stage company, it does not have any revenues from its operations to offset its exploration expenditures. Accordingly, the Company's ability to continue exploration of its properties will be contingent upon the availability of additional financing.

Amarc's financial statements are prepared on the basis that it will continue as a going concern. The Company has incurred losses since inception and the ability of the Company to continue as a going concern depends upon its ability to continue to raise adequate financing and to develop profitable operations. Amarc's financial statements do not reflect adjustments, which could be material, to the carrying values of assets and liabilities, which may be required should the Company be unable to continue as a going concern.

The following discussion should be read in conjunction with the audited annual financial statements and the related notes accompanying this Annual Report. The Company prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board. The Company includes selected financial data prepared in compliance with IFRS without reconciliation to U.S. GAAP.

### **Critical Accounting Policies and Estimates**

The Company's accounting policies are presented in note 2 of the accompanying audited annual financial statements.

The preparation of financial statements in accordance with IFRS requires management to select accounting policies and make estimates, judgments and assumptions. Such estimates, judgments and assumptions may have a significant impact on the financial statements. These include but are not limited to:

- estimate of the accrual of Mineral Exploration Tax Credits ("METC");

- the determination of categories of financial assets and financial liabilities; and

- the carrying value and recoverability of the Company's marketable securities.

Actual amounts could differ from the estimates used and, accordingly, affect the results of operation.

#### *Mineral Exploration Tax Credits ("METC")*

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

Judgements are involved in determining which expenditures qualify for the METC, and there may be disagreement between the Company and taxation authorities on the applicability of specific items. To date there have been only minor, immaterial, disagreements.

#### *Financial assets and financial liabilities*

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

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

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*Marketable securities*

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

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

**A. RESULTS OF OPERATIONS****Year Ended March 31, 2016 ("2016") Versus Year Ended March 31, 2015 ("2015")**

The Company recorded a net loss of \$1,119,000 during 2016 compared to a net loss of \$4,884,000 during 2015. The decrease in net loss was mainly due to the allocation of expenses related to IKE project to Thompson Creek Metals Company Inc.

(\$ 000 s)	2016	2015	Discussion
Exploration and evaluation, net of METC	2,773	3,278	Exploration activity during the 2016 and 2015 periods was focused primarily on the IKE Project's drilling and related field programs. The exploration expenses in 2016 is lower as the Company has allocated expenses related IKE project to Thompson Creek Metals Company Inc.
Administration	1,289	1,478	No significant change in administration activities during the 2016 period compared to the 2015 period. The lower expenses in 2016 is mainly due reduction in salaries relating to the corporate activities during the year.
Interest expense on loans payable to director	83	16	Interest incurred on loans provided by a director.
Amortization of finance charges	57	188	The amount relates to loan bonus through the issuance of share purchase warrants to a director. Relates to loan provided by the director in November 2014 and September 2015.
Gain on disposition of AFS financial assets	(8)	(38)	The Company routinely disposed of some of its marketable securities during 2016 and 2015.

**Year Ended March 31, 2015 ("2015") Versus Year Ended March 31, 2014 ("2014")**

The Company recorded a net loss of \$4,884,000 during 2015 compared to a net loss of \$2,155,000 during 2014. The increase in net loss was mainly due to an increase in exploration and evaluation expenses during 2015.

(\$ 000 s)	2015	2014	Discussion
Exploration and evaluation	3,278	1,095	Exploration activity during 2015 was focused primarily on the IKE project, a large portion of which related to its drilling program. Throughout most of 2014, the Company focused its exploration activities on several projects, including Silver Vista, Galaxie, ZNT, and Newton. During the last quarter of 2014, the Company shifted its focus towards the IKE project.
Administration	1,478	1,306	During 2015, administration expenses increased as a result of the greater level of activity of the Company, primarily the work related to the IKE project.
Share-based payments		103	The variation in share-based payments expense is due to the timing of option grants.
Interest income	(38)	(69)	The decrease during 2015 was due to lower average cash balances on hand compared to 2014.
Interest expense on loan payable to director	16		Interest incurred on loan provided by a director.
Interest expense on debenture		23	The 2014 amount relates to Amarc's portion of interest expense on a debenture held by the Galaxie Joint Venture.
Financing charges	188		Fees on loan provided by a director.
Gain on termination of joint venture		(285)	During 2014, the Company recognized its proportionate share (40%) of the gain realized on the termination of the Galaxie Joint Venture.
Gain on disposition of AFS financial assets	(38)	(69)	The Company routinely disposed of some of its marketable securities during 2015 and 2014.
Impairment of AFS financial assets		48	During 2014, the Company recognized an impairment write-down on certain of its marketable securities.

**Year Ended March 31, 2014 ("2014") Versus Year Ended March 31, 2013 ("2013")**

The Company recorded a net loss of \$2,155,000 for the year ended March 31, 2014, compared to a net loss of \$10,426,000 for the prior year. The decrease in net loss was mainly due to decreased exploration activity during 2014.

(\$ 000's)	2014	2013	Discussion
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Exploration expenses	1,095	8,422	<p>During 2013, the Company directed its exploration activities primarily towards the Blackwater, Galaxie, Newton, and Silver Vista properties.</p> <p>Exploration activities were also carried out on these properties during 2014 along with the IKE and ZNT properties but to lesser extent as part of the Company's cash conservation efforts.</p>
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Administration expenses 1,306,823 During 2014, there was a decrease in administration costs as a result of the decline in exploration expenses.

Share-based payments 103,434 The variation in share-based payments expense was due to the timing of option grants.

Interest income (69,129) The decrease during 2014 was due to lower average cash balances on hand compared to 2013.

Gain on termination of Galaxie Joint Venture (285,000) The Company recognized its proportionate share (40%) of the gain realized upon termination of Galaxie Joint Venture. Various assets and liabilities, primarily the \$600,000 debenture, were transferred from Galaxie joint venture to Quartz Mountain Resources Ltd., which resulted in the gain.

## B. LIQUIDITY AND CAPITAL RESOURCES

### Liquidity

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

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

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

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

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

### 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.

### Requirement of Financing

Historically, Amarc's sole source of funding has been provided from the sale of equity securities for cash, primarily through private placements to sophisticated investors and institutions. Like all exploration stage companies, Amarc

will need to raise additional financing to meet its business objectives.

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The Company presently does not have any material commitments for capital expenditures and accordingly, can remain somewhat flexible in directing its exploration activities to the availability of funds.

### Financial Instruments

Amarc keeps its financial instruments primarily denominated in Canadian Dollars with a very small amount held in U.S. Dollars. The Company does not engage in any hedging operations with respect to currency or in-situ minerals. Funds which are excess to Amarc's current needs are invested in short-term near-cash investments.

Amarc does not have any material, legally enforceable obligations requiring it to make capital expenditures and accordingly, can remain relatively flexible in gearing its activities to the availability of funds.

### C. RESEARCH EXPENDITURES

Amarc does not carry out any research or development activities. Please refer to Item 5.A and Item 5.B above for a discussion of the exploration expenditures that the Company has incurred in connection with the exploration of the Company's mineral properties.

### D. TREND INFORMATION

As a natural resource exploration company, Amarc's activities reflect the traditional cyclical nature of metal prices. Consequently, Amarc's business is primarily an "event-driven" business based on exploration results.

Average annual prices for copper, gold and silver are shown in the table below:

Calendar year	Average metal price (US\$)			
	Copper	Molybdenum	Gold	Silver
2011	4.00/lb	15.41/lb	1,572/oz	35.12/oz
2012	3.61/lb	12.81/lb	1,670/oz	31.17/oz
2013	3.34/lb	10.40/lb	1,397/oz	23.82/oz
2014	3.11/lb	11.59/lb	1,264/oz	19.09/oz
2015	2.50/lb	6.73/lb	1,160/oz	15.69/oz
2016 (to July 22, 2016)	2.129/lb	5.61/lb	1.236/oz	16.36/oz

### E. OFF-BALANCE SHEET ARRANGEMENTS

Amarc has no off-balance sheet arrangements.

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**F. TABULAR DISCLOSURE OF CONTRACTUAL OBLIGATIONS**

The following table lists the contractual obligations of the Company as at March 31, 2016:

Type of Contractual Obligation	Payment due by period				
	Total	Less than 1 Year	1 - 3 Years	3 - 5 Years	More than 5 Years
Long-term Debt Obligations (gross amount)	\$ 500,000	\$	\$ 500,000	\$	\$
Capital (Finance) Lease Obligations					
Operating Lease Obligations (Office Lease)					
Purchase Obligations					
Other Long-term Liabilities Reflected on the Company's Balance Sheet under IFRS					
<b>Total</b>	<b>\$ 500,000</b>	<b>\$</b>	<b>\$ 500,000</b>	<b>\$</b>	<b>\$</b>

The Company has no long-term debt obligations, no capital (finance) lease obligations, no operating lease obligations, no purchase obligations, or other long-term liabilities.

**G. SAFE HARBOR**

The safe harbor provided in Section 27A of the Securities Act and Section 21E of the Exchange Act applies to forward-looking information provided pursuant to Item 5.E and Item 5.F above.

**ITEM 6 DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES****A. DIRECTORS AND SENIOR MANAGEMENT**

Name	Year born	Position	Director or Officer Since
Rene G. Carrier	1944	Director	May 2008
T. Barry Coughlan	1945	Director	February 2009
Scott D. Cousens	1964	Director	September 1995
Robert A. Dickinson	1948	Chairman of the Board and Director	April 1993
Jeffrey R. Mason	1957	Director	September 1995
Ronald W. Thiessen	1952	Chief Executive Officer and Director	September 1995
Diane Nicolson	1965	President	January 2008
Luqman Khan	1971	Chief Financial Officer	April 2016

Trevor Thomas	1967	Secretary	February 2008
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- (1) To the best of the Company's knowledge, none of such persons has any family relationship with any other and none were elected as a director or appointed as an officer as a result of an arrangement or understanding with a major shareholder, customer, supplier, or any other party.

The following is biographical information on each of the persons listed above:

**Rene Carrier Director**

Mr. Carrier has been the President of Euro-American Capital Corporation, a private investment company, since May 1991. He served as Vice-President of Pacific International Securities Inc. where he worked for ten years until 1991. He served as Lead Director of International Royalty Corp. ("IRC") from 2003 to 2010. IRC was a global mineral royalty company engaged in the acquisition and creation of natural resource royalties which was acquired by Royal Gold Inc. in 2010. He also served as an independent director of Chartwell Technology Inc. from July 1991 to April 2007.

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Mr. Carrier has been and is an officer and/or director of various public companies involved in the mining sector.

Company	Positions Held	From	To
Amarc Resources Ltd.	Director	May 2008	Present
Cayden Resources Inc.	Director	October 2013	November 2014
Curis Resources Ltd.	Director	November 2010	November 2014
Heatherdale Resources Ltd.	Director	November 2009	Present
Nanotech Security Corp.	Director	April 2014	March 2015
Quartz Mountain Resources Ltd.	Director	January 2000	December 2011
	President	June 2005	December 2011
Rathdowney Resources Ltd.	Director	March 2011	Present

**Barry Coughlan Director**

Mr. Coughlan is a self-employed businessman and financier, and senior executive with extensive international experience in capital markets who has been involved in the financing of publicly traded companies for over 30 years. During this period Mr. Coughlan has been involved in the financing of over 30 private companies and then subsequently listing on both international and North American financial markets. His principal occupation is President and Director of TBC Ventures Ltd., a private investment company.

Mr. Coughlan is, or was within the past five years, an officer and or a director of the following companies:

Company	Positions Held	From	To
Amarc Resources Ltd.	Director	February 2009	Present
Great Basin Gold Ltd.	Director	February 1998	June 2013
Northcliff Resources Ltd.	Director	June 2011	Present
Quartz Mountain Resources Ltd.	Director	January 2005	December 2011
Rathdowney Resources Ltd.	Director	March 2011	Present
Taseko Mines Limited	Director	February 2001	June 2015
Quadro Resources Ltd.	President and Director	June 1986	Present
Mineral Mountain Resources Ltd.	Director	December 2014	Present
Vatic Ventures Corporation	Director	January 2011	Present

**Scott Cousens Director**

Scott Cousens provides management, technical and financial services to a number of publicly traded companies. Mr. Cousens' focus since 1991 has been the development of relationships within the international investment community. Substantial financings and subsequent corporate success has established strong ties with North American, European and Asian investors. He is also a director of Hunter Dickinson Services Inc.

Mr. Cousens is, or was within the past five years, an officer and/or director of the following public companies:

Company	Positions Held	From	To
Amarc Resources Ltd.	Director	September 1995	Present
Heatherdale Resources Ltd.	Chairman and Director	November 2009	Present
Northcliff Resources Ltd.	Director	May 2012	Present
	Director	June 2011	February 2012
Northern Dynasty Minerals Ltd.	Director	June 1996	February 2016
Quartz Mountain Resources Ltd.	Chairman and Director	November 2012	Present
Rathdowney Resources Ltd.	Director	June 2011	Present
Taseko Mines Limited	Director	October 1992	July 2014

**Robert Dickinson, B.Sc., M.Sc. Chairman of the Board and Director**

Robert Dickinson is an economic geologist who serves as a member of management of several mineral exploration companies, primarily those for whom Hunter Dickinson Services Inc. provides services. He holds a Bachelor of Science degree (Hons. Geology) and a Master of Science degree (Business Administration - Finance) from the University of British Columbia. Mr. Dickinson has been active in mineral exploration for over 40 years and was inducted into the Canadian Mining Hall of Fame in 2012. He is a director of Hunter Dickinson Services Inc. He is also President and Director of United Mineral Services Ltd., a private resource company. He also serves as a Director of the BC Mining Museum and a Trustee of the BC Mineral Resources Education Program.

