

AMARC RESOURCES LTD  
Form 20-F  
October 17, 2006

---

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 20-F**

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) or 12(g) OF THE *SECURITIES EXCHANGE ACT OF 1934*

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE *SECURITIES EXCHANGE ACT OF 1934*

For the fiscal year ended **March 31, 2006**

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE *SECURITIES EXCHANGE ACT OF 1934*

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE *SECURITIES EXCHANGE ACT OF 1934*

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number **0-49869**

**AMARC RESOURCES LTD.**

(Exact name of Registrant specified in its charter)

**BRITISH COLUMBIA, CANADA**

(Jurisdiction of incorporation or organization)

**Suite 1020, 800 West Pender Street  
Vancouver, British Columbia, Canada, V6C 2V6**

(Address of principal executive offices)

**COMMON SHARES WITHOUT PAR VALUE**

(Title of Class)

Edgar Filing: AMARC RESOURCES LTD - Form 20-F

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of Each Class: *Not applicable*

Name of each exchange on which registered: *Not applicable*

---

Securities registered or to be registered pursuant to Section 12(g) of the Act:

**Common shares, no par value**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None**

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report:

**52,459,473 common shares as of March 31, 2006**

Indicate by check mark whether Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the *Securities Exchange Act of 1934* during the preceding 12 months (or for such shorter period that Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Indicate by check mark whether Registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 126-2 of the Exchange Act. (check one):

Large accelerated Filer  Accelerated Filer  Non-accelerated Filer

Indicate by check mark which financial statement item Registrant has elected to follow:

Item 17  Item 18

If this is an annual report, indicate by check mark whether Registrant is a shell company (as defined in Rule 126-2 of the Exchange Act).

Yes  No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether Registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the *Securities Exchange Act of 1934* subsequent to the distribution of securities under a plan confirmed by a court.

**Not applicable**

---

**TABLE OF CONTENTS**

	<b>Page</b>
<b><u>PART I</u></b>	<b>9</b>
<u>ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISORS</u>	<u>9</u>
<u>ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE</u>	<u>10</u>
<u>ITEM 3. KEY INFORMATION</u>	<u>11</u>
<u>ITEM 4. INFORMATION ON THE COMPANY</u>	<u>19</u>
<u>ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS</u>	<u>36</u>
<u>ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES</u>	<u>42</u>
<u>ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS</u>	<u>53</u>
<u>ITEM 8. FINANCIAL INFORMATION</u>	<u>56</u>
<u>ITEM 9. THE OFFER AND LISTING</u>	<u>57</u>
<u>ITEM 10. ADDITIONAL INFORMATION</u>	<u>60</u>
<u>ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>	<u>71</u>
<u>ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES</u>	<u>72</u>
<b><u>PART II</u></b>	<b><u>73</u></b>
<u>ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES</u>	<u>73</u>
<u>ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS</u>	<u>74</u>
<u>ITEM 15. CONTROLS AND PROCEDURES</u>	<u>75</u>
<u>ITEM 16. AUDIT COMMITTEE, CODE OF ETHICS, ACCOUNTANT FEES AND EXEMPTIONS</u>	<u>76</u>
<b><u>PART III</u></b>	<b><u>78</u></b>
<u>ITEM 17. FINANCIAL STATEMENTS</u>	<u>78</u>
<u>ITEM 18. FINANCIAL STATEMENTS</u>	<u>79</u>
<u>ITEM 19. EXHIBITS</u>	<u>80</u>

---

**GENERAL**

In this Annual Report on Form 20-F, all references to We , Amarc and the Company refer to Amarc Resources Ltd and its consolidated subsidiaries. Certain terms used herein are defined in the text and others are included in this glossary of terms.

The Company uses the Canadian dollar as the Company's reporting currency. All references in this document to dollars or \$ are expressed in Canadian dollars, unless otherwise indicated. See also Item 3 Key Information for more detailed currency and conversion information.

