



AMARC RESOURCES LTD.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED
MARCH 31, 2019, 2018 and 2017

(Expressed in Canadian Dollars)

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Amarc Resources Ltd.,

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Amarc Resources Ltd. (“the Company”), which comprise the consolidated statements of financial position as at March 31, 2019 and 2018 and the consolidated statements of loss, comprehensive loss, changes in equity and cash flows for each of the years in the three year period ended March 31, 2019, and a summary of significant accounting policies and other explanatory information (collectively referred to as the “financial statements”).

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2019 and 2018 and its financial performance and its cash flows for each of the years in the three year period ended March 31, 2019, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Going Concern

Without modifying our opinion, we draw attention to Note 1 in the financial statements which indicates that there are material uncertainties that cast significant doubt about the going concern assumption. The Company has no current source of revenue, has incurred losses from inception and is dependent upon its ability to secure new sources of financing. 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. Management's plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement, whether due to fraud or error. The Company is not required to have, nor were we engaged to perform, an audit of internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

De Visser Gray LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
July 10, 2019

We have served as the Company's auditor since 1995.

Amarc Resources Ltd.

Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

	Note	March 31, 2019	March 31, 2018
ASSETS			
Current assets			
Cash	3	\$ 282,996	\$ 3,308,469
Amounts receivable and other assets	5	307,595	85,574
Marketable securities		35,067	57,461
		625,658	3,451,504
Non-current assets			
Restricted cash	4	173,143	173,143
		173,143	173,143
Total assets		\$ 798,801	\$ 3,624,647
LIABILITIES AND SHAREHOLDERS' (DEFICIENCY) EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	7	\$ 35,965	\$ 364,099
Advanced contributions received	6	189,021	1,102,714
Balances due to a related parties	10	222,933	148,877
Director's loan	8	893,800	-
		1,341,719	1,615,690
Non-current liabilities			
Director's loan	8	-	763,544
		-	763,544
Total liabilities		1,341,719	2,379,234
Shareholders' (deficiency) equity			
Share capital	9	64,041,556	63,884,056
Reserves	9	5,105,082	5,143,022
Accumulated deficit		(69,689,556)	(67,781,665)
		(542,918)	1,245,413
Total liabilities and shareholders' deficiency		\$ 798,801	\$ 3,624,647

Nature of operations and going concern (note 1)

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

/s/ Robert A. Dickinson

/s/ Scott D. Cousens

Robert A. Dickinson
Director

Scott D. Cousens
Director

Amarc Resources Ltd.

Consolidated Statements of Loss

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

	Note	Year ended March 31,		
		2019 (note 2(b))	2018 (note 2(b))	2017 (note 2(b))
Expenses				
Exploration and evaluation	10 & 12	\$ 5,390,102	\$ 7,381,916	\$ 3,574,342
Assays and analysis		354,492	224,233	123,199
Drilling		800,682	1,199,928	263,705
Equipment rental		103,425	73,629	24,003
Geological		1,295,699	1,508,855	817,983
Helicopter and fuel		934,727	1,519,029	568,658
Property costs and assessments		652,926	1,553,601	1,142,426
Site activities		963,826	905,971	367,000
Socioeconomic		192,517	310,389	237,781
Travel and accommodation		91,808	86,281	29,587
Administration	10 & 12	913,897	1,053,006	732,528
Legal, accounting and audit		33,106	190,132	34,720
Office and administration	12(b)	656,569	658,686	594,734
Shareholder communication		155,126	122,045	49,244
Travel and accommodation		32,891	36,170	14,316
Trust and regulatory		36,205	45,973	39,514
Cost recoveries		(4,538,604)	(6,892,331)	(3,581,109)
Pursuant to IKE agreements	6(a)	(1,645,196)	(3,244,596)	(2,932,597)
Pursuant to JOY agreement	6(b)	(2,893,408)	(2,952,141)	-
Mineral exploration tax credits		-	(695,594)	(648,512)
		1,765,395	1,542,591	725,761
Other items				
Interest income		(38,016)	(26,705)	(8,323)
Interest expense – director's loans	8	90,000	128,096	136,959
Transaction cost – director's loans	8	130,256	433,044	203,057
Foreign exchange (gain) loss		933	(4,093)	-
Gain on disposition of marketable securities		-	(667)	(14,806)
Loss		\$ 1,948,568	\$ 2,072,266	\$ 1,042,648
Basic and diluted loss per common share		\$ 0.01	\$ 0.01	\$ 0.01
Weighted average number of common shares outstanding		169,504,538	156,826,422	141,435,020

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

Amarc Resources Ltd.