Mr. Dickinson is, or was within the past five years, an officer and/or director of the following public companies:

Company	Positions Held	From	To
Amarc Resources Ltd.	Director	April 1993	Present
	Chairman	April 2004	Present
Curis Resources Ltd.	Director	November 2010	November 2012
Heatherdale Resources Ltd.	Director	November 2009	Present
Northcliff Resources Ltd.	Director	June 2011	Present
	Chairman	June 2011	January 2013
Northern Dynasty Minerals Ltd.	Director	June 1994	Present



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	Chairman	April 2004	Present
Quartz Mountain Resources Ltd.	Director	December 2011	Present
	Chairman	December 2011	November 2012

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Company	Positions Held	From	To
Rathdowney Resources Ltd.	Director & Chairman	March 2011	December 2011
Taseko Mines Limited	Director	January 1991	Present

**Jeffrey Mason, B.Comm., CA Director**

Jeffrey Mason holds a Bachelor of Commerce degree from the University of British Columbia and obtained his Chartered Accountant designation while specializing in the mining, forestry and transportation sectors at the international accounting firm of Deloitte & Touche. Following comptrollership positions at an international commodity mercantilist and Homestake Mining Group of companies including responsibility for North American Metals Corp. and the Eskay Creek Project, Mr. Mason has spent the last several years as a corporate officer and director to a number of publicly-traded mineral exploration companies. Until early 2008, Mr. Mason was employed as Chief Financial Officer of Hunter Dickinson Inc. and his principal occupation was the financial administration of the public companies to which Hunter Dickinson Inc. provided services.

Mr. Mason is, or was within the past five years, an officer and or director of the following public companies:

Company	Positions Held	From	To
Amarc Resources Ltd.	Director	September 1995	Present
Coastal Contacts Inc.	Director	October 2006	April 2014
Great Panther Silver Limited	Director	May 2014	Present
Prophecy Coal Corp.	Chief Financial Officer	November 2012	August 2013
Wellgreen Platinum Ltd. (formerly Prophecy Platinum Corp).	Chief Financial Officer	November 2012	Present
	Director	November 2013	Present
Red Eagle Mining Corporation	Director	June 2011	Present
Slater Mining Corporation	Director	June 2008	Present

**Ronald Thiessen, CA Chief Executive Officer and Director**

Ronald Thiessen is a Chartered Accountant with professional experience in finance, taxation, mergers, acquisitions and re-organizations. Since 1986, Mr. Thiessen has been involved in the acquisition and financing of mining and mineral exploration companies. Mr. Thiessen is a director of Hunter Dickinson Services Inc., a company providing management and administrative services to several publicly-traded companies and focuses on directing corporate development and financing activities.

Mr. Thiessen is, or was within the past five years, an officer and/or director of the following public companies:

Company	Positions Held	From	To
Amarc Resources Ltd.	Director	September 1995	Present
	Chief Executive Officer	September 2000	Present
	President	September 2000	November 2014

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Detour Gold Corporation	Director	July 2006	May 2012
Great Basin Gold Ltd.	Director	October 1993	June 2013

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Company	Positions Held	From	To
	Chairman	November 2006	June 2013
Northern Dynasty Minerals Ltd.	Director	November 1995	Present
	President and Chief Executive Officer	November 2001	Present
Taseko Mines Limited	Director	October 1993	Present
	Chairman	May 2006	Present

**Diane Nicolson, PhD President**

Diane Nicolson has a B.Sc. degree in geology from the University of London, a PhD in economic geology from the University of Wales and 20 years international experience in the exploration and mining industry. She has worked for both major and junior mining companies, including Rio Tinto, Minera Antamina, Noranda and Cambior. Over the past 10 years, she has been involved primarily with business development and new project assessment and acquisitions, with a particular focus on Latin America where she was based for 13 years.

Dr. Nicolson joined Hunter Dickinson in 2007 as a member of the global business development team and is responsible for management, strategic planning and new project development for Amarc Resources Ltd.

Dr. Nicolson is, or was within the past five years, an officer of the following public companies:

Company	Positions Held	From	To
Amarc Resources Ltd.	VP Corporate Development	January 2008	September 2011
	Executive VP Corporate Development	September 2011	September 2012
	Executive Vice President	September 2012	November 2014
	President	November 2014	Present

**Luqman Khan Chief Financial Officer**

Luqman Khan is Chartered Professional Accountant (CPA CGA), with more than 20 years of professional experience in accountancy, finance and business management. For the past decade, he has served in various controllership positions with publicly traded companies associated with Hunter Dickinson Inc., including Amarc.

**Trevor Thomas, LLB Secretary**

Trevor Thomas has practiced in the areas of corporate commercial, corporate finance, securities and mining law since 1995, both in private practice environment as well as in-house positions and is currently in-house legal counsel for Hunter Dickinson Services Inc. Prior to joining Hunter Dickinson Services Inc., he served as in-house legal counsel with Placer Dome Inc.

Mr. Thomas is, or was within the past five years, an officer of the following public companies:

Company	Positions Held	From	To
Amarc Resources Ltd.	Secretary	February 2008	Present

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Northern Dynasty Minerals Ltd.	Secretary	February 2008	Present
Curis Resources Ltd.	Secretary	June 2013	November 2014

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Company	Positions Held	From	To
Heatherdale Resources Ltd.	Secretary	June 2013	Present
Northcliff Resources Ltd.	Secretary	June 2011	Present
Quartz Mountain Resources Ltd.	Secretary	June 2013	Present
Rathdowney Resources Ltd.	Secretary	March 2011	Present
Rockwell Diamonds Inc.	Secretary	February 2008	September 2012
Taseko Mines Limited	Secretary	July 2008	Present

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**B. COMPENSATION**

During the Company's financial year ended March 31, 2016, the aggregate cash compensation paid or payable by the Company to its directors and senior officers was \$427,527.

Ronald W. Thiessen, Chief Executive Officer, Paul Mann, Chief Financial Officer, and Diane Nicolson, President are each a Named Executive Officer ("NEO") of the Company for the purposes of the following disclosure.

The compensation paid to the NEOs during the Company's most recently completed financial year of March 31, 2016 is as set out below and expressed in Canadian Dollars:

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total Compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Ronald Thiessen Chief Executive Officer <sup>(1)</sup>	2016	\$49,905	Nil	Nil	Nil	Nil	Nil	Nil	\$49,905
	2015	\$66,530	Nil	Nil	Nil	Nil	Nil	Nil	\$66,530
	2014	\$16,135	Nil	Nil	Nil	Nil	Nil	Nil	\$16,135
Diane Nicolson President	2016	\$179,809	Nil	Nil	Nil	Nil	Nil	Nil	\$179,809
	2015	\$192,333	Nil	Nil	Nil	Nil	Nil	Nil	\$192,333
	2014	\$179,246	Nil	Nil	Nil	Nil	Nil	Nil	\$179,246
Paul Mann Former Chief Financial Officer <sup>(1)</sup> <sup>(2)</sup>	2016	\$26,362	Nil	Nil	Nil	Nil	Nil	Nil	\$26,362
	2015	\$45,858	Nil	Nil	Nil	Nil	Nil	Nil	\$45,858
	2014	\$51,126	Nil	Nil	Nil	Nil	Nil	Nil	\$51,126

Notes:

(1) During the fiscal year ended March 31, 2016, Mr. Thiessen and Mr. Mann did not serve the Company on substantially a full-time basis, and their compensation from the Company is allocated based on the estimated amount of time spent providing services to the Company.

(2) Mr. Mann was replaced as CFO in April 2016 by Mr. Khan.

**Pension Plan Benefits**

The Company has no pension or deferred compensation plans for its directors, officers or employees.

**Termination and Change of Control Benefits**

There are no compensatory plan(s) or arrangement(s), with respect to the Named Executive Officer resulting from the resignation, retirement or any other termination of employment of the officer's employment or from a change of the

Named Executive Officer's responsibilities following a change in control.

### Director Compensation

The compensation provided to the directors, excluding a director who is already set out in disclosure for a NEO for the Company's most recently completed financial year of March 31, 2016 is as set out below:

Name	Fees earned (\$)	Share- based awards (\$)	Option- based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Rene G. Carrier	\$ 12,428	Nil	Nil	Nil	Nil	Nil	\$ 12,428
Barry Coughlan	\$ 9,324	Nil	Nil	Nil	Nil	Nil	\$ 9,324
Scott Cousens <sup>(1)</sup>	\$12,390	Nil	Nil	Nil	Nil	Nil	\$12,390
Robert Dickinson <sup>(1)</sup>	\$124,904	Nil	Nil	Nil	Nil	Nil	\$124,904
Jeffrey Mason	\$ 12,405	Nil	Nil	Nil	Nil	Nil	\$ 12,405

Notes:

- <sup>(1)</sup> Pursuant to the Corporate Services Agreement with Hunter Dickinson Services Inc., compensation for Messrs. Cousens and Dickinson is allocated to the Company on the basis of estimated time spent in respect of the Company's business.



## C. BOARD PRACTICES

All of the Company's directors were elected at the annual general meeting of shareholders held on September 17, 2015. All directors have a term of office expiring at the next annual general meeting of the Company's shareholders. All officers have a term of office lasting until their removal or replacement by the board of directors (the "Board").

There were no arrangements, standard or otherwise, pursuant to which directors were compensated by Amarc or its subsidiaries for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultants or experts during the most recently completed financial year.

### General

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. The Canadian Securities Administrators (the "CSA") have adopted National Policy 58-201 Corporate Governance Guidelines, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, the CSA have implemented National Instrument NI 58-101 Disclosure of Corporate Governance Practices, which prescribes certain disclosure by the Company of its corporate governance practices. This section sets out the Company's approach to corporate governance and addresses the Company's compliance with NI 58-101.

#### 1. *Board of Directors*

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the view of the Company's board of directors, be reasonably expected to interfere with the exercise of a director's independent judgment.

The Board facilitates its independent supervision over management in a number of ways including: by holding regular meetings without the presence of management; by retaining independent consultants; and by reviewing corporate developments with larger shareholders, analysts and potential industry partners, where it deems necessary.

Messrs. Coughlan, Carrier and Mason are independent. Messrs. Cousens, Dickinson, and Thiessen are not independent. The Company is taking steps to ensure that the duties generally performed by independent directors are being performed by the current directors. The Board members have extensive experience as directors of public companies and are sensitive to the related corporate governance and financial reporting obligations associated with such positions. Thus, the Board members are well versed in the obligations of directors and the expectations of independence from management.

#### 2. *Other Directorships*

The section entitled Item 6 Directors, Senior Management and Employees in this Annual Report gives details of other reporting issuers of which each director is a director or officer.

#### 3. *Orientation and Continuing Education*

The Company has traditionally retained experienced mining people as directors and hence the orientation needed is minimized. When new directors are appointed, they are acquainted with the Company's mineral project and the expectations of directors. Board meetings generally include presentations by the Company's senior management and project staff in order to give the directors full insight into the Company's operations.

#### 4. *Ethical Business Conduct*

The Board has adopted an ethics policy which is available on the Company's website, [www.amarcresources.com](http://www.amarcresources.com). The Board also understands that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual

director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

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5. *Nomination of Directors*

The Board considers its size each year when it considers the number of directors required, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Company, this policy will be reviewed.

6. *Compensation*

The Board determines the compensation for independent directors and executives.

7. *Other Board Committees*

The Board has no compensation or other committees, other than the audit committee.

8. *Assessments*

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and its audit committee.

**Audit Committee**

*The Audit Committee's Charter*

The audit committee has adopted a charter that sets out its mandate and responsibilities. A copy of the audit committee charter is available at [www.sedar.com](http://www.sedar.com) and the Company's website, [www.amarcresources.com](http://www.amarcresources.com).

*Composition of the Audit Committee*

As of the date of this document, the members of the audit committee were Rene Carrier, Barry Coughlan and Jeffrey Mason. All members are financially literate and all are independent.

*Relevant Education and Experience*

As a result of their education and experience, each member of the audit committee has familiarity with, an understanding of, or experience in:

the accounting principles used by the Company to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;

reviewing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, and

an understanding of internal controls and procedures for financial reporting.

*Audit Committee Oversight*

The audit committee has not made any recommendations to the Board to nominate or compensate any external auditor that was not adopted by the Board.

The Company's auditor De Visser Gray LLP has not provided any material non-audit services during the most recently completed fiscal year.

*Pre-Approval Policies and Procedures*

The Company has procedures for the review and pre-approval of any services performed by its auditors. The procedures require that all proposed engagements of its auditors for audit and non-audit services be submitted to the audit committee for approval prior to the beginning of any such services. The audit committee considers such requests, and, if acceptable to a majority of the audit committee members, pre-approves such audit and non-audit services by a resolution authorizing management to engage the Company's auditors for such audit and non-audit services, with set maximum dollar amounts for each itemized service. During such deliberations, the audit committee assesses, among other factors, whether the services requested would be considered "prohibited services" as contemplated by the regulations of the US Securities and Exchange Commission, and whether the services requested and the fees related to such services could impair the independence of the auditors.

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*Exemptions From Certain Canadian Audit Committee Requirements*

Pursuant to section 6.1 of National Instrument 52-110 – Audit Committees ("NI 52-110"), as adopted by the Canadian Securities Administrators (including the British Columbia and Alberta Securities Commissions which have jurisdiction over the Company, the "CSA"), the Company is exempt from the requirements of Parts 3 and 5 of NI 52-110 for the current year, by virtue of the Company being a "venture issuer" (as defined in NI 52-110).

Part 3 of NI 52-110 prescribes certain requirements for the composition of audit committees of non-exempt companies that are reporting issuers under Canadian provincial securities legislation. Part 3 of NI 52-110 requires, among other things that an audit committee be comprised of at three directors, each of whom, is, subject to certain exceptions, independent and financially literate in accordance with the standards set forth in NI 52-110.

Part 5 of NI 52-110 requires an annual information form that is filed by a non-exempt reporting issuer under National Instrument 51-102 – Continuous Disclosure Obligations, as adopted the CSA, to include certain disclosure about the issuer's audit committee, including, among other things: the text of the audit committee's charter; the name of each audit committee member and whether or not the member is independent and financially literate; whether a recommendation of the audit committee to nominate or compensate an external auditor was not adopted by the issuer's board of directors, and the reasons for the board's decision; a description of any policies and procedures adopted by the audit committee for the engagement of non-audit services; and disclosure of the fees billed by the issuer's external auditor in each of the last two fiscal years for audit, tax and other services.

**D. EMPLOYEES**

At March 31, 2016, Amarc did not have any direct employees. Amarc's administrative and exploration functions are primarily administered through Hunter Dickinson Services Inc. (See Item 7 - Major Shareholders and Related Party Transactions).

**E. SHARE OWNERSHIP****Security Holdings of Directors and Senior Management**

As at March 31, 2016, the directors and officers of Amarc, and their respective affiliates, directly and indirectly, own or control as a group an aggregate of 22,802,370 common shares (16.12%), or 30,577,325 (21.62%) on a diluted basis.