Except as noted, the information set forth in this Annual Report is as of September 30, 2006 and all information included in this document should only be considered correct as of such date.

References to this Annual Report mean references to this Annual Report on Form 20-F for the year ended March 31, 2006.

**GLOSSARY OF TERMS**

In this Annual Report, the following terms have the meanings set forth herein:

<b>Epithermal Deposit</b>	Deposit of mineralization formed by natural processes in the earth at low temperature, 50-200° C often within structurally controlled veins. Low sulphidation deposits are developed near-to the surface of the earth, at depths of ~1 km to surficial hot spring settings, and are characterized by quartz veins, vein stockworks and breccias. Mineralization includes gold, silver, electrum, argentite and pyrite with lesser and variable amounts of other sulphide minerals.
<b>Induced Polarization Survey</b>	A geophysical survey used to identify a feature that appears to be different from the typical or background survey results when tested for levels of electro-conductivity; IP detects both chargeable, pyrite-bearing rock and non-conductive rock that has a high content of quartz.
<b>Magnetic Survey</b>	Magnetic surveys detect sulphide-bearing rocks by inducing magnetic fields, then identifying a feature that appears to be different from the typical or background survey results.

<b>mineral reserve</b>	<p>Securities and Exchange Commission Industry Guide 7 <i>Description of Property by Issuers Engaged or to be Engaged in Significant Mining Operations</i> of the Securities and Exchange Commission defines a reserve as that part of a mineral deposit which could be economically and legally extracted or produced at the time of the reserve determination. Reserves consist of:</p> <p>(1) <i>Proven (Measured) Reserves</i>. Reserves for which: (a) quantity is computed from dimensions revealed in outcrops, trenches, workings or drill holes; grade and/or quality are computed from the results of detailed sampling; and (b) the sites for inspection, sampling and measurement are spaced so closely and the geologic character is so well defined that size, shape, depth and mineral content of reserves are well-established.</p> <p>(2) <i>Probable (Indicated) Reserves</i>. Reserves for which quantity and grade and/or quality are computed from information similar to that used for proven (measured) reserves, but the sites for inspection, sampling and measurement are farther apart or are otherwise less adequately spaced. The degree of assurance, although lower than that for proven (measured) reserves, is high enough to assume continuity between points of observation.</p>
------------------------	---

---

<p><b>mineral resource</b></p>	<p>National Instrument 43-101 <i>Standards of Disclosure for Mineral Projects</i> of the Canadian Securities Administrators defines a Mineral Resource as a concentration or occurrence of natural, solid, inorganic or fossilized organic material in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge.</p> <p>Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories. An Inferred Mineral Resource has a lower level of confidence than that applied to an Indicated Mineral Resource. An Indicated Mineral Resource has a higher level of confidence than an Inferred Mineral Resource but has a lower level of confidence than a Measured Mineral Resource.</p> <p>(1) <i>Inferred Mineral Resource.</i> An Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.</p> <p>(2) <i>Indicated Mineral Resource.</i> An Indicated Mineral Resource is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.</p> <p>(3) <i>Measured Mineral Resource.</i> A Measured Mineral Resource is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.</p> <p>Industry Guide 7 <i>Description of Property by Issuers Engaged or to be Engaged in Significant Mining Operations</i> of the Securities and Exchange Commission does not define or recognize resources. As used in this Form 20-F, resources are as defined in National Instrument 43-101.</p>
--------------------------------	---

