



AMARC RESOURCES LTD.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED
MARCH 31, 2020, 2019 and 2018

(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, 2020 and 2019 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, 2020, and a summary of significant accounting policies and other explanatory information (collectively referred to as the “financial statements”).

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2020 and 2019 and its financial performance and its cash flows for each of the years in the three year period ended March 31, 2020, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. Without modifying our opinion, we draw attention to Note 1 in the consolidated financial statements which indicates that 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 as to 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 consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.



CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
July 27, 2020

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, 2020	March 31, 2019
ASSETS			
Current assets			
Cash	3	\$ 249,183	\$ 282,996
Amounts receivable and other assets	5	83,378	307,595
Marketable securities		18,356	35,067
		350,917	\$ 625,658
Non-current assets			
Restricted cash	4	178,143	173,143
Total assets		\$ 529,060	\$ 798,801
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	7	\$ 100,075	35,965
Advanced contributions received	6	-	189,021
Balances due to related parties	10	591,979	222,933
Director's loan	8	300,000	893,800
		992,054	1,341,719
Non-current liabilities			
Director's loan	8	512,119	-
Total liabilities		1,504,173	1,341,719
Shareholders' equity			
Share capital	9	64,341,556	64,041,556
Reserves	9	5,631,897	5,105,082
Accumulated deficit		(70,948,566)	(69,689,556)
		(975,113)	(542,918)
Total liabilities and shareholders' equity		\$ 529,060	\$ 798,801

Nature of operations and going concern (note 1)

Events after the reporting period (note 14)

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)

	Note	Year Ended March 31		
		2020 (note 2(b))	2019 (note 2(b))	2018 (note 2(b))
Expenses	10,12			
Exploration and evaluation		\$ 1,637,479	\$ 5,390,102	\$ 7,381,916
Assays and analysis		130,666	354,492	224,233
Drilling		-	800,682	1,199,928
Equipment rental		4,350	103,425	73,629
Geological, including geophysical		693,016	1,295,699	1,508,855
Helicopter and fuel		25,064	934,727	1,519,029
Property acquisition and assessments costs		428,959	652,926	1,553,601
Site activities		178,443	963,826	905,971
Socioeconomic		156,713	192,517	310,389
Travel and accommodation		20,268	91,808	86,281
Administration		855,869	913,897	1,053,006
Legal, accounting and audit		161,450	33,106	190,132
Office and administration	12(b)	550,534	656,569	658,686
Shareholder communication		84,608	155,126	122,045
Travel and accommodation		14,179	32,891	36,170
Trust and regulatory		45,098	36,205	45,973
Equity-settled share-based compensation		42,124	-	-
Cost recoveries	6	(1,491,626)	(4,538,604)	(6,892,331)
Pursuant to IKE agreements	6(a)		(1,645,196)	(3,244,596)
Pursuant to JOY agreement	6(b)		(2,893,408)	(2,952,141)
		1,043,846	1,765,395	1,542,591
Other items				
Finance income		(5,558)	(38,016)	(26,705)
Interest expense – director's loans	8	105,630	90,000	128,096
Transaction cost – director's loans	8	108,768	130,256	433,044
Foreign exchange loss		848	933	(4,093)
Gain on disposition of marketable securities		-	-	(667)
Net loss		\$ 1,253,534	\$ 1,948,568	\$ 2,072,266
Basic and diluted loss per common share		\$ 0.01	\$ 0.01	\$ 0.01
Weighted average number of common shares outstanding		171,767,287	169,504,538	156,826,422

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,		
	2020	2019	2018
Net loss	\$ 1,253,534	\$ 1,948,568	\$ 2,072,266
Other comprehensive loss:			
Items that may be reclassified subsequently to profit and loss:			
Revaluation of marketable securities	-	-	(28,949)
Reallocation of the fair value of marketable securities upon disposition	-	-	956
Items that will not be reclassified subsequently to profit and loss:			
Revaluation of marketable securities	11,234	(2,737)	-
Total other comprehensive loss	11,234	(2,737)	(27,993)
Comprehensive loss	\$ 1,264,768	\$ 1,945,831	\$ 2,044,273