As at March 31, 2016, the Company's directors and senior management beneficially own the following number of the Company's common shares and share purchase options:

<b>Name of Insider</b>	<b>Securities Beneficially Owned or Controlled <sup>(1)</sup> <sup>(2)</sup></b>	<b>As a % of the outstanding common shares</b>
Rene G. Carrier <sup>(4)</sup>	275,000 common shares 249,900 share purchase options	0.19%
Barry Coughlan <sup>(4)</sup>	86,000 common shares 249,900 share purchase options	0.06%
Scott D. Cousens	148,300 common shares 249,900 share purchase options	0.10%



Name of Insider	Securities Beneficially Owned or Controlled <sup>(1) (2)</sup>	As a % of the outstanding common shares
Robert A. Dickinson <sup>(3)</sup>	15,992,178 common shares 249,900 share purchase options 5,555,555 share purchase warrants	11.31%
Ronald W. Thiessen	2,609,392 common shares 249,900 share purchase options	1.85%
Jeffrey R. Mason <sup>(4)</sup>	2,878,500 common shares 249,900 share purchase options	2.04%
Paul S. Mann	75,000 common shares 180,000 share purchase options	0.05%
Diane Nicolson	608,000 common shares 360,000 share purchase options	0.43%
Trevor Thomas	130,000 common shares 180,000 share purchase options	0.09%
<b>Total</b>	<b>22,802,370 common shares</b> <b>2,219,400 share purchase options</b> <b>5,555,555 share purchase warrants</b>	<b>16.12%</b>

## Notes:

- (1) The information as to the number of Common Shares beneficially owned or controlled is not within the knowledge of management of the Company and has been furnished by the respective nominees as filed on SEDI. Each nominee has held the same or a similar principal occupation with the organization indicated or a predecessor thereof for the last five years.
- (2) Options to purchase Common Shares at \$0.32 per share expiring on September 23, 2016.
- (3) Certain of these common shares are beneficially owned through private companies controlled by Mr. Dickinson, and a Registered Retirement Saving Plan (RRSP) owned by Mr. Dickinson.
- (4) Member of the audit committee.

**Share Option Plan**

At June 20, 2016, there were 3,051,300 options outstanding pursuant to the Company's share option plan (the "Plan"), described below, and an aggregate of 11,091,106 common shares remained available for issuance pursuant to the Plan, described below.

*Share Incentive Plan*

In order to provide incentive to directors, officers, employees, management and others who provide services to the Company to act in the best interests of the Company, the Company has adopted a Share Incentive Plan (the "Plan"). The Plan is required to comply with the policies of the TSX Venture.

In order to increase the Company's flexibility and to bring the Company's share option incentive program in line with the current regulatory regime, the Board approved a new rolling share option plan (the "New Plan") on August 13, 2010 to replace the plan previously approved and confirmed by the shareholders on September 21, 2004 and September 29, 2009, respectively. The New Plan was approved by shareholders at the Company's annual general meeting (the "Meeting") held on September 15, 2010.

Subject to certain restrictions described below, the Plan is based on the maximum number of eligible shares equaling a rolling percentage of up to 10% of the Company's outstanding common shares, calculated from time to time. Pursuant to the Plan, if outstanding options are exercised, or expire, or the number of issued and outstanding common shares of the Company increases, the number of options available to grant under the Plan increases proportionately. At the date of approval of the New Plan, all outstanding options were rolled into and deemed to be granted under the New Plan.

The exercise price of each option is set by the board of directors at the time of grant based on the market price on the date preceding the date of grant. Options can have a maximum term of ten years and typically terminate ninety days following the termination of the optionee's employment or engagement, except in the case of retirement or death. Vesting of options is at the discretion of the board of directors at the time the options are granted.

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### *Eligible Optionees*

Under the policies of the TSX Venture, to be eligible for the issuance of a stock option under the Plan an optionee must either be a director, officer or employee of the Company or its affiliates, or a consultant or an employee of a company providing management or other services to the Company, or its subsidiaries, at the time the option is granted.

Options may be granted only to an individual or to a company that is wholly-owned by individuals eligible for an option grant. If the option is granted to a non-individual, the company must provide the TSX Venture with an undertaking that it will not permit any transfer of its securities, nor issue further securities, to any other individual or entity as long as the incentive stock option remains in effect without the consent of the TSX Venture.

### *Insider Limitations*

The aggregate number of Common Shares reserved for issuance under options granted to Insiders must not exceed ten percent (10%) of the outstanding shares (in the event that the New Plan is amended to reserve for issuance more than ten percent (10%) of the outstanding shares) unless the Company has obtained Disinterested Shareholder Approval (as defined below) to do so;

The number of optioned shares issued to Insiders in any twelve (12) month period must not exceed ten percent (10%) of the outstanding shares (in the event that the New Plan is amended to reserve for issuance more than ten percent (10%) of the outstanding shares) unless the Company has obtained Disinterested Shareholder Approval to do so;

The exercise price of an option previously granted to an Insider must not be reduced, unless the Company has obtained Disinterested Shareholder Approval to do so.

### *Other Limitations*

The Company must not grant an option to a director, employee, consultant, or consultant company (the "Service Provider") in any twelve (12) month period that exceeds five percent (5%) of the outstanding shares, unless the Company has obtained approval by a majority of the votes cast by the shareholders of the Company eligible to vote at a shareholders' meeting, excluding votes attaching to shares beneficially owned by Insiders and their Associates (defined below) ("Disinterested Shareholder Approval");

The aggregate number of options granted to a Service Provider conducting Investor Relations Activities in any twelve (12) month period must not exceed two percent (2%) of the outstanding shares calculated at the date of the grant, without the prior consent of the TSX Venture;

The Company must not grant an option to a Consultant in any twelve (12) month period that exceeds two percent (2%) of the outstanding shares calculated at the date of the grant of the option; and

The issuance to any one Optionee within a twelve (12) month period of a number of Common Shares must not exceed five percent (5%) of outstanding Common Shares unless the Company has obtained Disinterested Shareholder Approval to do so.

### *Disinterested Shareholder Approval*

"Disinterested Shareholder Approval" means the approval by a majority of the votes cast by all shareholders of the Company at the Meeting excluding votes attached to listed shares beneficially owned by insiders of the Company to

whom the options have been granted under the existing plan and associates of those insiders.

## **ITEM 7 MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS**

### **A. MAJOR SHAREHOLDERS**

#### **Major Shareholders**

To the best of Amarc's knowledge, other than as noted below, no person, corporation or other entity beneficially owns, directly or indirectly, or controls more than 5% of the common shares of Amarc, the only class of securities with voting rights.

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Shareholder	Securities Beneficially Owned or Controlled	As a % of the outstanding common shares
Sun Valley Gold Master Fund Ltd	14,615,384	10.33%
Robert A. Dickinson	15,992,178	11.31%

For these purposes, "beneficial ownership" means the sole or shared power to vote or direct the voting or to dispose or direct the disposition of any security.

As of the date of this document, Amarc had authorized unlimited common shares without par value, of which 141,424,061 were issued and outstanding. Amarc's authorized share structure also includes a class of preferred shares without par value and without a maximum number. The preferred shares may be issued in series on such terms as determined by the Company's directors in accordance with the class rights and restrictions. No series of preferred shares has been designated by the board of directors, and no preferred shares are outstanding.

All of the common shares have the same voting rights.

### Geographic Breakdown of Shareholders

As of the date of this document, Amarc's register of shareholders indicates that Amarc's common shares are held as follows:

Location	Number of registered shareholders of record	Number of shares	Percentage of total shares
Canada	32	126,930,293	89.75%
United States	7	12,955,306	9.16%
Other	1	1,538,462	1.09%
TOTALS	40	141,424,061	100.00%

Shares registered in intermediaries were assumed to be held by residents of the same country in which the clearing house was located.

Amarc's securities are recorded on the books of its transfer agent, Computershare Investor Services Inc., located at 510 Burrard Street, Vancouver, Canada (604) 661-9400 in registered form. However, the majority of such shares are registered in the name of intermediaries such as brokerage houses and clearing houses (on behalf of their respective brokerage clients). Amarc does not have knowledge or access to the identities of the beneficial owners of such shares registered through intermediaries.

### Control

Amarc is not directly or indirectly owned or controlled by any other corporation, by any foreign government or by any other natural or legal person, severally or jointly, other than as noted above under Major Shareholders. There are no arrangements known to Amarc which, at a subsequent date, may result in a change in control of Amarc.

### Insider Reports Under the Securities Acts of British Columbia and Alberta

Since the Company is a reporting issuer under the Securities Acts of British Columbia and Alberta, certain "insiders" of the Company (including its directors, certain executive officers, and persons who directly or indirectly beneficially own, control or direct more than 10% of its common shares) are generally required to file insider reports of changes in their ownership of Amarc's common shares five days following the trade under National Instrument 55-104 Insider Reporting Requirements and Exemptions, as adopted by the CSA. Copies of such reports are available for public inspection at the offices of the British Columbia Securities Commission, 9th Floor, 701 West Georgia Street,

Vancouver, British Columbia V7Y 1L2, (604) 899-6500 or at the British Columbia Securities Commission web site, [www.bcsc.bc.ca](http://www.bcsc.bc.ca). In British Columbia, all insider reports must be filed electronically five days following the date of the trade at [www.sedi.ca](http://www.sedi.ca). The public is able to access these reports at [www.sedi.ca](http://www.sedi.ca).

**B. RELATED PARTY TRANSACTIONS**

Except as disclosed below, Amarc has not, since April 1, 2012, and does not at this time propose to:

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- (1) enter into any transactions which are material to Amarc or a related party or any transactions unusual in their nature or conditions involving goods, services or tangible or intangible assets to which Amarc or any of its former subsidiaries was a party;
- (2) make any loans or guarantees for the benefit of any of the following persons:
  - (a) enterprises directly or indirectly through one or more intermediaries, controlling or controlled by or under common control with Amarc;
  - (b) associates of Amarc (unconsolidated enterprises in which Amarc has significant influence or which has significant influence over Amarc) including shareholders beneficially owning 10% or more of the outstanding shares of Amarc;
  - (c) individuals owning, directly or indirectly, shares of Amarc that gives them significant influence over Amarc and close members of such individuals families;
  - (d) key management personnel (persons having authority in responsibility for planning, directing and controlling the activities of Amarc including directors and senior management and close members of such directors and senior management); or
  - (e) enterprises in which a substantial voting interest is owned, directly or indirectly, by any person described in (c) or (d) or over which such a person is able to exercise significant influence.

#### **Hunter Dickinson Services Inc. ("HDSI")**

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

The Company has 3 directors in common with HDSI, namely: Scott Cousens, Robert Dickinson, and Ronald Thiessen. Also, the Company's president, chief financial officer, and corporate secretary are employees of HDSI and work for the Company under an employee secondment arrangement between the Company and HDSI.

HDSI provides technical, geological, corporate communications, regulatory compliance, and administrative and management services to the Company, on an as-needed and as-requested basis from the Company.

HDSI also incurs third party costs on behalf of the Company. Such third party costs include, for example, directors and officers insurance, travel, conferences, and technology services.

As a result of this relationship, the Company has ready access to a range of diverse and specialized expertise on a regular basis, without having to engage or hire full-time experts. The Company benefits from the economies of scale created by HDSI which itself serves several clients. The Company is also able to eliminate many of its fixed costs, including rent, technology, and other infrastructure which would otherwise be incurred for maintaining its corporate offices.

The Company procures services from HDSI pursuant to an agreement dated July 2, 2010. Services from HDSI are provided on a non-exclusive basis as required and as requested by the Company. The Company is not obligated to acquire any minimum amount of services from HDSI. The fees for services from HDSI are determined based on a charge-out rate for each employee performing the service and for the time spent by the employee. Such charge-out

rates are agreed and set annually in advance. These time charges consist substantially of salaries, office rent, utilities, office supplies and administration, warehouse space, and insurance.

Third party costs are billed at cost, without markup.

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 disclosure for the transactions with HDSI has been included in note 10 of the accompanying financial statements of the Company.

#### **Director s Loan**

In November 2014, the Company announced that it has entered into a \$1 million unsecured Loan Agreement (the "Loan"), with a non-arm's length director and officer of the Company (the "Lender") at an interest rate of prime plus 2% per annum and with a maturity date of November 2015. In connection with the Loan, Amarc issued to the Lender a loan bonus of 2,500,000 previously unissued common shares in its capital with a fair value of \$187,500. The Company and the Lender have agreed to two extension terms for the Loan to May 2016 for 7% fixed interest rate and to November 2016 for 9% fixed interest rate, respectively.

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In September 2015, the Company announced that it has entered into an additional \$500,000 unsecured Loan Agreement with the Lender at a rate of 7% per annum and with a maturity date of September 2017. Amarc issued a loan bonus in the form of 5,555,555 warrants, each entitling the holder to acquire one common share of Amarc for 2 years at a price of \$0.09 per share.

Refer to note 8 of the accompanying financial statements of Amarc for additional monetary disclosure about the Loans.

### C. INTERESTS OF EXPERTS AND COUNSEL

Not applicable.

## ITEM 8 FINANCIAL INFORMATION

### A. FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION

Item 18 of this Form 20-F contains Amarc's audited annual financial statements as at and for the years ended March 31, 2016, 2015 and 2014. These financial statements have been prepared in accordance with IFRS, as issued by the IASB.

#### Legal Proceedings

Amarc is not involved in any legal, arbitration or governmental proceedings and, to Amarc's knowledge, no material legal, arbitration or governmental proceedings involving Amarc are pending or contemplated against Amarc.

#### Dividend Policy

The Company has not paid any dividends on its outstanding common shares since its incorporation and does not anticipate that it will do so in the foreseeable future. All funds of Amarc are being retained for exploration of its projects.

### B. SIGNIFICANT CHANGES

There have been no significant changes to Amarc's affairs as disclosed in the accompanying financial statements, except as disclosed in this Annual Report on Form 20-F.

## ITEM 9 THE OFFER AND LISTING

### A. OFFER AND LISTING DETAILS

#### Trading Markets

Amarc's common shares have been listed in Canada on the TSX Venture (and its predecessors) since August 1995, under the symbol AHR.

The Company's common shares have been traded in the U.S. on OTCBB since June 2004, under the symbol AXREF.

The following tables set forth for the periods indicated the price history of the Company's common shares on the TSX Venture and on the OTCBB.