Consolidated Statements of Comprehensive Loss

(Expressed in Canadian Dollars)

		Year ended March 31,		
	Note	2019	2018	2017
Loss		\$ 1,948,568	\$ 2,072,266	\$ 1,042,648
Other comprehensive (income) loss:				
Items that may be reclassified subsequently to profit and loss:				
Revaluation of marketable securities	2(e)	-	(28,949)	(22,870)
Reallocation of the fair value of marketable securities upon disposition	2(e)	-	956	14,806
Items that will not be reclassified subsequently to profit and loss:				
Revaluation of marketable securities	2(e)	(2,737)	-	-
Total other comprehensive (income) loss		(2,737)	(27,993)	(8,064)
Comprehensive loss		\$ 1,945,831	\$ 2,044,273	\$ 1,034,584

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

Amarc Resources Ltd.

Consolidated Statements of Changes in (Deficiency) Equity

(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, 2016		141,424,061	\$ 58,967,910	\$ 2,202,640	\$ 21,402	\$ 3,133,363	\$ (64,666,751)	\$ (341,436)
Net loss for the year		-	-	-	-	-	(1,042,648)	(1,042,648)
Other comprehensive loss for the year		-	-	-	8,064	-	-	8,064
Total comprehensive loss		-	-	-	8,064	-	(1,042,648)	(1,034,584)
Issuance of share purchase warrants	9(c)(i)	-	-	-	-	607,406	-	607,406
Exercise of share purchase warrants	9(c)(ii)	4,000,000	592,000	-	-	(232,000)	-	360,000
Balance at March 31, 2017		145,424,061	\$ 59,559,910	\$ 2,202,640	\$ 29,466	\$ 3,508,769	\$ (65,709,399)	\$ (408,614)
Balance at April 1, 2017		145,424,061	\$ 59,559,910	\$ 2,202,640	\$ 29,466	\$ 3,508,769	\$ (65,709,399)	\$ (408,614)
Net loss for the year		-	-	-	-	-	(2,072,266)	(2,072,266)
Other comprehensive loss for the year		-	-	-	27,993	-	-	27,993
Total comprehensive loss		-	-	-	27,993	-	(2,072,266)	(2,044,273)
Issuance of common shares pursuant to a private placement, net of issuance costs	9(c)	13,045,500	2,481,300	-	-	-	-	2,481,300
Issuance of common shares pursuant to property agreements	9(b)	3,761,111	677,000	-	-	-	-	677,000
Issuance of common shares pursuant to exercise of share purchase warrants	9(c)	6,555,555	540,000	-	-	-	-	540,000
Reallocation of share warrant reserve to share capital for exercised warrants	9(c)	-	625,846	-	-	(625,846)	-	-
Balance at March 31, 2018		168,786,227	\$ 63,884,056	\$ 2,202,640	\$ 57,459	\$ 2,882,923	\$ (67,781,665)	\$ 1,245,413
Balance at April 1, 2018		168,786,227	\$ 63,884,056	\$ 2,202,640	\$ 57,459	\$ 2,882,923	\$ (67,781,665)	\$ 1,245,413
Net loss for the year		-	-	-	-	-	(1,948,568)	(1,948,568)
Other comprehensive loss for the year		-	-	-	2,737	-	-	2,737
Total comprehensive loss		-	-	-	2,737	-	(1,948,568)	(1,945,831)
Adjustment of gain on disposition of marketable securities		-	-	-	(40,677)	-	40,677	-
Issuance of common shares pursuant to property agreements	9(b)	1,816,667	157,500	-	-	-	-	157,500
Balance at March 31, 2019		170,602,894	\$ 64,041,556	\$ 2,202,640	\$ 19,519	\$ 2,882,923	\$ (69,689,556)	\$ (542,918)

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

Amarc Resources Ltd.

Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

	Note	Year ended March 31,		
		2019 (note 2(b))	2018 (note 2(b))	2017 (note 2(b))
Operating activities				
Loss		\$ (1,948,568)	\$ (2,072,266)	\$ (1,042,648)
Adjustments for:				
Interest income		(38,016)	(26,705)	(8,323)
Interest expense – director's loans		90,000	128,096	136,959
Transaction cost – director's loans		130,256	433,044	203,057
Non-cash property payments		157,500	677,000	-
Gain on disposition of marketable securities		-	(667)	(14,806)
Changes in working capital items:				
Amounts receivable and other assets		(222,021)	(46,683)	78,515
Restricted cash		-	(60,328)	92,213
Accounts payable and accrued liabilities		(328,134)	349,258	(7,515)
Balances due to related parties		74,056	(26,460)	(5,139)
Advanced contributions (incurred) received – net		(913,693)	1,102,714	-
Net cash (used in) provided by operating activities		(2,998,620)	457,003	(567,687)
Investing activities				
Interest received		38,016	26,705	8,323
Proceeds from disposition of marketable securities		25,131	667	19,805
Net cash provided by investing activities		63,147	27,372	28,128
Financing activities				
Net proceeds from the issuance of common shares pursuant to a private placement	9(b)	-	2,481,300	-
Net proceeds from the issuance of common shares pursuant to exercise of share purchase warrants	9(b)	-	540,000	360,000
Proceeds from director's loans	8	-	-	600,000
Repayment of loans payable to director	8	-	(1,000,000)	(100,000)
Interest paid on director's loans	8	(90,000)	(128,096)	(136,959)
Net cash (used in) provided by financing activities		(90,000)	1,893,204	723,041
Net (decrease) increase in cash		(3,025,473)	2,377,579	183,482
Cash, beginning balance		3,308,469	930,890	747,408
Cash, ending balance		\$ 282,996	\$ 3,308,469	\$ 930,890
Supplementary cash flow information:				
Issuance of share purchase warrants pursuant to a loan agreement		\$ -	\$ -	\$ 607,406

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

AMARC RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the years ended March 31, 2019, 2018 and 2017

(Expressed in Canadian Dollars, unless otherwise stated)

1. NATURE OF OPERATIONS AND GOING CONCERN

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

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

These consolidated financial statements as at and for the year ended March 31, 2019 (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, 2019, the Company had cash of \$282,996, a working capital deficit, and a shareholders’ deficiency.

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 funding can be raised through financing activities. These factors indicate the existence of a material uncertainty that casts 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 may be necessary should the Company be unable to continue as a going concern.

AMARC RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the years ended March 31, 2019, 2018 and 2017

(Expressed in Canadian Dollars, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Statement of compliance

These Financial Statements have been prepared in accordance with 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, 2019.

The Board of Directors of the Company authorized these Financial Statements for issuance on July 10, 2019.

(b) Basis of presentation and consolidation

These Financial Statements have been prepared on a historical cost basis, except for certain financial instruments classified as fair value through other comprehensive income, which are reported at fair value. In addition, these Financial Statements have been prepared using the accrual basis of accounting, except for cash flow information.

These Financial Statements include the financial statements of the Company and its wholly-owned subsidiary, 1130346 B.C. Ltd. (the "Subco"), incorporated under the laws of BC. The Subco was incorporated for the purposes of entering into an option agreement (note 6(b)). As at March 31, 2019 and 2018, the Subco did not have any assets, liabilities, income or expenses. Intercompany balances and transactions are eliminated in full on consolidation.

(c) Significant accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and 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;

AMARC RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the years ended March 31, 2019, 2018 and 2017

(Expressed in Canadian Dollars, unless otherwise stated)

- 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 ("CAD").

Transactions in currencies other than the functional currency of the Company are recorded at the rates of exchange prevailing on the dates of transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates of exchange 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.

(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.

On April 1, 2018, the Company adopted IFRS 9, Financial Instruments ("IFRS 9"), which replaces IAS 39, Financial Instruments: Recognition and Measurement ("IAS 39") in its entirety. IFRS 9 provides a revised model for the recognition and measurement of financial instruments, and a single, forward-looking 'expected loss' impairment model. The Company has applied the changes in accounting policy retrospectively, however, in accordance with the transitional provisions in IFRS 9, comparative information has not been restated. The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies related to financial liabilities. The impact of IFRS 9 on the classification and measurement of financial assets is set out below.

IFRS 9 largely retains the existing requirements of IAS 39 for the classification and measurement of financial liabilities.

IFRS 9 eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables, and available-for-sale. Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income ("FVTOCI") (debt/equity investment); or, fair value through profit or loss ("FVTPL"). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not measured at FVTPL, transaction costs that are directly attributable to its acquisition. The directly attributable

AMARC RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the years ended March 31, 2019, 2018 and 2017

(Expressed in Canadian Dollars, unless otherwise stated)

transaction costs of a financial asset classified at FVTPL are expensed in the period in which they are incurred.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and,
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These financial assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses, and impairment losses are recognized in profit or loss. Any gain or loss on the derecognition of the financial asset is recognized in profit or loss.

Financial assets measured at fair value through other comprehensive income

A debt investment is measured at FVTOCI if it meets both the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and,
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On the initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income ("OCI"). This election is made on an investment-by-investment basis.