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, 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)
Balance at April 1, 2019		170,602,894	\$ 64,041,556	\$ 2,202,640	\$ 19,519	\$ 2,882,923	\$ (69,689,556)	\$ (542,918)
Net loss for the year		-	-	-	-	-	(1,253,534)	(1,253,534)
Other comprehensive loss for the year		-	-	-	(11,234)	-	-	(11,234)
Total comprehensive loss		-	-	-	(11,234)	-	(1,253,534)	(1,264,768)
Issuance of share purchase warrants	9(c)	-	-	-	-	490,449	-	490,449
Issuance of common shares pursuant to property agreements	9(b)	5,000,000	300,000	-	-	-	-	300,000
Equity-settled share-based compensation	9(b)	-	-	42,124	-	-	-	42,124
Gain on disposition of equity investments at FVTOCI		-	-	-	5,476	-	(5,476)	-
Balance at March 31, 2020		175,602,894	64,341,556	2,244,764	13,761	3,373,372	(70,948,566)	(975,113)

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,		
		2020 (note 2(b))	2019 (note 2(b))	2018 (note 2(b))
Operating activities				
Loss for the period		\$ (1,253,534)	\$ (1,948,568)	\$ (2,072,266)
Adjustments for:				
Finance income		(5,558)		
Interest expense – director's loans	8	105,630	(38,016)	(26,705)
Transaction cost – director's loans	8	108,768	90,000	128,096
Non-cash property payments		300,000	130,256	433,044
Equity-settled share-based compensation		42,124	157,500	677,000
Gain on disposition of marketable securities		-	-	(667)
Changes in working capital items				
Amounts receivable and other assets		224,217	(222,021)	(46,683)
Restricted cash		(5,000)	-	(60,328)
Accounts payable and accrued liabilities		64,111	(328,134)	349,258
Advanced contributions received	6	(189,021)	74,056	(26,460)
Balances due to related parties		289,320	(913,693)	1,102,714
Net cash provided by (used in) operating activities		(318,943)	(2,998,620)	457,003
Investing activities				
Proceeds from disposition of marketable securities		5,476	38,016	26,705
Interest received		5,558	25,131	667
Net cash provided by investing activities		11,034	63,147	27,372
Financing activities				
Net proceeds from issuance of common shares pursuant to a private placement	9(b)	-	-	2,481,300
Net proceeds from issuance of common shares pursuant to exercise of share purchase warrants	9(d)	-	-	540,000
Proceeds from director's loan	8	675,000	-	-
Repayment of director's loans	8	(375,000)	-	(1,000,000)
Interest paid on director's loans	8	(25,904)	(90,000)	(128,096)
Net cash provided by (used in) financing activities		274,096	(90,000)	1,893,204
Net increase (decrease) in cash		(33,813)	(3,025,473)	2,377,579
Cash, beginning balance		282,996	3,308,469	930,890
Cash, ending balance	3	\$ 249,183	\$ 282,996	\$ 3,308,469
Supplementary cash flow information:				
Issuance of shares pursuant to mineral property acquisition		\$ 300,000	\$ -	\$ -
Issuance of share purchase warrants pursuant to a loan agreement		\$ 490,449	\$ -	\$ -

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, 2020, 2019 and 2018

(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, 2020 (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, 2020, the Company had cash of \$249,183, a working capital deficiency of (\$641,137), and accumulated deficit of \$70,948,566.

These material uncertainties cast significant doubt on the ability of the Company to continue as a going concern.

Management believes that it is able to maintain its core mineral rights in good standing for the next 12 month period. The Company is continually seeking opportunities for additional funding and has reasonable expectation that it will succeed in raising additional funds when necessary. However, there can be no assurance that the Company will obtain the required additional financial resources or achieve positive cash flows. If the Company is unable to obtain adequate additional financing, it will need to curtail its expenditures further until additional funds can be raised through financing activities.

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

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Notes to the Consolidated Financial Statements

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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, 2020.