Fiscal Year Ended March 31,	TSX Venture Exchange		OTCBB	
	High (Cdn\$)	Low (Cdn\$)	High (US\$)	Low (US\$)

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2016	0.17	0.04	0.14	0.02
2015	0.18	0.06	0.13	0.05
2014	0.12	0.04	0.08	0.02

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Fiscal Year Ended	TSX Venture Exchange		OTCBB	
	High (Cdn\$)	Low (Cdn\$)	High (US\$)	Low (US\$)
March 31, 2013	0.44	0.07	0.43	0.07
2012	0.56	0.29	0.55	0.28

Fiscal Quarter	TSX Venture Exchange		OTCBB	
	High (Cdn\$)	Low (Cdn\$)	High (US\$)	Low (US\$)
Q4 2016	0.08	0.04	0.06	0.02
Q3 2016	0.11	0.05	0.08	0.03
Q2 2016	0.11	0.07	0.08	0.06
Q1 2016	0.17	0.09	0.14	0.07
Q4 2015	0.18	0.07	0.13	0.06
Q3 2015	0.13	0.07	0.11	0.06
Q2 2015	0.13	0.06	0.10	0.05
Q1 2015	0.07	0.06	0.07	0.05
Q4 2014	0.12	0.04	0.08	0.03
Q3 2014	0.05	0.04	0.05	0.02
Q2 2014	0.07	0.05	0.06	0.04
Q1 2014	0.07	0.05	0.07	0.04

Month	TSX Venture Exchange		OTCBB	
	High (Cdn\$)	Low (Cdn\$)	High (US\$)	Low (US\$)
July 2016 (to July 19, 2016)	0.10	0.08	0.06	0.07
June 2016	0.08	0.06	0.05	0.06
May 2016	0.08	0.06	0.06	0.04
April 2016	0.08	0.06	0.06	0.05
March 2016	0.08	0.06	0.06	0.04
February 2016	0.07	0.05	0.05	0.02
January 2016	0.07	0.04	0.03	0.02

**B. PLAN OF DISTRIBUTION**

Not applicable.

**C. MARKETS**

The shares of Amarc traded in Canada on the TSX Venture (formerly the Canadian Venture Exchange and successor to the Vancouver Stock Exchange) since August 1995 under the trading symbol AHR. Amarc's shares have traded on the OTCBB under the symbol AXREF, since June 2004.

**D. SELLING SHAREHOLDERS**

Not applicable.

**E. DILUTION**

Not applicable.

**F. EXPENSES OF THE ISSUE**

Not applicable.

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## **ITEM 10 ADDITIONAL INFORMATION**

### **A. SHARE CAPITAL**

Not applicable.

### **B. MEMORANDUM AND ARTICLES OF ASSOCIATION**

Amarc's original corporate constituting documents comprised of the Memorandum and Articles of Association were registered with the British Columbia Registrar of Companies under Corporation No. 436691. A copy of the Company's original Articles of Association was filed as an exhibit with Amarc's initial registration statement on Form 20-F.

In March 2004, the Company Act (British Columbia) (the "BCCA") was replaced by the Business Corporations Act (British Columbia) (the "BCA"). All companies incorporated under the BCCA were required to complete a transition application to the BCA by March 29, 2006. The directors of the Company authorized the Company to file a transition application with the Registrar of Companies and to comply with the BCA.

The Company subsequently filed a Notice of Articles with the Registrar of Companies on October 2, 2004. The Notice of Articles and the Articles constitute the constating documents of the Company, and have superseded the Memorandum and Articles of Association. The Articles of a company, among other things, set out rules for the conduct of its business and affairs; they are no longer required to be filed with the Registrar of Companies, but are required to be kept as part of the company's corporate records.

On October 22, 2004, the Company filed a Notice of Alteration with the Registrar of Companies to remove the former limitation on its authorized share capital of 100,000,000 common shares without par value. As a result, the Company's authorized share capital now consists of an unlimited number of common shares without par value. The Registrar of Companies issued a Notice of Articles dated October 22, 2004 to reflect this change.

Under the BCA, every "pre-existing company" remained subject to certain "Pre-existing Company Provisions" contained in the BCCA unless such provisions were removed with the approval of the shareholders. In order to take full advantage of the flexibility offered by the BCA, the shareholders adopted a special resolution on October 12, 2005 authorizing the removal of the Pre-existing Company Provisions and the adoption by the Company of a new form of Articles that incorporates provisions permitted under the BCA. On January 31, 2006, the Company filed a Notice of Alteration with the Registrar of Companies to remove the Pre-Existing Company Provisions, and the Registrar of Companies issued a Notice of Articles to reflect this change.

As discussed in more detail below, on August 17, 2007, the Company filed a Notice of Alteration with the Registrar of Companies to create a new class of Preferred Shares, and the Registrar of Companies issued a Notice of Articles to reflect this change.

On January 7, 2009 and March 9, 2009, the Registrar of Companies issued new Notices of Articles in response to Notices of Change of Directors filed by the Company on those dates. The Notice of Articles dated March 9, 2009 constitute the current Notice of Articles of the Company.

Effective September 19, 2013 the Company's Articles were amended to include advance notice provisions relating to the nomination and the election of directors of the Company.

Set out below is a discussion of the principal changes effected by the adoption of the new Articles by the Company under the BCA, which took effect on January 31, 2006.

**Borrowing Powers**

Under the original Articles of Association, the Company could borrow money, issue bonds, debentures and other debt obligations and mortgage, charge, or give security on the undertaking, or on the whole or any part of the property and assets, of the Company (both present and future). Under the BCA, companies are also permitted, without restriction (other than general corporate governance principles), to guarantee repayment of money by any other person or the performance of any obligation of any other person. This change reflected the modernization of corporate legislation to effectively respond to increasingly complex financial transactions that companies may enter into in the course of their business. As a result, the Company's Articles now provide that the Company may guarantee the repayment of money by any other person or the performance of any obligation of any other person.

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### **Share Certificates**

Under the original Articles of Association, a shareholder was entitled to a share certificate representing the number of shares of the Company held. Under the BCA, a shareholder is entitled to a share certificate representing the number of shares of the Company held or a written acknowledgement of the shareholder's right to obtain such a share certificate. As a result, the Articles now provide for this additional right. The addition of the ability to issue a written acknowledgement is very useful for public companies such as the Company, since it permits flexibility in corporate and securities transmissions.

On September 15, 2010, the shareholders of the Company approved an amendment to the Articles that enabled the Company to use uncertificated electronic shares and to use an electronic record keeping system.

### **Indemnity Provisions**

Under the BCCA, the Company could only indemnify directors where it obtained prior court approval, except in certain limited circumstances. The original Articles of Association provided for the Company to indemnify directors, subject to the provisions of the BCCA. Under the BCA, the Company is permitted (and is, in some circumstances, required) to indemnify a past or present director or officer of the Company or an associated corporation without obtaining prior court approval in respect of an "eligible proceeding". An "eligible proceeding" includes any legal proceeding relating to the activities of the individual as a director or officer of the Company. However, under the BCA, the Company is prohibited from paying an indemnity if:

- (a) the party did not act honestly and in good faith with a view to the best interests of the Company;
- (b) the proceeding was not a civil proceeding and the party did not have reasonable grounds for believing that his or her conduct was lawful; and
- (c) the proceeding is brought against the party by the Company or an associated corporation.

As a result, the Articles require the Company to indemnify directors, officers and other persons, subject to the limits imposed under the BCA.

### **Alternate Directors**

The original Articles of Association permitted a director to appoint another director as his alternate. The Company's Articles now permit a director to appoint anyone as his alternate, as long as that person is qualified to act as a director.

### **Amendment of Articles and Notice of Articles**

The Articles provide that the general authority required to amend all provisions of the Company's Articles and the Notice of Articles, other than as set out in the BCA as specifically requiring a special resolution, can be effected as an ordinary or by directors' resolution. The Company's Articles provide that the Company may amend provisions of the Articles and Notice of Articles relating to certain aspects of its Shares and authorized share structure by ordinary resolution. A share consolidation or a share split and name change of the Company can only be done by a resolution of the directors. The default provision under the BCA is a special resolution where the Articles are silent as to the type of resolution required.

The Articles also provide that the attachment, variation and deletion of special rights and restrictions to any class of shares may be authorized by ordinary resolution. If the amendment prejudices or interferes with the rights or special rights attached to any class of issued shares, by the provisions of the BCA, the consent of the holders of that class of

shares by a "special separate resolution" is required.

All special resolutions of the Company must be adopted by a majority of two-thirds of votes cast; the Company's original Article of Association required special resolutions to be adopted by a majority of three-quarters of the votes cast.

### **Shareholders' Meetings**

In addition to reflecting the present notice and other provisions of the BCA relating to shareholders' meetings, the Articles provide that shareholders' meetings may be held at such place as is determined by the directors.

The Articles permit the giving of notice to shareholders, directors and officers by fax or e-mail in addition to regular mail or personal delivery.

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## **Officers**

Under the original Articles of Association, the Company was required to have at least a President and Secretary as officers, and separate individuals were required to hold those positions. In addition, the Chairman and President were required to be directors. However, under the BCA, those requirements no longer exist, and as a result, the Articles do not provide for such restrictions.

## **Disclosure of Interest of Directors**

The Articles refer to the provisions of the BCA relating to the disclosure of interest by directors, which superseded more the cumbersome and outdated provisions contained under the BCCA.

## **Creation of Preferred Shares**

Under the original Articles of Association, the creation of a new class of shares required the approval of the shareholders of the Company by a special resolution adopted by a majority of three-quarters of votes cast. In contrast, the Articles now provide that the creation of a new class of shares requires the approval of the shareholders of the Company by an ordinary resolution.

On September 26, 2006, the shareholders adopted an ordinary resolution authorizing the creation of a new class of Preferred Shares without par value and without a maximum authorized number, issuable in series, on such terms as may be determined by the Company's directors for each such series. On August 17, 2007, the Company filed a Notice of Alteration with the Registrar of Companies to create the new class of Preferred Shares, and the Registrar of Companies issued a Notice of Articles to reflect this change.

As a result, the authorized share structure of the Company now includes, in addition to a class of common shares without par value and without a maximum number, a class of Preferred Shares without par value and without a maximum number. The Preferred Shares may be issued in series on such terms as determined by the Company's directors in accordance with the class rights and restrictions.

The special rights and restrictions attaching to the Preferred Shares are set forth in Article 26 of the Articles, and effectively provide the directors with wide latitude to create a series of Preferred Shares which may be convertible into Common Shares, and have attached to them rights that rank ahead of Common Shares in respect of entitlement to assets and dividends.

## **C. MATERIAL CONTRACTS**

Amarc's only material contract as of the date of this Annual Report is:

Corporate Services Agreement between Amarc and Hunter Dickinson Services Inc. dated July 2, 2010. See Item 7.B and Exhibit 4.1.

Other agreements are in the normal course of business.

## **D. EXCHANGE CONTROLS**

Amarc is incorporated pursuant to the laws of the Province of British Columbia, Canada. There is no law or governmental decree or regulation in Canada that restricts the export or import of capital, or affects the remittance of dividends, interest or other payments to a non-resident holder of Common Shares, other than withholding tax requirements. Any such remittances to United States residents are generally subject to withholding tax, however no such remittances are likely in the foreseeable future. See "Taxation", below.

There is no limitation imposed by Canadian law or by the charter or other constituent documents of the Company on the right of a non-resident to hold or vote Common Shares of the Company. However, the Investment Canada Act (Canada) (the "Investment Act") has rules regarding certain acquisitions of shares by non-Canadians, along with other requirements under that legislation.

The following discussion summarizes the principal features of the Investment Act for a non-Canadian who proposes to acquire Common Shares of the Company. The discussion is general only; it is not a substitute for independent legal advice from an investor's own adviser; and, except where expressly noted, it does not anticipate statutory or regulatory amendments.

The Investment Act is a federal statute of broad application regulating the establishment and acquisition of Canadian businesses by non-Canadians, including individuals, governments or agencies thereof, corporations, partnerships, trusts or joint ventures, Investments by non-Canadians to acquire control over existing Canadian businesses or to establish new ones are either reviewable or notifiable under the Investment Act. If an investment by a non-Canadian to acquire control over an existing Canadian business is reviewable under the Investment Act, the Investment Act generally prohibits implementation of the investment unless, after review, the Minister of Industry (or the Minister of Canadian Heritage and Official Languages for investments in a Canadian business engaged in any of the activities of a "cultural business"), is satisfied that the investment is likely to be of net benefit to Canada.

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A non-Canadian would acquire control of the Company for the purposes of the Investment Act through the acquisition of Common Shares if the non-Canadian acquired a majority of the Common Shares of the Company.

Further, the acquisition of less than a majority but one-third or more of the Common Shares of the Company would be presumed to be an acquisition of control of the Company unless it could be established that, on the acquisition, the Company was not controlled in fact by the acquirer through the ownership of Common Shares.

To determine whether an investment is reviewable under the Investment Act it is necessary to consider whether the investor (or the vendor) is a WTO investor (ie, controlled by persons who are citizens of countries that are members of the World Trade Organization ("WTO"); there are currently 160 WTO members); the book value of the assets of the Canadian business being acquired; and whether the Canadian business being acquired engages in cultural activities.

Where a WTO investor is involved, and if the Canadian business is being acquired directly and is not engaged in cultural activities, an investment will be reviewable only if the Canadian operating business being acquired has assets with a book value in excess of a prescribed monetary threshold which is typically set in January of each year; for 2016 this threshold was \$375 million. Such amendments are expected to both increase the threshold, and to change it from an assets test to an enterprise value test. Once the amendments come into force the initial threshold will be an enterprise value of CAD\$600 million, increasing two years later to CAD\$800 million, and after a further two years to CAD\$1 billion. The new threshold will come into force on a date to be determined by regulation once the definition of enterprise value has been finalised.)

If the acquisition by a WTO investor is indirect (i.e., the acquisition of shares of a foreign corporation that controls a Canadian business) the transaction is not reviewable. Where the Canadian business engages in any of the activities of a cultural business, or if neither the investor nor the vendor are WTO investors, the applicable thresholds for direct and indirect investments are assets with a book value of CAD\$5 million or CAD\$50 million, respectively. (The acquisition of a Canadian business that is a "cultural business" is subject to lower review thresholds under the Investment Act because of the perceived sensitivity of the cultural sector.)