Debt investments measured at FVTOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses, and impairment are recognized in profit or loss. Other net gains and losses are measured in OCI. On de-recognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments measured at FVTOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

AMARC RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the years ended March 31, 2019, 2018 and 2017

(Expressed in Canadian Dollars, unless otherwise stated)

Financial assets measured at fair value through profit or loss

All financial assets not classified as measured at amortized cost or measured at FVTOCI, as described above, are measured at FVTPL; this includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or measured at FVTOCI as FVTPL if doing so eliminates, or significantly reduces, an accounting mismatch that would otherwise arise.

These financial assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

On the date of initial application, April 1, 2018, the financial instruments of the Company are detailed as follows, with any reclassification noted:

	Measurement basis		Carrying amount		
	Original (IAS 39)	New (IFRS 9)	Original (IAS 39)	New (IFRS 9)	Difference Gain / (loss)
Current financial assets					
Cash	Amortized cost	Amortized cost	\$ 3,308,469	\$ 3,308,469	\$ -
Amounts receivable	Amortized cost	Amortized cost	85,574	85,574	-
Marketable securities	Available-for-sale	FVTOCI ¹	57,461	57,461	-
Non-current financial assets					
Restricted cash	Amortized cost	Amortized cost	\$ 173,143	\$ 173,143	\$ -
Current financial liabilities					
Accounts payable and accrued liabilities	Amortized cost	Amortized cost	\$ 364,099	\$ 364,099	\$ -
Advanced contributions received	Amortized cost	Amortized cost	1,102,714	1,102,714	-
Balance due to a related party	Amortized cost	Amortized cost	148,877	148,877	-
Non-current financial liabilities					
Directors' loan	Amortized cost	Amortized cost	\$ 763,544	\$ 763,544	\$ -
					\$ -

1 Upon initial adoption of IFRS 9 on April 1, 2018, the Company has designated its marketable securities as measured at FVTOCI.

AMARC RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the years ended March 31, 2019, 2018 and 2017

(Expressed in Canadian Dollars, unless otherwise stated)

(f) Revenue

On April 1, 2018, the Company adopted IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15"). IFRS 15 supersedes IAS 11, *Construction Contracts*; IAS 18, *Revenue*; IFRIC 13, *Customer Loyalty Programs*; IFRIC 15, *Agreements for the Construction of Real Estate*; IFRIC 18, *Transfer of Assets from Customers*; and, SIC 31, *Revenue – Barter Transactions Involving Advertising Services*.

IFRS 15 establishes a single, five-step model framework for determining the nature, amount, timing and certainty of revenue and cash flows arising from a contract with a customer.

The adoption of IFRS 15, applied retrospectively, did not have a material impact on the Company's financial statements.

(g) 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.

Exploration and evaluation expenditures include:

- costs associated with the acquisition of licences;
- costs associated with the acquisition of exploration and evaluation assets, including mineral properties; and,
- costs associated with exploration and evaluation activities.

Exploration and evaluation costs are generally expensed as incurred 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. 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 the 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 mineral property interests where no further work is planned by the Company may, for presentation purposes only, be carried at nominal amounts.

(h) Equipment

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

AMARC RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the years ended March 31, 2019, 2018 and 2017

(Expressed in Canadian Dollars, unless otherwise stated)

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

Depreciation is provided at rates calculated to expense the cost of the 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 account for separately, including major inspection and overhaul expenditures, are capitalized.

As at March 31, 2019, all equipment had been fully depreciated. The Company did not purchase any equipment during the year ended March 31, 2019.

(i) Share capital

Common shares of the Company 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.

(j) Loss per share

Loss per share is computed by dividing the 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 computed diluted loss per share.

AMARC RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the years ended March 31, 2019, 2018 and 2017

(Expressed in Canadian Dollars, unless otherwise stated)

(k) Share based payments

The share purchase option plan allows employees and consultants of the Company 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 the share based payment reserve in equity. An individual is classified as an employee when the individual is an employee for legal and 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 and 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 instrument granted at the date the entity obtains the goods or the counterparty renders the service.

(l) 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.

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.

AMARC RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the years ended March 31, 2019, 2018 and 2017

(Expressed in Canadian Dollars, unless otherwise stated)

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, 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.

(m) 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 method or the straight-line method. The corresponding liability is progressively increased as the effect of discounting unwinds, creating an expense recognized in profit or loss.

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

The Company has no material restoration, rehabilitation and environmental obligations as at March 31, 2019.