The Board of Directors of the Company authorized these Financial Statements for issuance on July 27, 2020.

(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, 2020 and 2019, the Subco did not have any assets, liabilities, income or expenses. Intercompany balances and transactions are eliminated in full on consolidation.

(c) Changes in Accounting Standards

New and amended IFRS standards that are effective for the current year:

IFRS 16, Leases ("IFRS 16")

The Company adopted IFRS 16 effective January 1, 2019, using the modified retrospective approach and therefore comparative information for the 2018 reporting period has not been restated and continues to be reported under IAS 17, Leases, and IFRIC 4, Determining whether an Arrangement Contains a Lease, as permitted under the specific transitional provisions in the standard.

IFRS 16 introduces a single, on-balance sheet accounting model for lessees. As a result, a lessee would recognize a right-of-use assets ("ROU Assets"), representing its rights to use the underlying assets, and lease liabilities, representing its obligation to make lease payments.

AMARC RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the years ended March 31, 2020, 2019 and 2018

(Expressed in Canadian Dollars, unless otherwise stated)

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less, and leases of low-value assets. For these leases, the Company recognizes the lease payments as an expense in loss (income) on a straight-line basis over the term of the lease.

The Company does not have long-term leases and has not recognized a lease liability and a right-of-use asset.

(d) Significant accounting estimates and judgements

The preparation of the consolidated 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 impacts of such estimates are pervasive throughout the consolidated 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. Specific areas where significant estimates or judgments exist are:

- 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.

(e) 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.

(f) Financial instruments

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

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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.

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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.

(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.

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.

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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, 2020, all equipment had been fully depreciated. The Company did not purchase any equipment during the year ended March 31, 2020.

(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.

(k) Equity-settled 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 payments reserve in equity. An individual is

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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.

(1) 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.

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.

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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, 2020.

(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.

(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.

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(p) Recent accounting pronouncements not yet effective

The following are accounting standards anticipated to be effective January 1, 2020 or later:
Amendments to IAS 1 and IAS 8: Definition of Material

In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.' The amendments to the definition of material are not expected to have a significant impact on the Company's consolidated 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, 2020	March 31, 2019
Sales tax refundable	\$16,858	\$ 7,304
Contributions receivable (note 6(a) and 6(b))	-	300,291
Prepaid insurance	66,520	-
Total	\$ 83,378	\$ 307,595

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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 and is comprised of the IKE, Granite, Galore and Juno Properties. 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 would acquire, through a staged investment process, up to a 60% ownership interest in the IKE Project.

The Company initially recorded 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 recognized amounts as cost recoveries in the Consolidated Statements of Loss as the Company incurred the related expenditures.

In January 2019, the Company announced that Hudbay had relinquished its option to earn an interest in the IKE Project. As a result of the termination, the Company maintains a 100% interest in the IKE Project.

The IKE Property claims carry a Net Smelter Return ("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 royalty 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 \$50,000 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.

The Granite Property claims are subject to a 2% NSR royalty which can be purchased for \$2 million. In addition there is an underlying 2.5% NSR royalty on certain mineral claims within the Granite Property, 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 from mine production capped at a total of \$5 million.

(b) *JOY Project*

The JOY Project, located in north-central BC, comprises the JOY and PINE Properties, and also 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

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process, up to 60% ownership in the JOY Property. This was later amended to include the PINE Property and Staked Claims, collectively 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.

In January 2019, the Company announced that Hudbay had relinquished its option to earn an interest in the JOY Project. 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.

In October 2018, Amarc acquired a 100% interest in Cascadero's 49% interest in the PINE Property by completing total cash payments of \$1,000,000 and issuing 5,277,778 common shares.

In November 2019 Amarc entered into a purchase agreement with two prospectors to acquire 100% of a single mineral claim, called the Paula property, located internal to the wider JOY Project tenure. The claim is subject to a 1% NSR royalty payable from commercial production that is capped at \$0.5 million.