An acquisition of control of a Canadian business by a non-Canadian that falls below the thresholds for review under the Investment Act does not require the filing of an application for review. However, even where an investment falls below the thresholds, it must still be notified by way of a two-page form to the Investment Review Division of the Department of Industry (or the Department of Canadian Heritage for cultural cases). Notifications may be submitted by the investor any time before or up to 30 days after implementation of the investment.

In 2009, amendments were enacted to the Investment Act concerning investments that may be considered injurious to national security. If the Minister of Industry has reasonable grounds to believe that an investment by a non-Canadian "could be injurious to national security," the Minister of Industry may send the non-Canadian a notice indicating that an order for review of the investment may be made. The review of an investment on the grounds of national security may occur whether or not an investment is otherwise subject to review on the basis of net benefit to Canada or otherwise subject to notification under the Investment Canada Act. To date, there is neither legislation nor guidelines published, or anticipated to be published, on the meaning of "injurious to national security." Discussions with government officials suggest that very few investment proposals will cause a review under these new sections.

Certain transactions, except those to which the national security provisions of the Investment Act may apply, relating to Common Shares of the Company are exempt from the Investment Act, including

(a) acquisition of Common Shares of the Company by a person in the ordinary course of that person's business as a trader or dealer in securities,

(b) acquisition of control of the Company in connection with the realization of security granted for a loan or other financial assistance and not for a purpose related to the provisions on the Investment Act, and

(c) acquisition of control of the Company by reason of an amalgamation, merger, consolidation or corporate reorganization following which the ultimate direct or indirect control in fact of the Company, through the ownership of Common Shares, remained unchanged.

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## **E. TAXATION**

### **Certain Canadian Federal Income Tax Information for United States Residents**

The following summarizes the principal Canadian federal income tax considerations generally applicable to the holding and disposition of common shares of the Company by a holder (a) who, for the purposes of the Income Tax Act (Canada) the ("Tax Act"), is not resident in Canada or deemed to be resident in Canada, deals at arm's length and is not affiliated with the Company, holds the common shares as capital property and does not use or hold the common shares in the course of carrying on, or otherwise in connection with, a business in Canada, and (b) who, for the purposes of the Canada-United States Income Tax Convention (the "Treaty"), is a resident of the United States, has never been a resident of Canada, has not held or used (and does not hold or use) common shares in connection with a permanent establishment or fixed base in Canada, and who qualifies for the full benefits of the Treaty. The Canada Revenue Agency has introduced special forms to be used in order to substantiate eligibility for Treaty benefits, and affected holders should consult with their own advisers with respect to these forms and all relevant compliance matters.

Holdings who meet all such criteria in clauses (a) and (b) above are referred to herein as a "U.S. Holder" or "U.S. Holders", and this summary only addresses such U.S. Holders. The summary does not deal with special situations, such as particular circumstances of traders or dealers, limited liability companies, tax-exempt entities, insurers, financial institutions (including those to which the mark-to-market provisions of the Tax Act apply), or entities considered fiscally transparent under applicable law, or otherwise.

This summary is based on the current provisions of the Tax Act and the regulations thereunder, all proposed amendments to the Tax Act and regulations publicly announced by the Minister of Finance (Canada) to the date hereof, the current provisions of the Treaty and our understanding of the current administrative practices of the Canada Revenue Agency. It has been assumed that all currently proposed amendments to the Tax Act and regulations will be enacted as proposed and that there will be no other relevant change in any governing law, the Treaty or administrative policy, although no assurance can be given in these respects. This summary does not take into account provincial, U.S. or other foreign income tax considerations, which may differ significantly from those discussed herein.

This summary is not exhaustive of all possible Canadian income tax consequences. It is not intended as legal or tax advice to any particular U.S. Holder and should not be so construed. The tax consequences to a U.S. Holder will depend on that U.S. Holder's particular circumstances. Accordingly, all U.S. Holders or prospective U.S. Holders should consult their own tax advisers with respect to the tax consequences applicable to them having regard to their own particular circumstances. The discussion below is qualified accordingly.

#### *Dividend*

Dividends paid or deemed to be paid or credited by the Company to a U.S. Holder are subject to Canadian withholding tax. Under the Treaty, the rate of withholding tax on dividends paid to a U.S. Holder is generally limited to 15% of the gross dividend (or 5% in the case of a U.S. holder that is a corporate shareholder owning at least 10% of the Company's voting shares), provided the U.S. Holder can establish entitlement to the benefits of the Treaty.

#### *Disposition*

A U.S. Holder is generally not subject to tax under the Tax Act in respect of a capital gain realized on the disposition of a common share in the open market, unless the share is "taxable Canadian property" to the holder thereof and the U.S. Holder is not entitled to relief under the Treaty.

Provided that the Company's common shares are listed on a "designated stock exchange" for purposes of the Tax Act (which currently includes the TSX Venture) at the time of disposition, a common share will generally not constitute taxable Canadian property to a U.S. Holder unless, at any time during the 60 month period ending at the time of disposition, (i) the U.S. Holder or persons with whom the U.S. Holder did not deal at arm's length (or the U.S. Holder together with such persons) owned 25% or more of the issued shares of any class or series of the Company AND (ii) more than 50% of the fair market value of the share was derived directly or indirectly from certain types of assets, including real or immovable property situated in Canada, Canadian resource properties or timber resource properties, and options, interests or rights in respect of any of the foregoing. Common shares may also be deemed to be taxable Canadian property under the Tax Act in certain specific circumstances. A U.S. Holder holding Common shares as taxable Canadian property should consult with the U.S. Holder's own tax advisers in advance of any disposition of Common shares or deemed disposition under the Tax Act in order to determine whether any relief from tax under the Tax Act may be available by virtue of the Treaty, and any related compliance procedures.

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**United States Federal Income Tax Consequences**

The Company believes it is likely a "passive foreign investment company" which may have adverse U.S. federal income tax consequences for U.S. shareholders.

U.S. shareholders should be aware that the Company believes it was classified as a passive foreign investment company ("PFIC") during the tax year ended March 31, 2016, and may be a PFIC in future tax years. If the Company is a PFIC for any year during a U.S. shareholder's holding period, then such U.S. shareholder generally will be required to treat any gain realized upon a disposition of common shares, or any so-called "excess distribution" received on its common shares, as ordinary income, and to pay an interest charge on a portion of such gain or distributions, unless the shareholder makes a timely and effective "qualified electing fund" election ("QEF Election") or a "mark-to-market" election with respect to the common shares. A U.S. shareholder who makes a QEF Election generally must report on a current basis its share of the Company's net capital gain and ordinary earnings for any year in which the Company is a PFIC, whether or not the Company distributes any amounts to its shareholders. However, U.S. shareholders should be aware that there can be no assurance that the Company will satisfy record keeping requirements that apply to a qualified electing fund, or that the Company will supply U.S. shareholders with information that such U.S. shareholders require to report under the QEF Election rules, in the event that the Company is a PFIC and a U.S. shareholder wishes to make a QEF Election. Thus, U.S. shareholders may not be able to make a QEF Election with respect to their common shares. A U.S. shareholder who makes the mark-to-market election generally must include as ordinary income each year the excess of the fair market value of the common shares over the taxpayer's basis therein. This paragraph is qualified in its entirety by the discussion below under the heading "Certain United States Federal Income Tax Considerations." Each U.S. shareholder should consult its own tax adviser regarding the PFIC rules and the U.S. federal income tax consequences of the acquisition, ownership, and disposition of common shares.

**Certain United States Federal Income Tax Considerations**

The following is a general summary of certain material U.S. federal income tax considerations applicable to a U.S. Holder (as defined below) arising from and relating to the acquisition, ownership, and disposition of common shares.

This summary is for general information purposes only and does not purport to be a complete analysis or listing of all potential U.S. federal income tax considerations that may apply to a U.S. Holder arising from and relating to the acquisition, ownership, and disposition of common shares. In addition, this summary does not take into account the individual facts and circumstances of any particular U.S. Holder that may affect the U.S. federal income tax consequences to such U.S. Holder, including specific tax consequences to a U.S. Holder under an applicable tax treaty. Accordingly, this summary is not intended to be, and should not be construed as, legal or U.S. federal income tax advice with respect to any U.S. Holder. This summary does not address the U.S. federal alternative minimum, U.S. federal estate and gift, U.S. state and local, and foreign tax consequences to U.S. Holders of the acquisition, ownership, and disposition of common shares. Except as specifically set forth below, this summary does not discuss applicable tax reporting requirements. Each prospective U.S. Holder should consult its own tax adviser regarding the U.S. federal, U.S. federal alternative minimum, U.S. federal estate and gift, U.S. state and local, and foreign tax consequences relating to the acquisition, ownership and disposition of common shares.

No legal opinion from U.S. legal counsel or ruling from the Internal Revenue Service (the "IRS") has been requested, or will be obtained, regarding the U.S. federal income tax consequences of the acquisition, ownership, and disposition of common shares. This summary is not binding on the IRS, and the IRS is not precluded from taking a position that is different from, and contrary to, the positions taken in this summary. In addition, because the authorities on which this summary is based are subject to various interpretations, the IRS and the U.S. courts could disagree with one or more of the conclusions described in this summary.

*Scope of this Summary*

Authorities

This summary is based on the Internal Revenue Code of 1986, as amended (the "Code"), Treasury Regulations (whether final, temporary, or proposed), published rulings of the IRS, published administrative positions of the IRS, the Convention Between Canada and the United States of America with Respect to Taxes on Income and on Capital, signed September 26, 1980, as amended (the "Canada-U.S. Tax Convention"), and U.S. court decisions that are applicable and, in each case, as in effect and available, as of the date of this document. Any of the authorities on which this summary is based could be changed in a material and adverse manner at any time, and any such change could be applied on a retroactive or prospective basis which could affect the U.S. federal income tax considerations described in this summary. This summary does not discuss the potential effects, whether adverse or beneficial, of any proposed legislation that, if enacted, could be applied on a retroactive or prospective basis.

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### U.S. Holders

For purposes of this summary, the term "U.S. Holder" means a beneficial owner of common shares that is for U.S. federal income tax purposes:

an individual who is a citizen or resident of the U.S.;

a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) organized under the laws of the U.S., any state thereof or the District of Columbia;

an estate whose income is subject to U.S. federal income taxation regardless of its source; or

a trust that (1) is subject to the primary supervision of a court within the U.S. and the control of one or more U.S. persons for all substantial decisions or (2) has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

### Non-U.S. Holders

For purposes of this summary, a "non-U.S. Holder" is a beneficial owner of common shares that is not a U.S. Holder. This summary does not address the U.S. federal income tax consequences to non-U.S. Holders arising from and relating to the acquisition, ownership, and disposition of common shares. Accordingly, a non-U.S. Holder should consult its own tax adviser regarding the U.S. federal, U.S. federal alternative minimum, U.S. federal estate and gift, U.S. state and local, and foreign tax consequences (including the potential application of and operation of any income tax treaties) relating to the acquisition, ownership, and disposition of common shares.

### U.S. Holders Subject to Special U.S. Federal Income Tax Rules Not Addressed

This summary does not address the U.S. federal income tax considerations applicable to U.S. Holders that are subject to special provisions under the Code, including, but not limited to, the following: (a) U.S. Holders that are tax-exempt organizations, qualified retirement plans, individual retirement accounts, or other tax-deferred accounts; (b) U.S. Holders that are financial institutions, underwriters, insurance companies, real estate investment trusts, or regulated investment companies; (c) U.S. Holders that are broker-dealers, dealers, or traders in securities or currencies that elect to apply a mark-to-market accounting method; (d) U.S. Holders that have a "functional currency" other than the U.S. Dollar; (e) U.S. Holders that own common shares as part of a straddle, hedging transaction, conversion transaction, constructive sale, or other arrangement involving more than one position; (f) U.S. Holders that acquired common shares in connection with the exercise of employee stock options or otherwise as compensation for services; (g) U.S. Holders that hold common shares other than as a capital asset within the meaning of Section 1221 of the Code (generally, property held for investment purposes); or (h) U.S. Holders that own or have owned (directly, indirectly, or by attribution) 10% or more of the total combined voting power of the outstanding shares of the Company. This summary also does not address the U.S. federal income tax considerations applicable to U.S. Holders who are: (a) U.S. expatriates or former long-term residents of the U.S.; (b) persons that have been, are, or will be a resident or deemed to be a resident in Canada for purposes of the Income Tax Act (Canada) (the "Tax Act"); (c) persons that use or hold, will use or hold, or that are or will be deemed to use or hold common shares in connection with carrying on a business in Canada; (d) persons whose common shares constitute "taxable Canadian property" under the Tax Act; or (e) persons that have a permanent establishment in Canada for the purposes of the Canada-U.S. Tax Convention. U.S. Holders that are subject to special provisions under the Code, including, but not limited to, U.S. Holders described immediately above, should consult their own tax adviser regarding the U.S. federal, U.S. federal alternative minimum, U.S. federal estate and gift, U.S. state and local, and foreign tax consequences relating to the acquisition, ownership and disposition of common shares.

If an entity or arrangement that is classified as a partnership (or other "pass-through" entity) for U.S. federal income tax purposes holds common shares, the U.S. federal income tax consequences to such entity and the partners (or other owners) of such entity generally will depend on the activities of the entity and the status of such partners (or owners). This summary does not address the tax consequences to any such owner. Partners (or other owners) of entities or arrangements that are classified as partnerships or as "pass-through" entities for U.S. federal income tax purposes should consult their own tax advisers regarding the U.S. federal income tax consequences arising from and relating to the acquisition, ownership, and disposition of common shares.

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### Passive Foreign Investment Company Rules

If the Company were to constitute a "passive foreign investment company" under the meaning of Section 1297 of the Code (a "PFIC", as defined below) for any year during a U.S. Holder's holding period, then certain potentially adverse rules will affect the U.S. federal income tax consequences to a U.S. Holder resulting from the acquisition, ownership and disposition of common shares. The Company believes that it was classified as a PFIC during the tax year ended March 31, 2016, and may be a PFIC in future tax years. The determination of whether any corporation was, or will be, a PFIC for a tax year depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. In addition, whether any corporation will be a PFIC for any tax year depends on the assets and income of such corporation over the course of each such tax year and, as a result, cannot be predicted with certainty as of the date of this document. Accordingly, there can be no assurance that the IRS will not challenge any determination made by the Company (or any subsidiary of the Company) concerning its PFIC status. Each U.S. Holder should consult its own tax adviser regarding the PFIC status of the Company and any subsidiary of the Company.