<b>Mineral Symbols</b>	As arsenic; Au gold; Ag silver; Cu copper; Fe iron; Hg mercury; Mo molybdenum; Na sodium; Ni nickel; O oxygen; Pd - palladium; Pt platinum; Pb lead; S sulphur; Sb antimony; Zn zinc.
<b>Net Smelter Return (NSR)</b>	Monies actually received for concentrate delivered to a smelter net of metallurgical recovery losses, transportation costs, smelter treatment- refining charges and penalty charges.
<b>Polymetallic</b>	Pertaining to more than one, or many, metals.
<b>Porphyry Deposit</b>	Mineral deposit characterized by widespread disseminated or veinlet- hosted sulphide mineralization, characterized by large tonnage and moderate to low grade.
<b>Pluton, sill, dyke</b>	A body of igneous rock that has been formed beneath the surface of the earth by consolidation of magma. A pluton is a rounded to irregularly- shaped plug-like body. A sill is a horizontal intrusion. A dyke cross cuts the country rocks.
<b>Quartz-feldspar Porphyry Dyke</b>	A quartz-feldspar porphyry dyke is a linear intrusion in which large quartz and feldspar crystals occur in a fine groundmass of quartz, feldspar and other minerals.
<b>Sulphide</b>	A compound of sulphur with another element, typically a metallic element or compound.
<b>Volcanogenic Massive Sulphide (VMS) deposit</b>	Mineral deposits, with a high content of sulphide minerals, formed by volcanic processes.
<b>Vein</b>	A tabular or sheet-like mineral deposit with identifiable walls, often filling a fracture or fissure.

### Currency and Measurement

All currency amounts in this Annual Report are stated in Canadian dollars unless otherwise indicated.

Conversion of metric units into imperial equivalents is as follows:

<b>Metric Units</b>	<b>Multiply by</b>	<b>Imperial Units</b>
hectares	2.471	= acres
meters	3.281	= feet
kilometers	0.621	= miles (5,280 feet)
grams	0.032	= ounces (troy)
tones	1.102	= tons (short) (2,000 lbs)
grams/tonne	0.029	= ounces (troy)/ton



## FORWARD LOOKING STATEMENTS

This Annual Report on Form 20-F contains statements that constitute forward-looking statements within the meaning of Section 27A of the *Securities Act of 1933* and Section 21E of the *Securities Exchange Act of 1934*. These statements appear in a number of different places in this Annual Report and can be identified by words such as anticipates, estimates, projects, expects, intends, believes, plans, or their negatives or other comparable forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. The statements, including the statements contained in Item 3D Risk Factors, Item 4B Business Overview, Item 5 Operating and Financial Review and Prospects and Item 11 Quantitative and Qualitative Disclosures About Market Risk, are inherently subject to a variety of risks and uncertainties that could cause actual results, performance or achievements to differ significantly. Forward-looking statements include statements regarding the outlook for the Company's future operations, plans and timing for the Company's exploration programs, statements about future market conditions, supply and demand conditions, forecasts of future costs and expenditures, the outcome of legal proceedings, and other expectations, intentions and plans that are not historical facts. You are cautioned that any such forward-looking statements are not guarantees and may involve risks and uncertainties. The Company's actual results may differ materially from those in the forward-looking statements due to risks facing us or due to actual facts differing from the assumptions underlying the Company's predictions. Some of these risks and assumptions include:

- general economic and business conditions, including changes in interest rates;
- prices of natural resources, costs associated with mineral exploration and other economic conditions;
- natural phenomena;
- actions by government authorities, including changes in government regulation;
- uncertainties associated with legal proceedings;
- changes in the resources market;
- future decisions by management in response to changing conditions;
- the Company's ability to execute prospective business plans; and misjudgments in the course of preparing forward-looking statements.

The Company advises you that these cautionary remarks expressly qualify, in their entirety, all forward-looking statements attributable to Amarc or persons acting on the Company's behalf. The Company assumes no obligation to update the Company's forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting such statements. You should carefully review the cautionary statements and risk factors contained in this and other documents that the Company files from time to time with the Securities and Exchange Commission.

---

**PART I**

**ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISORS**

**A. DIRECTORS AND SENIOR MANAGEMENT**

Not applicable.

**B. ADVISORS**

Not applicable.

**C. AUDITOR**

Not applicable.

---

**ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE**

Not Applicable.