(n) Operating segments

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

AMARC RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the years ended March 31, 2019, 2018 and 2017

(Expressed in Canadian Dollars, unless otherwise stated)

(o) Government assistance

When the Company is entitled to receive the BC Mineral Exploration Tax Credit (“BCMETC”) and other government grants, this government assistance is recognized as a cost recovery when there is reasonable assurance of recovery.

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

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

- IFRS 16, *Leases*
- IFRIC 23, *Uncertainty over Income Tax Treatments*

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

3. CASH

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

4. RESTRICTED CASH

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

5. AMOUNTS RECEIVABLE AND OTHER ASSETS

	March 31, 2019	March 31, 2018
Sales tax refundable	\$ 7,304	\$ 43,019
Contributions receivable (note 6(a) and 6(b))	300,291	-
Prepaid insurance	-	42,555
Total	\$ 307,595	\$ 85,574

AMARC RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the years ended March 31, 2019, 2018 and 2017

(Expressed in Canadian Dollars, unless otherwise stated)

6. EXPLORATION AND EVALUATION EXPENSES AND COST RECOVERIES

Below is a summary of the Company's major exploration projects on the basis of where the Company is currently incurring the majority of its exploration work.

(a) IKE Project

The IKE Project is located in south-central BC. In July 2017, the Company announced that it had entered into a Mineral Property Farm-In Agreement (the "IKE Agreement") with Hudbay Minerals Inc. ("Hudbay") pursuant to which Hudbay may acquire, through a staged investment process, up to a 60% ownership interest in the IKE Project.

The Company initially records the amounts of contributions received or receivable from Hudbay pursuant to the IKE Agreement as a liability (Advanced contributions received) in the Consolidated Statements of Financial Position, and subsequently recognizes amounts as cost recoveries in the Consolidated Statements of Loss as the Company incurs related expenditures.

During the year ended March 31, 2019, the Company recorded a gross amount of cost recovery of \$1,645,196 (2018 - \$3,244,596) offsetting the expenditures incurred pursuant to the IKE Agreement.

In January 2019, the Company announced that Hudbay had relinquished its option to earn an interest in the IKE Project. Pursuant to the IKE Agreement, Hudbay has advanced to the Company \$92,240 for estimated post-termination obligations outstanding at March 31, 2019. The amount has been recorded within the current balance of Advanced contributions received on the Consolidated Statements of Financial Position and will subsequently be recognized as a cost recovery on the Consolidated Statements of Loss as the Company incurs related expenditures. As a result of the termination, the Company maintains a 100% interest in the IKE Project.

Certain claims within the IKE Project carry an NSR royalty obligation of 1%, subject to a \$2 million cap and with the Company able to purchase the royalty at any time by payment of the same amount. These claims carry an additional NSR of 2%, subject to the Company retaining the right to purchase up to the entire royalty amount by the payment of up to \$4 million. The Company has also agreed to make annual advance royalty payments of \$25,000 to the holders of the 2% NSR royalty interest and, upon completion of a positive feasibility study, to issue to these same parties 500,000 common shares.

Other claims within the project are subject to a 2% NSR royalty which can be purchased for \$2 million and 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.

The entire project is subject to a 1% NSR royalty capped at a total of \$5 million.

AMARC RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the years ended March 31, 2019, 2018 and 2017

(Expressed in Canadian Dollars, unless otherwise stated)

(b) JOY Project

The JOY Project, located in north-central BC, comprises the JOY and PINE properties, and certain adjacent claims (the “Staked Claims”) acquired directly by the Company. In November 2016, the Company entered into a purchase agreement with a private company wholly-owned by one of its directors (note 10(c)) to purchase 100% of the JOY property for the reimbursement of the vendor’s direct acquisition costs of \$335,299. The property is subject to an underlying NSR royalty held by a former owner which is capped at \$3.5 million.

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

The Company initially records the amounts of contributions received or receivable from Hudbay pursuant to the JOY Agreement as a liability (Advanced contributions received) in the Consolidated Statements of Financial Position, and subsequently reallocates amounts to cost recoveries in the Consolidated Statements of Loss as the Company incurs related expenditures.

During the year ended March 31, 2019, the Company recorded a gross amount of cost recovery of \$2,893,408 (2018 – \$2,952,141) offsetting the expenditures incurred pursuant to the JOY Agreement.

In January 2019, the Company announced that Hudbay had relinquished its option to earn an interest in the JOY Project. Pursuant to the JOY Agreement, Hudbay has advanced to the Company \$96,781 for estimated post-termination obligations outstanding at March 31, 2019. The amount has been recorded within the March 31, 2019 balance of advanced contributions received on the Consolidated Statements of Financial Position and will subsequently be recognized as a cost recovery on the Consolidated Statements of Loss as the Company incurs the related expenditures. As a result of the termination, the Company maintains a 100% interest in the JOY Project.