In addition, in any year in which the Company is classified as a PFIC, such holder would be required to file an annual report with the IRS containing such information as Treasury Regulations and/or other IRS guidance may require. In addition to penalties, a failure to satisfy such reporting requirements may result in an extension of the time period during which the IRS can assess a tax. U.S. Holders should consult their own tax advisers regarding the requirements of filing such information returns under these rules, including the requirement to file an IRS Form 8621.

### PFIC Status of the Company

The Company generally will be a PFIC if, for a tax year, (a) 75% or more of the gross income of the Company is passive income (the "income test") or (b) 50% or more of the value of the Company's assets either produce passive income or are held for the production of passive income, based on the quarterly average of the fair market value of such assets (the "asset test"). "Gross income" generally includes all sales revenues less the cost of goods sold, plus income from investments and from incidental or outside operations or sources, and "passive income" generally includes, for example, dividends, interest, certain rents and royalties, certain gains from the sale of stock and securities, and certain gains from commodities transactions.

Active business gains arising from the sale of commodities generally are excluded from passive income if substantially all (85% or more) of a foreign corporation's commodities are stock in trade or inventory, depreciable property used in a trade or business, or supplies regularly used or consumed in a trade or business and certain other requirements are satisfied.

For purposes of the PFIC income test and asset test described above, if the Company owns, directly or indirectly, 25% or more of the total value of the outstanding shares of another corporation, the Company will be treated as if it (a) held a proportionate share of the assets of such other corporation and (b) received directly a proportionate share of the income of such other corporation. In addition, for purposes of the PFIC income test and asset test described above, and assuming certain other requirements are met, "passive income" does not include certain interest, dividends, rents, or royalties that are received or accrued by the Company from certain "related persons" (as defined in Section 954(d)(3) of the Code), to the extent such items are properly allocable to the income of such related person that is not passive income.

Under certain attribution rules, if the Company is a PFIC, U.S. Holders will generally be deemed to own their proportionate share of the Company's direct or indirect equity interest in any company that is also a PFIC (a "Subsidiary PFIC"), and will be subject to U.S. federal income tax on their proportionate share of (a) any "excess distributions," as described below, on the stock of a Subsidiary PFIC and (b) a disposition or deemed disposition of

the stock of a Subsidiary PFIC by the Company or another Subsidiary PFIC, both as if such U.S. Holders directly held the shares of such Subsidiary PFIC. In addition, U.S. Holders may be subject to U.S. federal income tax on any indirect gain realized on the stock of a Subsidiary PFIC on the sale or disposition of common shares. Accordingly, U.S. Holders should be aware that they could be subject to tax even if no distributions are received and no redemptions or other dispositions of common shares are made.

Default PFIC Rules Under Section 1291 of the Code

If the Company is a PFIC for any tax year during which a U.S. Holder owns common shares, the U.S. federal income tax consequences to such U.S. Holder of the acquisition, ownership, and disposition of common shares will depend on whether and when such U.S. Holder makes an election to treat the Company and each Subsidiary PFIC, if any, as a "qualified electing fund" or "QEF" under Section 1295 of the Code (a "QEF Election") or makes a mark-to-market election under Section 1296 of the Code (a "Mark-to-Market Election"). A U.S. Holder that does not make either a QEF Election or a Mark-to-Market Election will be referred to in this summary as a "Non-Electing U.S. Holder."

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A Non-Electing U.S. Holder will be subject to the rules of Section 1291 of the Code (described below) with respect to (a) any gain recognized on the sale or other taxable disposition of common shares and (b) any excess distribution received on the common shares. A distribution generally will be an "excess distribution" to the extent that such distribution (together with all other distributions received in the current tax year) exceeds 125% of the average distributions received during the three preceding tax years (or during a U.S. Holder's holding period for the common shares, if shorter).

Under Section 1291 of the Code, any gain recognized on the sale or other taxable disposition of common shares (including an indirect disposition of the stock of any Subsidiary PFIC), and any "excess distribution" received on common shares or with respect to the stock of a Subsidiary PFIC, must be ratably allocated to each day in a Non-Electing U.S. Holder's holding period for the respective common shares. The amount of any such gain or excess distribution allocated to the tax year of disposition or distribution of the excess distribution and to years before the entity became a PFIC, if any, would be taxed as ordinary income. The amounts allocated to any other tax year would be subject to U.S. federal income tax at the highest tax rate applicable to ordinary income in each such year, and an interest charge would be imposed on the tax liability for each such year, calculated as if such tax liability had been due in each such year. A Non-Electing U.S. Holder that is not a corporation must treat any such interest paid as "personal interest," which is not deductible.

If the Company is a PFIC for any tax year during which a Non-Electing U.S. Holder holds common shares, the Company will continue to be treated as a PFIC with respect to such Non-Electing U.S. Holder, regardless of whether the Company ceases to be a PFIC in one or more subsequent tax years. A Non-Electing U.S. Holder may terminate this deemed PFIC status by electing to recognize gain (which will be taxed under the rules of Section 1291 of the Code discussed above), but not loss, as if such common shares were sold on the last day of the last tax year for which the Company was a PFIC.

#### QEF Election

A U.S. Holder that makes a timely and effective QEF Election for the first tax year in which its holding period of its common shares begins generally will not be subject to the rules of Section 1291 of the Code discussed above with respect to its common shares. A U.S. Holder that makes a timely and effective QEF Election will be subject to U.S. federal income tax on such U.S. Holder's pro rata share of (a) the net capital gain of the Company, which will be taxed as long-term capital gain to such U.S. Holder, and (b) the ordinary earnings of the Company, which will be taxed as ordinary income to such U.S. Holder. Generally, "net capital gain" is the excess of (a) net long-term capital gain over (b) net short-term capital loss, and "ordinary earnings" are the excess of (a) "earnings and profits" over (b) net capital gain. A U.S. Holder that makes a QEF Election will be subject to U.S. federal income tax on such amounts for each tax year in which the Company is a PFIC, regardless of whether such amounts are actually distributed to such U.S. Holder by the Company. However, for any tax year in which the Company is a PFIC and has no net income or gain, U.S. Holders that have made a QEF Election would not have any income inclusions as a result of the QEF Election. If a U.S. Holder that made a QEF Election has an income inclusion, such a U.S. Holder may, subject to certain limitations, elect to defer payment of current U.S. federal income tax on such amounts, subject to an interest charge. If such U.S. Holder is not a corporation, any such interest paid will be treated as "personal interest," which is not deductible.

A U.S. Holder that makes a timely and effective QEF Election with respect to the Company generally (a) may receive a tax-free distribution from the Company to the extent that such distribution represents "earnings and profits" of the Company that were previously included in income by the U.S. Holder because of such QEF Election and (b) will adjust such U.S. Holder's tax basis in the common shares to reflect the amount included in income or allowed as a tax-free distribution because of such QEF Election. In addition, a U.S. Holder that makes a QEF Election generally will recognize capital gain or loss on the sale or other taxable disposition of common shares.

The procedure for making a QEF Election, and the U.S. federal income tax consequences of making a QEF Election, will depend on whether such QEF Election is timely. A QEF Election will be treated as "timely" if such QEF Election is made for the first year in the U.S. Holder's holding period for the common shares in which the Company was a PFIC. A U.S. Holder may make a timely QEF Election by filing the appropriate QEF Election documents at the time such U.S. Holder files a U.S. federal income tax return for such year. If a U.S. Holder does not make a timely and effective QEF Election for the first year in the U.S. Holder's holding period for the common shares, the U.S. Holder may still be able to make a timely and effective QEF Election in a subsequent year if such U.S. Holder meets certain requirements and makes a "purging" election to recognize gain (which will be taxed under the rules of Section 1291 of the Code discussed above) as if such common shares were sold for their fair market value on the day the QEF Election is effective. If a U.S. Holder owns PFIC stock indirectly through another PFIC, separate QEF Elections must be made for the PFIC in which the U.S. Holder is a direct shareholder and the Subsidiary PFIC for the QEF rules to apply to both PFICs.

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A QEF Election will apply to the tax year for which such QEF Election is timely made and to all subsequent tax years, unless such QEF Election is invalidated or terminated or the IRS consents to revocation of such QEF Election. If a U.S. Holder makes a QEF Election and, in a subsequent tax year, the Company ceases to be a PFIC, the QEF Election will remain in effect (although it will not be applicable) during those tax years in which the Company is not a PFIC. Accordingly, if the Company becomes a PFIC in another subsequent tax year, the QEF Election will be effective and the U.S. Holder will be subject to the QEF rules described above during any subsequent tax year in which the Company qualifies as a PFIC.

U.S. Holders should be aware that there can be no assurances that the Company will satisfy the record keeping requirements that apply to a QEF, or that the Company will supply U.S. Holders with information that such U.S. Holders are required to report under the QEF rules, in the event that the Company is a PFIC. Thus, U.S. Holders may not be able to make a QEF Election with respect to their common shares. Each U.S. Holder should consult its own tax adviser regarding the availability of, and procedure for making, a QEF Election.

A U.S. Holder makes a QEF Election by attaching a completed IRS Form 8621, including a PFIC Annual Information Statement, to a timely filed United States federal income tax return. However, if the Company cannot provide the required information with regard to the Company or any of its Subsidiary PFICs, U.S. Holders will not be able to make a QEF Election for such entity and will continue to be subject to the rules discussed above that apply to Non-Electing U.S. Holders with respect to the taxation of gains and excess distributions.

#### Mark-to-Market Election

A U.S. Holder may make a Mark-to-Market Election only if the common shares are marketable stock. The common shares generally will be "marketable stock" if the common shares are regularly traded on (a) a national securities exchange that is registered with the Securities and Exchange Commission, (b) the national market system established pursuant to section 11A of the Securities and Exchange Act of 1934, or (c) a foreign securities exchange that is regulated or supervised by a governmental authority of the country in which the market is located, provided that (i) such foreign exchange has trading volume, listing, financial disclosure, and surveillance requirements, and meets other requirements and the laws of the country in which such foreign exchange is located, together with the rules of such foreign exchange, ensure that such requirements are actually enforced and (ii) the rules of such foreign exchange effectively promote active trading of listed stocks. If such stock is traded on such a qualified exchange or other market, such stock generally will be "regularly traded" for any calendar year during which such stock is traded, other than in de minimis quantities, on at least 15 days during each calendar quarter.

A U.S. Holder that makes a Mark-to-Market Election with respect to its common shares generally will not be subject to the rules of Section 1291 of the Code discussed above with respect to such common shares. However, if a U.S. Holder does not make a Mark-to-Market Election beginning in the first tax year of such U.S. Holder's holding period for the common shares or such U.S. Holder has not made a timely QEF Election, the rules of Section 1291 of the Code discussed above will apply to certain dispositions of, and distributions on, the common shares.

A U.S. Holder that makes a Mark-to-Market Election will include in ordinary income, for each tax year in which the Company is a PFIC, an amount equal to the excess, if any, of (a) the fair market value of the common shares, as of the close of such tax year over (b) such U.S. Holder's tax basis in such common shares. A U.S. Holder that makes a Mark-to-Market Election will be allowed a deduction in an amount equal to the excess, if any, of (a) such U.S. Holder's adjusted tax basis in the common shares, over (b) the fair market value of such common shares (but only to the extent of the net amount of previously included income as a result of the Mark-to-Market Election for prior tax years).

A U.S. Holder that makes a Mark-to-Market Election generally also will adjust such U.S. Holder's tax basis in the common shares to reflect the amount included in gross income or allowed as a deduction because of such Mark-to-Market Election. In addition, upon a sale or other taxable disposition of common shares, a U.S. Holder that makes a Mark-to-Market Election will recognize ordinary income or ordinary loss (not to exceed the excess, if any, of (a) the amount included in ordinary income because of such Mark-to-Market Election for prior tax years over (b) the amount allowed as a deduction because of such Mark-to-Market Election for prior tax years). Losses that exceed this limitation are subject to the rules generally applicable to losses provided in the Code and Treasury Regulations.

A U.S. Holder makes a Mark-to-Market Election by attaching a completed IRS Form 8621 to a timely filed United States federal income tax return. A Mark-to-Market Election applies to the tax year in which such Mark-to-Market Election is made and to each subsequent tax year, unless the common shares cease to be "marketable stock" or the IRS consents to revocation of such election. Each U.S. Holder should consult its own tax adviser regarding the availability of, and procedure for making, a Mark-to-Market Election.

Although a U.S. Holder may be eligible to make a Mark-to-Market Election with respect to the common shares, no such election may be made with respect to the stock of any Subsidiary PFIC that a U.S. Holder is treated as owning, because such stock is not marketable. Hence, the Mark-to-Market Election will not be effective to eliminate the application of the default rules of Section 1291 of the Code described above with respect to deemed dispositions of Subsidiary PFIC stock or excess distributions from a Subsidiary PFIC.

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### Other PFIC Rules

Under Section 1291(f) of the Code, the IRS has issued proposed Treasury Regulations that, subject to certain exceptions, would cause a U.S. Holder that had not made a timely QEF Election to recognize gain (but not loss) upon certain transfers of common shares that would otherwise be tax-deferred (e.g., gifts and exchanges pursuant to corporate reorganizations). However, the specific U.S. federal income tax consequences to a U.S. Holder may vary based on the manner in which common shares are transferred.

Certain additional adverse rules may apply with respect to a U.S. Holder if the Company is a PFIC, regardless of whether such U.S. Holder makes a QEF Election. For example, under Section 1298(b)(6) of the Code, a U.S. Holder that uses common shares as security for a loan will, except as may be provided in Treasury Regulations, be treated as having made a taxable disposition of such common shares.

Special rules also apply to the amount of foreign tax credit that a U.S. Holder may claim on a distribution from a PFIC. Subject to such special rules, foreign taxes paid with respect to any distribution in respect of stock in a PFIC are generally eligible for the foreign tax credit. The rules relating to distributions by a PFIC and their eligibility for the foreign tax credit are complicated, and a U.S. Holder should consult with its own tax adviser regarding the availability of the foreign tax credit with respect to distributions by a PFIC.

The PFIC rules are complex, and each U.S. Holder should consult its own tax adviser regarding the PFIC rules and how the PFIC rules may affect the U.S. federal income tax consequences of the acquisition, ownership, and disposition of common shares.

### Ownership and Disposition of Common Shares

The following discussion is subject to the rules described above under the heading "Passive Foreign Investment Company Rules."