In December 2019, the Company amended the GFTEC Agreement to purchase GFTEC's 51% interest in the PINE property. Under the terms of the amendment Amarc will purchase outright GFTEC's 51% interest in the 323 km² Property by issuing to GFTEC 5,000,000 common shares of the Company (issued). As such Amarc now holds a 100% interest in the PINE mineral claims.

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 royalty at \$5 million payable from production for consideration totaling \$100,000 and 300,000 common shares payable in stages through to January 31, 2019 (completed).

GFTEC will retain a 2.5% net profits interest ("NPI") royalty on mineral claims comprising approximately 96% of the PINE Property, which are subject to a NSR royalty payable to a former owner ("Underlying NSR") and a 1% NSR royalty on the balance of the claims that are not subject to the Underlying NSR royalty. The NPI royalty can be reduced to 1.25% at any time through the payment to GFTEC of \$2.5 million in cash or shares. The NSR royalty can be reduced to 0.5% through the payment to GFTEC of \$2.5 million in cash or shares.

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(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 Project for the reimbursement of the vendor's direct acquisition costs of \$168,996.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2020	March 31, 2019
Accounts payable	\$ 100,075	\$ 35,965
Total	\$ 100,075	\$ 35,965

8. DIRECTOR'S LOANS

	Year ended March 31, 2020	Year ended March 31, 2019
Opening balance	\$ 893,800	\$ 763,544
Principal advances	675,000	-
Principal repayments	(375,000)	-
Transaction costs	(490,449)	-
Amortization of transaction costs	108,768	130,256
Closing balance	\$ 812,119	\$ 893,800

	March 31, 2020	March 31, 2019
Current portion	\$ 300,000	\$ 893,800
Non-current portion	512,119	-
Total	\$ 812,119	\$ 893,800

Finance expenses

	For the year ended March 31,		
	2020	2019	2018
Interest on director's loan	\$ 105,630	\$ 90,000	\$ 128,096
Amortization of transaction costs	108,768	130,256	433,044
Total	\$ 214,398	\$ 220,256	\$ 561,140

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(a) 2019 loan

In December 2019, the Company entered into a loan extension and amendment agreement (the “Loan”) with a director and significant shareholder of the Company (the “Lender”), pursuant to which a previous loan agreement with a maturity date of November 26, 2019 was extended for five years or earlier pending the achievement of certain financing milestones. The Loan has a principal sum of \$1,000,000, is unsecured and bears interest at a rate of 10% per annum.

Pursuant to the Loan, the Company issued to the Lender a loan bonus comprising of 16,000,000 common share purchase warrants (the “Warrants”) with an expiry of five years and an exercise price of \$0.05 per share (note 9(c)(ii)).

(b) 2019 bridge loans

In July and August 2019, the Company entered into certain loan agreements (collective the “Bridge Loans”) with a director of the Company and a private company wholly-owned by a director of the Company (collectively the “Bridge Lenders”), pursuant to which the Bridge Lenders advanced to the Company an aggregate principal sum of \$375,000 with a 1-year term and bearing interest at 10% per annum. The Bridge Loans were fully repaid in September 2019.

In December 2019, the Company entered into a loan agreement (the “Second Bridge Loan”) with a director of the Company (the “Second Bridge Lender”), pursuant to which the Second Bridge Lender advanced to the Company a principal sum of \$300,000 with a 9-month term and bearing interest at a rate of 10% per annum.

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

9. 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, 2020, there were 175,602,894 Common Shares issued and outstanding (March 31, 2019 – 170,602,894).

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(b) Issued share capital

In December 2019, the Company amended its option agreement with GFTEC to purchase GFTEC's 51% interest in the PINE Property (the "Transaction"). Upon completion of the Transaction, the Company would hold a 100% interest in the PINE mineral claims having completed the purchase of Cascadero's 49% interest in the PINE Property in the prior year (note 6(b)). On January 6, 2020, the Company concluded the Transaction by issuing 5,000,000 Common Shares to GFTEC.

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 completed 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, for proceeds of \$540,000 (note 9(d)).