In addition, the Company concluded agreements with each of Gold Fields Toodoggone Exploration Corporation (“GFTEC”) and Cascadero Copper Corporation (“Cascadero”) in mid-2017 pursuant to which the Company can purchase 100% of the PINE property.

During the year ended March 31, 2019, the Company completed its acquisition of a 49% interest in the PINE property by making cash payments of \$300,000 (2018 – \$700,000) and issuing 300,000 common shares (2018 – 650,000 common shares) to Cascadero. The Company maintains the option to acquire GFTEC’s 51% interest by agreeing to incur up to \$2.75 million in exploration expenditures on the project prior to August 2021 (100% incurred to date). GFTEC will retain a 2.5% net profits interest royalty (“NPI”) on mineral claims comprising approximately 96% of the property which are subject to a net smelter return royalty payable to a former owner (“Underlying NSR”), and a 1% net smelter returns royalty (“NSR”) on the balance of the claims that are not subject to the Underlying NSR. The NPI can be reduced to 1.25% at any time through the payment to GFTEC of \$2.5 million in cash or shares. The NSR can be reduced to 0.50% through the payment to GFTEC of an additional \$2.5 million in cash or shares. If the Company does not exercise the option or terminates the GFTEC Agreement at any time during the four-year option period, then it may be required to make a termination payment to GFTEC. The level of

AMARC RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the years ended March 31, 2019, 2018 and 2017

(Expressed in Canadian Dollars, unless otherwise stated)

termination payment, if any, varies with the year of termination and the amount of any exploration expenditures completed, from a low of no payment to an absolute maximum of \$1,375,000 in the event that no exploration work is done by the Company.

The PINE property is subject to a 3% underlying NSR royalty payable to a former owner. The Company has reached an agreement with the former owner to cap the 3% NSR at \$5 million payable from production for consideration totaling \$100,000 and 300,000 common shares payable in stages through to January 31, 2019. In the current year, the Company made cash payments of \$50,000 (2018 – \$50,000) and issued 50,000 common shares (2018 – 50,000 common shares).

(c) DUKE Project

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

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2019	March 31, 2018
Accounts payable	\$ 35,965	\$ 364,099
Total	\$ 35,965	\$ 364,099

8. DIRECTOR'S LOANS

	March 31, 2019	March 31, 2018
Opening balance	\$ 763,544	\$ 1,330,500
Repayments	-	(1,000,000)
Amortization of transaction costs	130,256	433,044
Closing balance	\$ 893,800	\$ 763,544

	March 31, 2019	March 31, 2018
Current portion	\$ 893,800	\$ -
Non-current portion	-	763,544
Total	\$ 893,800	\$ 763,544

AMARC RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the years ended March 31, 2019, 2018 and 2017

(Expressed in Canadian Dollars, unless otherwise stated)

Finance expenses	For the year ended March 31,		
	2019	2018	2017
Interest on director's loan	\$ 90,000	\$ 128,096	\$ 136,959
Amortization of transaction costs	130,256	433,044	203,057
	\$ 220,256	\$ 561,140	\$ 340,016

As at March 31, 2019, one unsecured loan owing to a director of the Company (the "Lender"), advanced to the Company in November 2016 (note 8(a)), was outstanding with a principal sum of \$1,000,000.

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

The key terms of the underlying agreements for each loan outstanding during the period are summarized below:

(a) 2016 loan agreement

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

Pursuant to the 2016 Loan, the Company issued to the Lender a loan bonus comprising of 10,000,000 common share purchase warrants with an expiry term of three years and an exercise price of \$0.08 per share (note 9(c)(i)).

During the year ended March 31, 2018, \$500,000 of the 2016 Loan was repaid to the Lender, leaving a balance outstanding of \$1,000,000.

(b) 2015 loan agreement

In September 2015, the Company entered into a loan agreement (the "2015 Loan") with the Lender pursuant to which the Lender advanced to the Company a principal sum of \$500,000 with a maturity term of two-year and at an interest rate of 7% per annum.

AMARC RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the years ended March 31, 2019, 2018 and 2017

(Expressed in Canadian Dollars, unless otherwise stated)

Pursuant to the 2015 Loan, the Company issued to the Lender a loan bonus comprising of 5,555,555 common share purchase warrants with an expiry term of two years and an exercise price of \$0.09 per share (note 9(c)(ii))

The 2015 Loan was fully repaid in September 2017.