#### Distributions on Common Shares

A U.S. Holder that receives a distribution, including a constructive distribution, with respect to a common share will be required to include the amount of such distribution in gross income as a dividend (without reduction for any Canadian income tax withheld from such distribution) to the extent of the current or accumulated "earnings and profits" of the Company, as computed for U.S. federal income tax purposes. A dividend generally will be taxed to a U.S. Holder at ordinary income tax rates if the Company is a PFIC. To the extent that a distribution exceeds the current and accumulated "earnings and profits" of the Company, such distribution will be treated first as a tax-free return of capital to the extent of a U.S. Holder's tax basis in the common shares and thereafter as gain from the sale or exchange of such common shares. (See "Sale or Other Taxable Disposition of common shares" below). However, the Company may not maintain the calculations of earnings and profits in accordance with U.S. federal income tax principles, and each U.S. Holder should therefore assume that any distribution by the Company with respect to the common shares will constitute ordinary dividend income. Dividends received on common shares generally will not be eligible for the "dividends received deduction". In addition, the Company does not anticipate that its distributions will constitute qualified dividend income eligible for the preferential tax rates applicable to long-term capital gains. The dividend rules are complex, and each U.S. Holder should consult its own tax adviser regarding the application of such rules.

#### Sale or Other Taxable Disposition of Common Shares

Upon the sale or other taxable disposition of common shares, a U.S. Holder generally will recognize capital gain or loss in an amount equal to the difference between the U.S. Dollar value of cash received plus the fair market value of any property received and such U.S. Holder's tax basis in such common shares sold or otherwise disposed of. A U.S. Holder's tax basis in common shares generally will be such holder's U.S. Dollar cost for such common shares. Gain or loss recognized on such sale or other disposition generally will be long-term capital gain or loss if, at the time of the sale or other disposition, the common shares have been held for more than one year.

Preferential tax rates currently apply to long-term capital gain of a U.S. Holder that is an individual, estate, or trust. There are currently no preferential tax rates for long-term capital gain of a U.S. Holder that is a corporation. Deductions for capital losses are subject to significant limitations under the Code.

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### Additional Tax on Passive Income

Certain individuals, estates and trusts whose income exceeds certain thresholds will be required to pay a 3.8% Medicare surtax on "net investment income" including, among other things, dividends and net gain from dispositions of property (other than property held in certain trades or businesses). U.S. Holders should consult with their own tax advisers regarding the effect, if any, of this tax on their ownership and disposition of common shares.

### Receipt of Foreign Currency

The amount of any distribution paid to a U.S. Holder in foreign currency, or on the sale, exchange or other taxable disposition of common shares, generally will be equal to the U.S. Dollar value of such foreign currency based on the exchange rate applicable on the date of receipt (regardless of whether such foreign currency is converted into U.S. Dollars at that time). A U.S. Holder will have a basis in the foreign currency equal to its U.S. Dollar value on the date of receipt. Any U.S. Holder who converts or otherwise disposes of the foreign currency after the date of receipt may have a foreign currency exchange gain or loss that would be treated as ordinary income or loss, and generally will be U.S. source income or loss for foreign tax credit purposes. Different rules apply to U.S. Holders who use the accrual method with respect to foreign currency received upon the sale, exchange or other taxable disposition of the common shares. Each U.S. Holder should consult its own U.S. tax adviser regarding the U.S. federal income tax consequences of receiving, owning, and disposing of foreign currency.

### Foreign Tax Credit

Subject to the PFIC rules discussed above, a U.S. Holder that pays (whether directly or through withholding) Canadian income tax with respect to dividends paid on the common shares generally will be entitled, at the election of such U.S. Holder, to receive either a deduction or a credit for such Canadian income tax. Generally, a credit will reduce a U.S. Holder's U.S. federal income tax liability on a Dollar-for-Dollar basis, whereas a deduction will reduce a U.S. Holder's income subject to U.S. federal income tax. This election is made on a year-by-year basis and applies to all foreign taxes paid (whether directly or through withholding) by a U.S. Holder during a year.

Complex limitations apply to the foreign tax credit, including the general limitation that the credit cannot exceed the proportionate share of a U.S. Holder's U.S. federal income tax liability that such U.S. Holder's "foreign source" taxable income bears to such U.S. Holder's worldwide taxable income. In applying this limitation, a U.S. Holder's various items of income and deduction must be classified, under complex rules, as either "foreign source" or "U.S. source." Generally, dividends paid by a foreign corporation should be treated as foreign source for this purpose, and gains recognized on the sale of stock of a foreign corporation by a U.S. Holder should be treated as U.S. source for this purpose, except as otherwise provided in an applicable income tax treaty, and if an election is properly made under the Code. However, the amount of a distribution with respect to the common shares that is treated as a "dividend" may be lower for U.S. federal income tax purposes than it is for Canadian federal income tax purposes, resulting in a reduced foreign tax credit allowance to a U.S. Holder. In addition, this limitation is calculated separately with respect to specific categories of income. The foreign tax credit rules are complex, and each U.S. Holder should consult its own U.S. tax adviser regarding the foreign tax credit rules.

### Backup Withholding and Information Reporting

Under U.S. federal income tax law, certain categories of U.S. Holders must file information returns with respect to their investment in, or involvement in, a foreign corporation. For example, U.S. return disclosure obligations (and related penalties) are imposed on individuals who are U.S. Holders that hold certain specified foreign financial assets in excess of certain threshold amounts. The definition of specified foreign financial assets includes not only financial accounts maintained in foreign financial institutions, but also, unless held in accounts maintained by a financial

institution, any stock or security issued by a non-U.S. person, any financial instrument or contract held for investment that has an issuer or counterparty other than a U.S. person and any interest in a foreign entity. U.S. Holders may be subject to these reporting requirements unless their common shares are held in an account at certain financial institutions. Penalties for failure to file certain of these information returns are substantial. U.S. Holders should consult with their own tax advisers regarding the requirements of filing information returns, including the requirement to file an IRS Form 8938.

Payments made within the U.S. or by a U.S. payor or U.S. middleman, of dividends on, and proceeds arising from the sale or other taxable disposition of, common shares will generally be subject to information reporting and backup withholding tax, at the rate of 28%, if a U.S. Holder (a) fails to furnish such U.S. Holder's correct U.S. taxpayer identification number (generally on Form W-9), (b) furnishes an incorrect U.S. taxpayer identification number, (c) is notified by the IRS that such U.S. Holder has previously failed to properly report items subject to backup withholding tax, or (d) fails to certify, under penalty of perjury, that such U.S. Holder has furnished its correct U.S. taxpayer identification number and that the IRS has not notified such U.S. Holder that it is subject to backup withholding tax. However, certain exempt persons generally are excluded from these information reporting and backup withholding rules. Backup withholding is not an additional tax. Any amounts withheld under the U.S. backup withholding tax rules will be allowed as a credit against a U.S. Holder's U.S. federal income tax liability, if any, or will be refunded, if such U.S. Holder furnishes required information to the IRS in a timely manner. Each U.S. Holder should consult its own tax adviser regarding the information reporting and backup withholding rules.

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**F. DIVIDENDS AND PAYING AGENTS**

Not applicable.

**G. STATEMENT BY EXPERTS**

Not applicable.

**H. DOCUMENTS ON DISPLAY**

Exhibits attached to this Form 20-F are also available for viewing on EDGAR, or at the offices of Amarc, Suite 1500 1040 West Georgia Street, Vancouver, British Columbia V6E 4H1 or on request of Amarc at 604-684-6365, attention: Corporate Secretary. Copies of Amarc's financial statements and other continuous disclosure documents required under the British Columbia Securities Act are available for viewing on the internet at [www.sedar.com](http://www.sedar.com).

**I. SUBSIDIARY INFORMATION**

Not applicable.

**ITEM 11 QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

**A. TRANSACTION RISK AND CURRENCY RISK MANAGEMENT**

Amarc's operations do not employ financial instruments or derivatives which are market sensitive and Amarc does not have financial market risks.

**B. EXCHANGE RATE SENSITIVITY**

Amarc's administrative operations are in Canada. The Company typically holds most of its funds in Canadian Dollars and typically acquires foreign currency on an as-needed basis and, hence, it is not significantly affected by exchange rate risk. The Company does, however, from time to time, invest in U.S. Dollars denominated short-term investments. The Company is exposed to foreign currency exchange risk on such investments. However, such U.S. Dollars denominated investments have been minor and the foreign exchange risk has been immaterial.

The Company currently does not engage in foreign currency hedging.

**C. INTEREST RATE RISK AND EQUITY PRICE RISK**

Amarc's liabilities consist of routine accounts payable, balance due to a related party, and a short-term and long term loan payable to a director of the Company. The loans bear fixed interest rate of 7% and 9% Based on these factors, interest rate change risk for the Company is nominal. For more details on the loan, refer to note 9 of the accompanying audited annual financial statements for the year ended March 31, 2016.

Some of the Company's marketable securities are subject to equity price risk as they relate to shares held in publicly-traded companies. Given the small value of the Company's marketable securities, equity price risk for the Company is nominal.

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**D. COMMODITY PRICE RISK**

While the value of Amarc's resource properties can always be said to relate to the price of copper and gold metals and the outlook for same, Amarc does not have any operating mines and hence does not have any hedging or other commodity-based operational risks respecting its business activities.

**ITEM 12 DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES**

Not applicable.

**ITEM 13 DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES**

Not applicable.

**ITEM 14 MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS**

Not applicable.

**ITEM 15 CONTROLS AND PROCEDURES  
DISCLOSURE CONTROLS AND PROCEDURES**

At the end of the period covered by this annual report on Form 20-F, an evaluation was carried out with the participation of the Company's management, including the President and Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), of the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")). Based on that evaluation, the President and CEO and the CFO have concluded that as of the end of the period covered by this annual report on Form 20-F, the Company's disclosure controls and procedures were effective in providing reasonable assurance that: (i) information required to be disclosed by the Company in reports that it files or submits to the SEC under the Exchange Act was recorded, processed, summarized and reported within the time periods specified in applicable rules and forms, and (ii) material information required to be disclosed in the Company's reports filed under the Exchange Act was accumulated and communicated to the Company's management, including the President and CEO and the CFO, as appropriate, to allow for accurate and timely decisions regarding required disclosure.

**MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

The Company's management, including the President and CEO and CFO, is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. 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 and fair presentation 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.



With the participation of the President and CEO and CFO, management conducted an evaluation of the design and operation of the Company's internal control over financial reporting as of March 31, 2016, based on the criteria set forth in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. This evaluation included review of the documentation of controls, evaluation of the design effectiveness of controls, testing of the operating effectiveness of controls and a conclusion on this evaluation. Based on this evaluation, management concluded in its report that the Company's internal control over financial reporting was effective as of March 31, 2016.

This Annual Report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to rules that permit the Company to provide only management's report in this Annual Report.

### **CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING**

During the period covered by this Annual Report on Form 20-F, no changes occurred in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

### **LIMITATIONS OF CONTROLS AND PROCEDURES**

The Company's management, including its President and CEO and CFO, does not expect that its disclosure controls and procedures or internal controls and procedures will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, 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, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that 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 management override of the 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; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

### **ITEM 16 [RESERVED]**

### **ITEM 16A AUDIT COMMITTEE FINANCIAL EXPERT**

The members of the audit committee are Rene Carrier, Barry Coughlan and Jeffrey Mason. The board of directors has determined that Mr. Mason qualifies as a "financial expert" under the rules of the Securities and Exchange Commission, based on his education and experience. Mr. Mason is independent, as the term is defined in section 803 of the NYSE/MKT Company Guide.

Each audit committee member is able to read and understand fundamental financial statements.

### **ITEM 16B CODE OF ETHICS**

The Company's board of directors has adopted a Code of Ethics governing directors, officers, employees and contractors. The Code of Ethics sets forth written standards that are designed to deter wrongdoing and to promote:

- (a) honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
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- (b) full, fair, accurate, timely, and understandable disclosure in reports and documents that the Company files with, or submits to, securities regulators and in other public communications made by the Company;
- (c) compliance with applicable laws, rules and regulations;
- (d) the prompt internal reporting of violations of the Code of Ethics to an appropriate person or persons identified in the Code; and
- (e) accountability for adherence to the Code of Ethics.

The board of directors monitors compliance with the Code of Ethics by ensuring that all Company personnel have read and understood the Code of Ethics, and by charging management with bringing to the attention of the board of directors any issues that arise with respect to the Code of Ethics.

The Company's Code of Ethics was filed as Exhibit 11.1 of the Company's Form 20-F filed on October 7, 2008. The Company's Code of Ethics can be viewed at the Company's website. The Company will also provide a copy of the Code of Ethics to any person without charge, upon request. Requests can be sent by mail to: 15th floor, 1040 West Georgia Street, Vancouver, British Columbia V6E 4H1 or on request of the Company at 604-684-6365, attention: Investor Relations Department.

During the most recently completed fiscal year, the Company has neither: (a) amended its Code of Ethics; nor (b) granted any waiver (including any implicit waiver) from any provision of its Code of Ethics.

#### **ITEM 16C PRINCIPAL ACCOUNTANT FEES AND SERVICES**

The following table discloses the aggregate fees billed for each of the last two fiscal years for professional services rendered by the Company's audit firm, De Visser Gray LLP for various services.

Services:		Year ended March 31, 2016	Year ended March 31, 2015
Audit Fees	Includes fees necessary to perform the annual audit and quarterly reviews of the Company's financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.	\$18,000 (estimated)	\$18,000

	Includes services that are traditionally performed by the auditor.	Nil	Nil
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Audit-related Fees	These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.		
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Tax Fees	Includes fees for all tax services other than those included in "Audit Fees" and "Audit-related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.	Nil	Nil
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All Other Fees	Includes all other non-audit services.	Nil	Nil
Total		\$18,000	\$18,000

From time to time, management of the Company recommends to and requests approval from the audit committee for non-audit services to be provided by the Company's auditors. The audit committee routinely considers such requests at committee meetings, and if acceptable to a majority of the audit committee members, pre-approves such non-audit services by a resolution authorizing management to engage the Company's auditors for such non-audit services, with set maximum dollar amounts for each itemized service. During such deliberations, the audit committee assesses, among other factors, whether the services requested would be considered "prohibited services" as contemplated by the SEC, and whether the services requested and the fees related to such services could impair the independence of the auditors. No material non-audit services were provided by the Company's auditors during the years presented in the above table.