(c) Share purchase options

The following summarizes changes in the Company's share purchase options (the "Options"):

Continuity of Options	Year ended March 31, 2020	
	Number of Options	Weighted average exercise price
Outstanding – Beginning balance	-	-
Granted	2,000,000	\$ 0.05
Expired	-	-
Outstanding – Ending balance	2,000,000	\$ 0.05

Awards vesting in several tranches ranging from 6 months to 18 months from the date of grant.

During the year ended March 31, 2020, the Company recognized share-based compensation expense of \$42,124 (2019 – nil).

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The following summarizes information on the options outstanding and exercisable as at March 31, 2020:

Exercise price	Options outstanding		Options exercisable	
	Number of Options	Weighted average remaining contractual life (years)	Number of Options	Weighted average remaining contractual life (years)
\$ 0.05	2,000,000	4.51	500,000	4.51
Total	2,000,000	4.51	500,000	4.51

(d) Share purchase warrants

The following common share purchase warrants were outstanding at March 31, 2020 and 2019:

	Exercise price	March 31, 2020	March 31, 2019
Issued pursuant to a loan agreement (note 9(c)(i))	\$ 0.08	-	5,000,000
Issued pursuant to the Loan (note 9(c)(ii))	\$ 0.05	16,000,000	-
Total		16,000,000	5,000,000

(i) 2016 loan bonus warrants

In November 2016, 10,000,000 share purchase warrants were issued pursuant to a loan agreement. The fair value of these warrants at issue was determined to be \$607,406 at \$0.06 per warrant using the Black-Scholes pricing model and based on the following assumptions: risk-free rate of 0.79%; expected volatility of 135%; underlying market price of \$0.08; strike 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. The remainder of these warrants expired in November 2019.

(ii) 2019 loan bonus warrants

In December 2019, 16,000,000 share purchase warrants were issued pursuant to the Loan (note 8(a)). The fair value of these warrants at issue was determined to be \$490,449 at \$0.03 per warrant using the Black-Scholes pricing model and based on the following assumptions: risk-free rate of 1.57%; expected volatility of 144%; underlying market price of \$0.035; strike price of \$0.05; expiry term of 5 years; and, dividend yield of nil.

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10. RELATED PARTY TRANSACTIONS

Balances due to related parties	March 31, 2020	March 31, 2019
Hunter Dickinson Services Inc.	\$ 507,232	\$ 214,179
Robert Dickinson (interest payable)	79,726	-
United Mineral Services Ltd.	5,021	8,754
Total	\$ 591,979	\$ 222,933

(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 loans with a director of the Company and a private company wholly-owned by a director of the Company. Note 6(b) and 6(c) includes the details of the acquisition of mineral property interests from a private company wholly-owned by a director of the Company.

During the year ended March 31, 2020 and 2019, the Company’s President, Chief Executive Officer and Director; Chief Financial Officer; and Corporate Secretary provided services to the Company under a service agreement with Hunter Dickinson Services Inc. (“HDSI”) (note 10(b)). There were no other transactions with KMP during the year ended March 31, 2020 and 2019.

(b) *Hunter Dickinson Services Inc.*

Hunter Dickinson Inc. (“HDI”) and its wholly-owned subsidiary HDSI are private companies established by a group of mining professionals. HDSI provides services under contracts for a number of mineral exploration and development companies, and also to companies that are outside of the mining and mineral development space. Amarc acquires services from a number of related and arms-length contractors, and it is at Amarc’s discretion that HDSI provides certain contract services.

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

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

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economies of scale created by HDSI which itself serves several clients both within and external to the exploration and mining sector.

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

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

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

The 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,		
	2020	2019	2018
Services received from HDSI and as requested by the Company	\$ 1,272,000	\$ 1,620,000	\$ 1,419,000
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	104,000	63,000	139,000
Total	\$ 1,436,000	\$ 1,743,000	\$ 1,618,000

(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 direct acquisition costs of \$504,295.