9. SHARE CAPITAL AND RESERVES

(a) Authorized and outstanding share capital

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

As at March 31, 2019, there were 170,602,894 Common Shares issued and outstanding (March 31, 2018 - 168,786,227).

(b) Issued share capital

During the year ended March 31, 2019, the Company issued 1,816,667 Common Shares pursuant to property agreements (note 6(b)).

During the year ended March 31, 2018, the Company issued 3,761,111 Common Shares pursuant to property agreements (note 6(b)).

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

In September 2017, the Company issued 6,555,555 Common Shares pursuant to the exercise of share purchase warrants (note 9(c)).

(c) Share purchase warrants

The following common share purchase warrants were outstanding at March 31, 2019 and 2018:

	Exercise price	March 31, 2019	March 31, 2018
Issued pursuant to the 2016 Loan ⁽ⁱ⁾	\$ 0.08	5,000,000	5,000,000
Total		5,000,000	5,000,000

AMARC RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the years ended March 31, 2019, 2018 and 2017

(Expressed in Canadian Dollars, unless otherwise stated)

(i) 2016 loan warrants

In November 2016, 10,000,000 share purchase warrants were issued pursuant to the 2016 Loan (note 8(a)). The fair value of these warrants at issue was determined to be \$607,406 at \$0.06 per warrant using the Black-Scholes model and based on the following assumptions: risk-free rate of 0.79%; expected volatility of 135%; underlying market price of \$0.08; expiry term of 3 years; and, dividend yield of nil.

In September 2017, 5,000,000 of these warrants were exercised leaving 5,000,000 of these warrants outstanding.

(ii) 2015 loan warrants

In September 2015, 5,555,555 share purchase warrants were issued pursuant to the 2015 Loan (note 8(b)). The fair value of these warrants at issue was determined to be \$322,143 at \$0.06 per warrant using the Black-Scholes model and based on the following assumptions: risk-free rate of 0.51%; expected volatility of 130%; underlying market price of \$0.09; expiry term of 2 years; and, dividend yield of nil.

In 2017, these warrants were exercised.

10. RELATED PARTY TRANSACTIONS

Balances due to related parties	March 31, 2019	March 31, 2018
Hunter Dickinson Services Inc.	\$ 214,179	\$ 148,877
United Mineral Services Ltd.	8,754	-
Total	\$ 222,933	\$ 148,877

(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 the directors of the Company.

Note 8 includes the details of a director's loan. Note 6(b) and 6(c) includes the details of the acquisition of mineral property interests from a private entity wholly-owned by one of the directors of the Company.

During the year ended March 31, 2019 and 2018, the Company's President, Chief Executive Officer and Director, Chief Financial Officer, and Corporate Secretary provided services to the Company under a

AMARC RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the years ended March 31, 2019, 2018 and 2017

(Expressed in Canadian Dollars, unless otherwise stated)

service agreement with Hunter Dickinson Services Inc. (note 10(b)). There were no other transactions with KMP during the years ended March 31, 2019 and 2018.

(b) Hunter Dickinson Services Inc.

Hunter Dickinson Inc. (“HDI”) and its wholly-owned subsidiary Hunter Dickinson Services Inc. (“HDSI”) are private companies established by a group of mining professionals. HDSI provides contract services for a number of mineral exploration and development companies, and also to companies that are outside of the mining and mineral development space. Amarc is one of the publicly-listed companies for which HDSI provides a variety of contract services.

The Company has one director in common with HDSI, namely Robert Dickinson. In addition, the Company’s President, Chief Executive Officer and Director, Chief Financial Officer, and Corporate Secretary are employees of HDSI and work for the Company under an employee secondment arrangement between the Company and HDSI.

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

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

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

Transactions with HDSI <i>(rounded to the nearest thousand CAD)</i>	For the years ended March 31,		
	2019	2018	2017
Services received from HDSI and as requested by the Company	\$ 1,620,000	\$ 1,419,000	\$ 1,042,000
Information technology – infrastructure and support services	60,000	60,000	60,000
Reimbursement, at cost, of third-party expenses incurred by HDSI on behalf of the Company	63,000	139,000	35,000
Total	\$ 1,743,000	\$ 1,618,000	\$ 1,137,000

AMARC RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the years ended March 31, 2019, 2018 and 2017

(Expressed in Canadian Dollars, unless otherwise stated)

(c) *United Mineral Services Ltd.*

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

During the year ended March 31, 2017, the Company acquired from UMS a 100% interest in two mineral property interests, namely JOY (note 6(b)) and DUKE (note 6(c)), for aggregate acquisition costs of \$504,295.