---

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

The following tables summarize selected financial data for Amarc extracted from the Company's audited consolidated financial statements and related notes included in this Annual Report.

The Company's annual financial statements have been audited by its current independent registered public accounting firm, De Visser Gray, Chartered Accountants. Information is provided both in accordance with Canadian generally accepted accounting principles ( Canadian GAAP ) and accounting principals generally accepted in the United States of America ( US GAAP ). This information should be read in conjunction with the Company's consolidated financial statements and with the information appearing under the heading Item 5 Operating and Financial Review and Prospects . The Company's consolidated financial statements have been prepared in accordance with Canadian GAAP and are stated in Canadian dollars. Note 10 to the Company's consolidated financial statements provides descriptions of the principal differences between Canadian GAAP and US GAAP as they relate to us and reconciliation of the Company's consolidated financial statements to US GAAP.

**BALANCE SHEET DATA**

(C\$000)	As at March 31,				
	2006	2005	2004	2003	2002
<b>Total Assets</b>					
Canadian GAAP	\$ 5,007	\$ 8,091	\$ 14,188	\$ 1,019	\$ 2,558
US GAAP	5,007	8,100	14,272	1,019	2,558
<b>Total Liabilities</b>					
Canadian and US GAAP	38	871	183	256	221
<b>Share Capital</b>					
Canadian and US GAAP	23,997	22,388	20,639	8,636	8,361
<b>Contributed Surplus</b>					
Canadian and US GAAP	488	507	413	6	
<b>Deficit</b>					
Canadian GAAP	(19,515)	(15,675)	(7,047)	(7,878)	(6,024)
US GAAP	(19,515)	(15,667)	(6,963)	(7,878)	(6,024)
<b>Net Assets</b>					
Canadian GAAP	4,969	7,220	14,005	763	2,337

Edgar Filing: AMARC RESOURCES LTD - Form 20-F

US GAAP	4,969	7,229	14,089	763	2,337
<b>Working Capital</b>					
Canadian GAAP	4,834	7,017	13,871	616	2,246
US GAAP	4,834	7,025	13,955	616	2,246
<b>Plant and Equipment, Net</b>					
Canadian and US GAAP	37	47	60	77	21

---

- 12 -

(C\$000) As at March 31,

**Mineral Property Interests**

	2006	2005	2004	2003	2002
Canadian and US GAAP	98	156	74		

**Shareholders Equity (Deficit)**

Canadian GAAP	4,969	7,220	14,005	763	2,337
---------------	-------	-------	--------	-----	-------

US GAAP	4,969	7,229	14,089	763	2,337
---------	-------	-------	--------	-----	-------

**STATEMENT OF OPERATIONS DATA**

(C\$000 except per share amounts)

	Year Ended March 31,				
	2006	2005	2004	2003	2002
<b>Exploration expenditures</b>	\$ 3,012	\$ 7,554	\$ 460	\$ 405	\$ 3,736
<b>General and administrative expenses</b>	819	719	418	789	587
<b>Foreign exchange loss</b>	3	8	10	65	
<b>Interest expense on flow-through shares</b>		93			
<b>Interest and other income</b>	(130)	(243)	(75)	(5)	(47)
<b>Loss (gain) on marketable securities</b>					
Canadian GAAP	(92)	(82)	(2,053)	20	
US GAAP	(84)	(6)	(2,137)		
<b>Write down of accounts receivable</b>	45				
<b>Write down of mineral property interest</b>	10	76			
<b>Write down of marketable securities</b>	190	7		581	
<b>Stock based compensation (recovery)</b>	(16)	496	407	6	
<b>Net loss (income) for the year</b>					
Canadian GAAP	3,841	8,628	(831)	1,855	3,887
US GAAP	3,849	8,704	(916)	1,855	3,887
<b>Basic and diluted net income (loss) per share</b>					

Canadian GAAP	(0.08)	(0.19)	0.04	(0.12)	(0.37)
US GAAP	(0.08)	(0.19)	0.04	(0.12)	(0.37)
<b>Weighted average number of common shares outstanding</b>	49,880,651	45,168,411	21,421,096	15,170,448	10,441,233

The Company has not declared any cash or other dividends.