**ITEM 16D EXEMPTIONS FROM LISTING STANDARDS FOR AUDIT COMMITTEES**

Not applicable.

**ITEM 16E PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS**

In the year ended March 31, 2016, the Company did not purchase any of its issued and outstanding Common Shares pursuant to any repurchase program or otherwise.

**ITEM 16F CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT**

None.

**ITEM 16G CORPORATE GOVERNANCE**

Not applicable.

**ITEM 16H MINE SAFETY DISCLOSURE**

Not applicable.

**ITEM 17 FINANCIAL STATEMENTS**

Not applicable. See Item 18 Financial Statements

**ITEM 18 FINANCIAL STATEMENTS**

The following are incorporated herein:

Report of the Company's independent registered public accountants, De Visser Gray LLP, dated July 22, 2016;  
Statements of financial position as at March 31, 2016 and March 31, 2015;  
Statements of loss for the years ended March 31, 2016, March 31, 2015, and March 31, 2014;  
Statements of other comprehensive loss (income) for the years ended March 31, 2016, March 31, 2015, and March 31, 2014;  
Statements of cash flows for the years ended March 31, 2016, March 31, 2015, and March 31, 2014;  
Statements of changes in equity for the years ended March 31, 2016, March 31, 2015, and March 31, 2014; and  
Notes to annual financial statements.

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**AMARC RESOURCES LTD.**

FINANCIAL STATEMENTS

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

*(Expressed in Canadian Dollars)*

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## **REPORT OF INDEPENDENT REGISTERED CHARTERED PROFESSIONAL ACCOUNTANTS**

### **To the Shareholders of Amarc Resources Ltd.**

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

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

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

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

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

### **Opinion**

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

by the International Accounting Standards Board.

**Emphasis of Matter**

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

**INDEPENDENT REGISTERED CHARTERED PROFESSIONAL ACCOUNTANTS**

Vancouver, Canada

July 22, 2016

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**Amarc Resources Ltd.****Statements of Financial Position**

(Expressed in Canadian Dollars)

	Note	March 31, 2016	March 31, 2015
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	\$ 747,408	\$ 489,150
Amounts receivable and other assets	5	117,406	971,890
Marketable securities		26,404	59,841
		891,218	1,520,881
<b>Non-current assets</b>			
Restricted cash	4	205,028	234,198
		205,028	234,198
<b>Total assets</b>		<b>\$ 1,096,246</b>	<b>\$ 1,755,079</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	7	\$ 22,357	\$ 66,299
Balance due to a related party	10	180,476	212,642
Director's loan	8	1,000,000	1,000,000
		1,202,833	1,278,941
<b>Non-current liabilities</b>			
Director's loan	8	234,849	
		234,849	
<b>Total liabilities</b>		<b>1,437,682</b>	<b>1,278,941</b>
<b>Shareholders' (deficiency) equity</b>			
Share capital	9(a)	58,967,910	58,955,410
Reserves		5,357,405	5,068,700
Accumulated deficit		(64,666,751)	(63,547,972)
		(341,436)	476,138
<b>Total liabilities and shareholders' (deficiency) equity</b>		<b>\$ 1,096,246</b>	<b>\$ 1,755,079</b>
Nature of operations and going concern (note 1)			
Events after the reporting period (notes 1, 6, and 8)			

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

/s/ Robert A. Dickinson

/s/ Rene G. Carrier

Robert A. Dickinson  
Director

Rene G. Carrier  
Director

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**Amarc Resources Ltd.****Statements of Loss**

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

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



<b>Basic and diluted loss per common share</b>	\$	0.01	\$	0.04	\$	0.02
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<b>Weighted average number of common shares outstanding</b>	141,406,301	139,357,212	138,644,883
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*The accompanying notes are an integral part of these financial statements.*

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**Amarc Resources Ltd.****Statements of Comprehensive Loss (income)**

(Expressed in Canadian Dollars)

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

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

**Amarc Resources Ltd.****Statements of Changes in Equity (Deficiency)**

(Expressed in Canadian Dollars, except for share information)

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

warrants							
Total other comprehensive loss			(33,438)				(33,438)
Loss for the year					(1,118,779)		(1,118,779)
<b>Balance at March 31, 2016</b>	141,424,061	\$ 58,967,910	\$ 2,202,640	\$ 21,402	\$ 3,133,363	\$ (64,666,751)	\$ (341,436)

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

**Amarc Resources Ltd.****Statements of Cash Flows**

(Expressed in Canadian Dollars)

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

<b>Cash and cash equivalents, end of the year</b>	3	\$ 747,408	\$	489,150	\$	4,772,772
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**Supplementary cash flow information:**

Other non-cash investing and financing activities:

Issuance of the Company's equity instruments as loan bonus	8	\$ 322,143	\$	187,500	\$	
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*The accompanying notes are an integral part of these financial statements.*

**Amarc Resources Ltd.**

Notes to the Financial Statements

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

(Expressed in Canadian Dollars, unless otherwise stated)

**1. NATURE OF OPERATIONS AND GOING CONCERN**

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

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

These financial statements (the Financial Statements ) have been prepared on a going concern basis, which contemplates the realization of assets and the discharge of liabilities in the normal course of business for the foreseeable future. As at March 31, 2016, the Company had cash and cash equivalents of \$747,408, a working capital deficit, and a shareholders' deficiency.

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

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

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

**2. SIGNIFICANT ACCOUNTING POLICIES**

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

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**Amarc Resources Ltd.**

Notes to the Financial Statements

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

(Expressed in Canadian Dollars, unless otherwise stated)

*(a) Statement of compliance*

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

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

*(b) Basis of presentation*

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

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

*(c) Significant accounting estimates and judgments*

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

assessment of the Company's ability to continue as a going concern;

the determination of categories of financial assets and financial liabilities; and

the carrying value and recoverability of the Company's marketable securities.

*(d) Foreign currency*

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

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**Amarc Resources Ltd.**

Notes to the Financial Statements

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

(Expressed in Canadian Dollars, unless otherwise stated)

*(e) Financial Instruments*

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

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

Non-derivative financial assets

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

*(i) Loans and receivables*

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

Cash and cash equivalents

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

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

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

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



**Amarc Resources Ltd.**

Notes to the Financial Statements

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

(Expressed in Canadian Dollars, unless otherwise stated)

Marketable securities are classified as AFS financial assets.

Non-derivative financial liabilities

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

(i) *Financial liabilities measured at amortized cost*

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

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

Impairment of financial assets

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

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

significant financial difficulty of the issuer or counterparty; or

default or delinquency in interest or principal payments; or

it becoming probable that the borrower will enter bankruptcy or financial re-organization.

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

(f) *Exploration and evaluation expenditures*

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



**Amarc Resources Ltd.**

Notes to the Financial Statements

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

(Expressed in Canadian Dollars, unless otherwise stated)

Exploration and evaluation expenditures include:

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

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

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

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

*(g) Equipment*

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

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

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

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

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

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

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



**Amarc Resources Ltd.**

Notes to the Financial Statements

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

(Expressed in Canadian Dollars, unless otherwise stated)

*(h) Share capital*

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

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

*(i) Loss per share*

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

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

*(j) Share based payments*

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

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

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

*(k) Income taxes*

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

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**Amarc Resources Ltd.**

Notes to the Financial Statements

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

(Expressed in Canadian Dollars, unless otherwise stated)

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

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

The following temporary differences are not provided for:

goodwill not deductible for tax purposes;

the initial recognition of assets or liabilities that affect neither accounting nor taxable profit; and

differences relating to investments in subsidiaries, associates, and joint ventures to the extent that they will probably not reverse in the foreseeable future.

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

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

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

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

*(1) Restoration, rehabilitation, and environmental obligations*

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

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

The operations of the Company have been, and may in the future be, affected from time to time in varying degrees by changes in environmental regulations, including those for site restoration costs.

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**Amarc Resources Ltd.**

Notes to the Financial Statements

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

(Expressed in Canadian Dollars, unless otherwise stated)

Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

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

*(m) Operating segments*

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

*(n) Government assistance*

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

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

Accounting standards issued but not yet effective

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

Amendments to IAS 1, Presentation of Financial Statements

Amendments to IAS 16, Property, Plant and Equipment

Amendments to IAS 27, Separate Financial Statements

Amendments to IAS 28, Investments in Associates

Amendments to IAS 38, Intangible Assets

Amendments to IFRS 10, Consolidated Financial Statements

Amendments to IFRS 11, Joint Arrangements

Annual improvements to IFRS 2012 - 2014 Cycle ("AIP 2012-2014")

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

IFRS 9, Financial Instruments

IFRS 15, Revenue from Contracts with Customers

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

IFRS 16, Leases

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

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**Amarc Resources Ltd.**

Notes to the Financial Statements

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

(Expressed in Canadian Dollars, unless otherwise stated)

**3. CASH AND CASH EQUIVALENTS**

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

**4. RESTRICTED CASH**

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

**5. AMOUNTS RECEIVABLE AND OTHER ASSETS**

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

**6. EXPLORATION AND EVALUATION EXPENSES AND COST RECOVERIES***(a) Fiscal Year Ending March 31, 2016*

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

Cost recoveries

In September 2015 the Company announced that it has entered into an agreement (the "IKE Option Agreement") with Thompson Creek Metals Company Inc. (Thompson Creek) pursuant to which Thompson Creek may acquire, through a staged investment process within five years, a 30% ownership interest (Stage 1 Option) in mineral claims and crown grants covering the IKE copper- molybdenum-silver porphyry deposit and the surrounding district. Under the terms of the IKE Option Agreement, Thompson Creek also has an option to acquire an additional 20% interest in the IKE Project, subject to certain conditions, including the completion of a Feasibility Study.



**Amarc Resources Ltd.**

Notes to the Financial Statements

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

(Expressed in Canadian Dollars, unless otherwise stated)

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

For each \$5 million (the first \$5 million of funding completed after the reporting period) of project expenditures funded, Thompson Creek will incrementally earn a 10% ownership interest. Stage 1 Option expenditures can be accelerated by Thompson Creek at its discretion. Amarc will remain as operator during the Stage 1 earn-in period.

*(b) Fiscal Year Ending March 31, 2015*

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

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

*(c) Fiscal Year Ending March 31, 2014*

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

**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

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

**Amarc Resources Ltd.**

Notes to the Financial Statements

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

(Expressed in Canadian Dollars, unless otherwise stated)

**8. DIRECTOR S LOANS****Summary**

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

<b>Unsecured loans payable to a director</b>	March 31, 2016	March 31, 2015
Director s Loan current	\$ 1,000,000	\$ 1,000,000
Director s Loan non-current	234,849	
Total loans payable to director	\$ 1,234,849	\$ 1,000,000

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

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

**9. CAPITAL AND RESERVES***(a) Authorized share capital*

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





**Amarc Resources Ltd.**

Notes to the Financial Statements

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

(Expressed in Canadian Dollars, unless otherwise stated)

*(b) Issuance of common shares*

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

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

*(c) Share purchase option compensation plan*

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

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

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

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

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

*(d) Share Purchase Warrants*

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

**Amarc Resources Ltd.**

Notes to the Financial Statements

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

(Expressed in Canadian Dollars, unless otherwise stated)

**10. RELATED PARTY TRANSACTIONS***(a) Transactions with key management personnel*

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

Transactions with key management personnel were as follows:

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

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

*(b) Balances and transactions with related entities*

Pursuant to a management agreement between the Company and HDSI, the Company receives technical, geological, corporate communications, regulatory compliance, and administrative and management services from HDSI. HDSI also incurs third party costs on behalf of the Company.

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

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

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

**Amarc Resources Ltd.**

Notes to the Financial Statements

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

(Expressed in Canadian Dollars, unless otherwise stated)

**11. INCOME TAXES***(a) Provision for current tax*

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

*(b) Provision for deferred tax*

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

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

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

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

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

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

**Amarc Resources Ltd.**

Notes to the Financial Statements

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

(Expressed in Canadian Dollars, unless otherwise stated)

**12. SUPPLEMENTARY INFORMATION TO STATEMENT OF LOSS***(a) Employee salaries and benefits*

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

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

*(b) Office and administration expenses*

Office and administration expenses include the following:

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

**13. FINANCIAL RISK MANAGEMENT***(a) Capital management objectives*

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

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

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

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

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**Amarc Resources Ltd.**

Notes to the Financial Statements

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

(Expressed in Canadian Dollars, unless otherwise stated)

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

*(b) Carrying amounts and fair values of financial instruments*

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

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

*(c) Financial instrument risk exposure and risk management*

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

Credit risk

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

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

Liquidity risk

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

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

Interest rate risk

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

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**Amarc Resources Ltd.**

Notes to the Financial Statements

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

(Expressed in Canadian Dollars, unless otherwise stated)

Price risk

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

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

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

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**ITEM 19 EXHIBITS**

The following Exhibits have been filed with the Company's Annual Report on Form 20-F in previous years:

Exhibit Number Description of Exhibit

1.1	Articles of Amarc Resources Ltd., as amended <sup>(1)</sup>
4.1	Amended Share Option Plan of Amarc Resources Ltd. dated for reference September 21, 2004 <sup>(2)</sup>
4.2	Corporate Services Agreement between Amarc Resources Ltd. and Hunter Dickinson Services Inc. dated June 1, 2008 as superseded by the Services Agreement dated July 2, 2010. <sup>(2)</sup>
4.3	Certificate of Expert
11.1	Code of Ethics <sup>(2)</sup>

<sup>(1)</sup> Incorporated by reference to the Company's Annual Report on Form 20-F for the year ended March 31, 2010, filed with the Securities and Exchange Commission on September 30, 2010.

<sup>(2)</sup> Incorporated by reference to the Company's Annual Report on Form 20-F for the year ended March 31, 2008, filed with the Securities and Exchange Commission on October 7, 2008.

The following exhibits are included with this Annual Report on Form 20-F:

Exhibit Description of Exhibit  
Number

<u>12.1</u>	<u>Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
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12.2 Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

13.1 Certification of Chief Executive Officer pursuant to Rule 13a-14(b) of the Exchange Act and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes- Oxley Act of 2002

13.2 Certification of Chief Financial Officer pursuant to Rule 13a-14(b) of the Exchange Act and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes- Oxley Act of 2002

**SIGNATURES**

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this Annual Report on its behalf.

AMARC RESOURCES LTD.

*/s/ Luqman Khan*

Chief Financial Officer  
DATED: June 28, 2016

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