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

Transactions with UMS (rounded to the nearest thousand CAD)	For the years ended March 31,		
	2019	2018	2017
Acquisition of mineral property interests	\$ -	\$ -	\$ 504,000
Services received from UMS and as requested by the Company	36,000	18,000	-
Reimbursement of third-party expenses incurred by UMS on behalf of the Company	19,000	9,000	18,000
Total	\$ 55,000	\$ 27,000	\$ 522,000

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.

At March 31, 2019, the Company had unused non-capital loss carry forwards of approximately \$8.8 million (March 31, 2018 - \$12.0 million; March 31, 2017 - \$15.3 million).

At March 31, 2019, the Company had resource tax pools of approximately \$30.6 million (March 31, 2018 - \$26.9 million; March 31, 2017 - \$23.8 million) available in Canada, which may be carried forward and utilized to offset future taxes related to certain resource income.

AMARC RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the years ended March 31, 2019, 2018 and 2017

(Expressed in Canadian Dollars, unless otherwise stated)

(c) Reconciliation of effective tax rate

	March 31, 2019	March 31, 2018
Loss for the year	\$ (1,948,568)	\$ (2,072,266)
Total income tax expense	-	-
Loss excluding income tax	(1,948,568)	(2,072,266)
Income tax recovery using the Company's tax rate	(526,000)	(544,000)
Non-deductible expenses and other	404,000	561,000
Change in deferred tax rates	-	(394,000)
Temporary difference booked to reserve	(3,000)	4,000
Deferred income tax assets not recognized	125,000	373,000
	\$ -	\$ -

The Company's statutory tax rate was 27% (2018 - 26.25%; 2017 - 26%) and its effective tax rate is nil (2018 - nil; 2017 - nil).

(d) Deductible temporary differences

At March 31, 2019, the Company had the following deductible temporary differences for which no deferred tax asset was recognized:

Expiry	Tax losses (capital)	Tax losses (non-capital)	Resources pools	Other
Within one year	\$ -	\$ -	\$ -	\$ -
One to five years	-	-	-	63,000
After five years	-	8,833,000	-	1,011,000
No expiry date	1,356,000	-	30,599,000	77,000
	\$ 1,356,000	\$ 8,833,000	\$ 30,599,000	\$ 1,151,000

AMARC RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the years ended March 31, 2019, 2018 and 2017

(Expressed in Canadian Dollars, unless otherwise stated)

12. SUPPLEMENTARY INFORMATION TO THE CONSOLIDATED STATEMENTS OF LOSS

(a) Employees' salaries and benefits

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

Employees' salaries and benefits (rounded to the nearest thousand CAD)	For the years ended March 31,		
	2019	2018	2017
Salaries and benefits included in the following:			
Exploration and evaluation expenses	\$ 1,268,000	\$ 1,094,000	\$ 676,000
Administration expense ¹	571,000	629,000	478,000
Total	\$ 1,839,000	\$ 1,723,000	\$ 1,154,000

1 This amount includes salaries and benefits included in office and administration expenses (note 12(b)) as well as other salaries and benefits expenses classified as administration expenses.

(b) Office and administration expenses

Office and administration expenses include the following:

Office and administration expenses (rounded to the nearest thousand CAD)	For the years ended March 31,		
	2019	2018	2017
Salaries and benefits	\$ 501,000	\$ 470,000	\$ 445,000
Insurance	74,000	111,000	79,000
Data processing and retention	60,000	61,000	61,000
Other office expenses	22,000	17,000	10,000
Total	\$ 657,000	\$ 659,000	\$ 595,000

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 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

AMARC RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the years ended March 31, 2019, 2018 and 2017

(Expressed in Canadian Dollars, unless otherwise stated)

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, which are readily convertible into known amounts of cash.

The Company is not subject to any imposed equity requirements.

There were no changes to the Company's approach to capital management during the year ended March 31, 2019.

(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, 2019 and 2018, 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, and 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 amounts receivable and other assets. The carrying values of these financial assets represent the Company's maximum exposure to credit risk.

The Company limits the exposure to credit risk by only investing its cash in 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.

AMARC RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the years ended March 31, 2019, 2018 and 2017

(Expressed in Canadian Dollars, unless otherwise stated)

The Company has sufficient cash 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. The Company's policy is to invest cash at variable rates of interest and cash reserves are to be maintained in cash in order to maintain liquidity, while achieving a satisfactory return for shareholders. Fluctuations in interest rates when cash matures impact interest income earned.

As at March 31, 2019 and 2018, the Company's exposure to interest rate risk was nominal.

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.

As at March 31, 2019 and 2018, the Company's exposure to price risk was not significant in relation to these Financial Statements.