**Currency and Exchange Rates**

On September 30, 2006, the Federal Reserve noon rate for Canadian Dollars was US\$1.00 to Cdn\$1.1153. The following tables set out the exchange rates, based on noon rates as the nominal quotations by the Bank of Canada website ([www.bankofcanada.ca](http://www.bankofcanada.ca)) for the conversion of Canadian Dollars into U.S. Dollars.

	<b>For year ended March 31</b>				
	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
End of Period	\$ 1.1671	\$ 1.2096	\$ 1.3105	\$ 1.4693	\$ 1.5994
Average for the Period	\$ 1.1933	\$ 1.2786	\$ 1.3530	\$ 1.5492	\$ 1.5655
High for the Period	\$ 1.2555	\$ 1.3783	\$ 1.4585	\$ 1.5814	\$ 1.6003
Low for the Period	\$ 1.1489	\$ 1.1961	\$ 1.2960	\$ 1.4759	\$ 1.5244

**Monthly High and Low  
Exchange Rate**

	<b>High</b>	<b>Low</b>
September 2006	1.1273	1.1053
August 2006	1.1315	1.1066
July 2006	1.1416	1.1061
June 2006	1.1245	1.0990
May 2006	1.1233	1.0990
April 2006	1.1719	1.1133

**B. Capitalization and Indebtedness**

Not applicable.

**C. Reasons for the Offer and Use of Proceeds**

Not applicable.

**D. Risk Factors**

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

***The exploration for and development of mineral deposits involves significant risks.***

Resource exploration is a speculative business and involves a high degree of risk. There is no known body of commercial ore on any of the Company's mineral properties and there is no certainty that the expenditures to be made by us in the exploration of the Company's mineral properties will result in





discoveries of commercial quantities of minerals. The exploration for and development of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Although the discovery of an ore body may result in substantial rewards, few properties explored are ultimately developed into producing mines. Significant expenditures may be required to locate and establish ore reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration programs planned by us will result in a profitable commercial mining operation. Significant capital investment is required to achieve commercial production from successful exploration efforts.

The commercial viability of a mineral deposit is dependent upon a number of factors. These include deposit attributes such as size, grade and proximity to infrastructure, current and future metal prices (which can be cyclical), and government regulations, including those relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and necessary supplies and environmental protection. The complete effect of these factors, either alone or in combination, cannot be entirely predicted, and their impact may result in us not receiving an adequate return on invested capital.

The Company does not currently have any properties on which mineral resources or mineral reserves have been outlined.

***Amarc's properties have not produced any commercial reserves or ore body.***

All of the Company's mineral projects are in the exploration stage as opposed to the development stage and have no known body of economic mineralization. The known mineralization at these projects has not been determined to be economic ore. There can be no assurance that a commercially mineable ore body exists on any of the Company's properties. There is no certainty that any expenditure made in the exploration of the Company's mineral properties will result in discoveries of commercially recoverable quantities of ore. Such assurance will require completion of final comprehensive feasibility studies and, possibly, further associated exploration and other work that concludes a potential mine at each of these projects is likely to be economic viability. In order to carry out exploration and development programs of any economic ore body and place it into commercial production, the Company will be required to raise substantial additional funding.

***As the Company does not have revenues, the Company will be dependent upon future financings to continue the Company's plan of operation.***

Amarc has not generated any revenues from the Company's business activities since the Company's incorporation. The Company's plan of operations involves the completion of exploration programs on the Company's mineral properties. There is no assurance that these exploration activities will result in the establishment of commercially exploitable mineral deposits on the Company's mineral properties. Even if commercially exploitable mineral deposits are discovered, the Company will require substantial additional financing in order to carry out the full exploration and development of the Company's mineral properties before the Company is able to achieve revenues from sales of mineral resources that the Company is able to extract.