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

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Transactions with UMS (rounded to the nearest thousand CAD)	For the years ended March 31,		
	2020	2019	2018
Services received from UMS and as requested by the Company	\$ 813	\$ 36,000	\$ 18,000
Interest and finance charges	616	-	-
Reimbursement of third-party expenses incurred by UMS on behalf of the Company	8,442	19,000	9,000
Total	\$ 9,871	\$ 55,000	\$ 27,000

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, 2020, the Company had unused non-capital loss carry forwards of approximately \$9,800,000 (March 31, 2019 - \$8.8 million; March 31, 2018 - \$12.0 million).

At March 31, 2020, the Company had resource tax pools of approximately \$31,300,000 (March 31, 2019 - \$30.6 million; March 31, 2018 - \$26.9 million) available in Canada, which may be carried forward and utilized to offset future taxes related to certain resource income.

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(c) Reconciliation of effective tax rate

	March 31, 2020	March 31, 2019
Loss for the year	\$ (1,253,534)	\$ (1,948,568)
Total income tax expense	-	-
Loss excluding income tax	(1,253,534)	(1,948,568)
Income tax recovery using the Company's tax rate	(338,000)	(526,000)
Non-deductible expenses and other	(114,000)	404,000
Change in deferred tax rates	-	-
Temporary difference booked to reserve	(2,000)	(3,000)
Deferred income tax assets not recognized	454,000	125,000
	\$ -	\$ -

The Company's statutory tax rate was 27% (2019 - 27%; 2018 - 26.25%) and its effective tax rate is nil (2019 - nil; 2018 - nil).

(d) Deductible temporary differences

At March 31, 2020, 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	-	-	-	42,000
After five years	-	9,842,000	-	1,011,000
No expiry date	1,364,000	-	31,285,000	77,000
	\$ 1,364,000	\$ 9,842,000	\$ 31,285,000	\$ 1,130,000

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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,		
	2020	2019	2018
Salaries and benefits included in the following:			
Exploration and evaluation expenses	\$ 856,000	\$ 1,268,000	\$ 1,094,000
Administration expense ¹	454,000	571,000	629,000
Total	\$ 1,310,000	\$ 1,839,000	\$ 1,723,000

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,		
	2020	2019	2018
Salaries and benefits	\$ 414,000	\$ 501,000	\$ 470,000
Insurance	55,000	74,000	111,000
Data processing and retention	60,000	60,000	61,000
Other office expenses	21,000	22,000	17,000
Total	\$ 550,000	\$ 657,000	\$ 659,000

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 capital

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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, 2020.

(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, 2020 and 2019, 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.

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.

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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, 2020 and 2019, 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, 2020 and 2019, the Company's exposure to price risk was not significant in relation to these Financial Statements.

14. EVENTS AFTER THE REPORTING PERIOD

Impact of the Novel Coronavirus ("COVID-19")

The current outbreak of the novel coronavirus (COVID-19), and any future emergence and spread of similar pathogens, could have a material adverse effect on global and local economic and business conditions which may adversely impact our business and results of operations and the operations of contractors and service providers. The outbreak has now spread to Canada where we conduct our principal business operations. Our plans to advance our projects in Canada are dependent upon the continued progress of our preparations for the exploration evaluation process, as well as our ability to continue the work required in connection with this process through our employees and our contractors. In addition, our personnel may be delayed in completing the required work that we are pursuing in connection with this process due to quarantine, self-isolation, social distancing, restrictions on travel, restrictions on meetings and work from home requirements. The extent to which the coronavirus impacts our operations will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration of the outbreak, new information that may emerge concerning the severity of the coronavirus and the actions taken to contain the coronavirus or treat its impact, among others. Moreover, the spread of the coronavirus globally is expected to have a material adverse effect on global and regional economies and to continue to negatively impact stock markets, including the trading price of our shares. These adverse effects on the economy, the stock market and our share price could adversely impact our ability to raise capital, with the result that our ability to pursue the advancement of the our projects in Canada could be adversely impacted, both through delays and through increased costs. Any of these developments, and others, could have a material adverse effect on our business and results of operations and could delay our plans for development of our projects in Canada.