***The loss of management or other key personnel could harm the Company's business.***

The success of the Company's activities is dependent to a significant extent on the efforts and abilities of management and other key personnel. Investors must be willing to rely to a significant extent on their discretion and judgment.

---

***The Company has no history of earnings and no foreseeable earnings.***

Amarc has a history of losses and there can be no assurance that the Company will ever be profitable. The Company anticipates that the Company will retain future earnings and other cash resources for the future operation and development of the Company's business. The Company has not paid dividends since incorporation and the Company does not anticipate paying dividends in the foreseeable future. Payment of any future dividends is at the discretion of the Company's board of directors after taking into account many factors including the Company's operating results, financial conditions and anticipated cash needs.

***The Company's consolidated financial statements have been prepared assuming the Company will continue on a going concern basis, but there can be no assurance that the Company will continue as a going concern.***

Although at March 31, 2006 the Company had working capital of approximately \$4.8 million, the costs required to complete exploration and development of the Company's projects may be well in excess of this amount. Accordingly, unless additional funding is obtained, the going concern assumption may have to change and the Company's assets may have to be written down to asset prices realizable in insolvency or distress circumstances.

***A substantial or extended decline in gold or copper prices would have a material adverse effect on the Company's business.***

The Company's business is dependent on the prices of gold and copper, which are affected by numerous factors beyond the Company's control. Factors tending to put downward pressure on the prices of gold and copper include:

- Sales or leasing of gold by governments and central banks;
- A strong U.S. dollar;
- Global and regional recession or reduced economic activity;
- Speculative trading;
- Decreased demand for industrial uses, use in jewellery or investment;
- High supply from production, disinvestment and scrap;
- Sales by producers in forward transactions and other hedging transactions; and
- Devaluing local currencies (relative to gold priced in U.S. dollars) leading to lower production costs and higher production in certain regions.

The Company may experience asset impairments as a result of low gold or copper prices in the future.

In addition, sustained low gold or copper prices can:

- Reduce revenues further through production cutbacks due to cessation of the mining of deposits or portions of deposits that have become uneconomic at the then-prevailing gold or copper price;
  - Halt or delay the development of new projects;
  - Reduce funds available for exploration, with the result that depleted reserves are not replaced; or
  - Reduce existing reserves, by removing ores from reserves that cannot be economically mined or treated at prevailing prices.
-

***Mining operations generally involve a high degree of risk.***

Amarc's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of minerals. These include unusual and unexpected geological formations, rock falls, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk will be taken, milling operations are subject to hazards such as equipment failure or failure of retaining dams which may result in environmental pollution and consequent liability which will have a material adverse effect on the Company's business and results of operation and financial condition.

***The Company's business could be adversely affected by government regulations related to mining.***

Amarc's exploration activities are regulated in all countries in which the Company operates under various federal, state, provincial and local laws relating to the protection of the environment, which generally includes air and water quality, hazardous waste management and reclamation. Environmental hazards may exist on the properties in which the Company holds interests which are unknown to us at present and which have been caused by previous or existing owners or operators of the properties. Environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. Delays in obtaining or failure to obtain government permits and approvals may adversely impact the Company's operations. The regulatory environment in which the Company operates could change in ways that would substantially increase costs to achieve compliance, or otherwise could have a material adverse effect on the Company's operations or financial position. In particular, the Company's operations and exploration activities in British Columbia are subject to national and provincial laws and regulations governing protection of the environment. These laws are continually changing and, in general, are becoming more restrictive. There can be no certainty that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and operations at the Company's projects.

***Although the Company has no reason to believe that the existence and extent of any of the Company's properties is in doubt, title to mining properties is subject to potential claims by third parties claiming an interest in them.***

Amarc's mineral properties may be subject to previous unregistered agreements or transfers, and title may be affected by undetected defects or changes in mineral tenure laws. The Company's mineral interests consist of mineral claims, which have not been surveyed, and therefore, the precise area and location of such claims or rights may be in doubt. The failure to comply with all applicable laws and regulations, including the failure to pay taxes or to carry out and file assessment work, may invalidate title to portions of the properties where the Company's mineral rights are held.

***The Company is not able to obtain insurance for many of the risks that the Company faces.***

In the course of exploration, development and production of mineral properties, several risks and, in particular, unexpected or unusual geological or operating conditions, may occur. It is not always possible to fully insure against such risks, and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise they could reduce or eliminate any future profitability and result in an increase in costs and a decline in value of the Company's securities.

---

The Company is not insured against environmental risks. Insurance against environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) has not been generally available to companies within the industry. The Company will periodically evaluate the cost and coverage of the insurance against certain environmental risks that is available to determine if it would be appropriate to obtain such insurance. Without such insurance, and if the Company becomes subject to environmental liabilities, the payment of such liabilities would reduce or eliminate the Company's available funds or could exceed the funds the Company has to pay such liabilities and result in bankruptcy. Should the Company be unable to fund fully the remedial cost of an environmental problem, the Company might be required to enter into interim compliance measures pending completion of the required remedy.

***The Company is dependent on its joint venture partners for the development of certain of the Company's properties.***

Amarc holds a portion of the Company's assets in the form of participation interests in joint ventures. The Company's interest in these projects is subject to the risks normally associated with the conduct of joint ventures. The existence or occurrence of one or more of the following circumstances and events could have a material adverse impact on the Company's profitability or the viability of the interests held through joint ventures, which could have a material adverse impact on the Company's future cash flows, earnings, results of operations and financial condition: (i) disagreement with joint venture partners on how to proceed with exploration programs and how to develop and operate mines efficiently; (ii) inability of joint venture partners to meet their obligations to the joint venture or third parties; and (iii) litigation between joint venture partners regarding joint venture matters.

***The industry in which the Company operates is highly competitive, and the Company may be unable to compete effectively with other companies.***

The mineral exploration and mining business is competitive in all of its phases. The Company competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources, in the search for and the acquisition of attractive mineral properties. Amarc's ability to acquire properties in the future will depend not only on the Company's ability to develop its present properties, but also on the Company's ability to select and acquire suitable producing properties or prospects for mineral exploration. There is no assurance that the Company will continue to be able to compete successfully with its competitors in acquiring such properties or prospects.

***The Company's share price has historically been volatile.***

The market price of a publicly traded stock, especially a junior resource issuer like Amarc, is affected by many variables not directly related to the Company's exploration success, including the market for junior resource stocks, the strength of the economy generally, the availability and attractiveness of alternative investments, and the breadth of the public market for the stock. The effect of these and other factors on the market price of the common shares on the stock exchanges on which the Company trade, suggest the Company's shares will continue to be volatile.

***Amarc's directors and officers are part-time and serve as directors and officers of other companies.***

Some of the Company's directors and officers are engaged, and will continue to be engaged, in the search for additional business opportunities on their own behalf and on behalf of other companies, and situations may arise where these directors and officers will be in direct competition with us. Conflicts, if any, will be dealt with in accordance with the relevant provisions of the British Columbia *Business Corporations Act*. In order to avoid the possible conflict of interest which may arise between the directors' duties to



Amarc and their duties to the other companies on whose boards they serve, the Company's directors and officers have agreed that participation in other business ventures offered to them will be allocated between the various companies on the basis of prudent business judgment, and the relative financial abilities and needs of the companies to participate.

***There is no assurance that the Company will be successful in obtaining the funding required for the Company's operations.***

Amarc's operations consist almost exclusively of cash consuming activities given that the Company's main mineral projects are in the exploration stage. The further development and exploration of the various mineral properties in which the Company hold interests is dependent upon the Company's ability to obtain financing through debt financing, equity financing or other means.

***If the Company raises additional funding through equity financings, then the Company's current shareholders will suffer dilution.***

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

***Amarc's status as a passive foreign investment company has consequences for U.S. investors.***

Potential investors who are U.S. taxpayers should be aware that the Company expects to be a passive foreign investment company ( PFIC ) for the current fiscal year, and may also have been a PFIC in prior years and may also be a PFIC in future years. If the Company is a PFIC for any year during a U.S. taxpayer's holding period, then such U.S. taxpayer, generally, will be required to treat any so-called "excess distribution" received on its common shares, or any gain realized upon a disposition of common shares, as ordinary income and to pay an interest charge on a portion of such distribution or gain, unless the taxpayer makes a qualified electing fund ( QEF ) election or a mark-to-market election with respect to the Company's shares. In certain circumstances, the sum of the tax and the interest charge may exceed the amount of the excess distribution received, or the amount of proceeds of disposition realized, by the taxpayer. A U.S. taxpayer who makes a QEF election generally must report on a current basis its share of the Company's net capital gain and ordinary earnings for any year in which the Company is a PFIC, whether or not the Company distributes any amounts to the Company's shareholders. A U.S. taxpayer who makes the mark-to-market election, generally, must include as ordinary income in each year, the excess of the fair market value of the common shares over the taxpayer's tax basis therein. U.S. taxpayers are advised to seek advice from their professional tax advisors.

***The Company's shareholders could face significant potential equity dilution.***

As of September 30, 2006 Amarc has no share purchase options and warrants outstanding. However, Amarc does have a share purchase option plan which allows the management to issue options to its employee and non employee based on the policies of the Company. If the options are issued, they will likely act as an upside damper on the trading range of the Company's shares. As a consequence of the passage of time since the date of their original sale and issuance, none of the Company's shares remain subject to any hold period restrictions in Canada or the United States. The unrestricted resale of outstanding shares from the exercise of dilutive securities may have a depressing effect on the market for the Company's shares.

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

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

#### **NAME, INCORPORATION AND OFFICES**

##### **Incorporation**

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

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

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

##### **Offices**

The head office of Amarc is located at Suite 1020, 800 West Pender Street, Vancouver, British Columbia, Canada V6C 2V6, telephone (604) 684-6365, facsimile (604) 684-8092. The Company's registered office is in care of its attorneys, Lang Michener, 1500 Royal Centre P.O. Box 11117, 1055 West Georgia Street, Vancouver, British Columbia, Canada V6E 4N7, telephone (604) 689-9111, fax (604) 685-7084.

#### **COMPANY DEVELOPMENT**

Amarc has been engaged in the business of mineral exploration since incorporation. The Company is presently engaged in active exploration of a number of other early stage exploration properties, located in British Columbia, Canada. All of the Company's mineral properties are in the exploration stage.

The acquisition of these properties and the important developments in Amarc's ownership of these properties are summarized below:

##### **Historical Exploration Activities**

From 1993 to 2002, Amarc explored a series of resource prospects without success. Amarc held a 100% interest in several properties located in Yukon, Canada, but allowed its interest in these claims to lapse in fiscal 1999. Amarc holds interests in other claims in the Yukon and in Manitoba but wrote them down in 1998 to nominal values. Amarc also conducted exploration on the optioned Amatepec property in Mexico from late 1996 to 1998, but relinquished its option on the property and wrote down the related exploration costs in the 1999 fiscal year.

##### **Inde Prospect, Durango, Mexico**

In November 2001, Amarc obtained an option to acquire the Inde Prospect located in Durango, Mexico. The Inde property comprised approximately 270 hectares located in Durango State, Mexico, and





consisted of five mineral concessions, of which three were owned outright and two were held under option by the Company. In December 2003, and concurrent with an amendment to the underlying option agreement, the Company entered into an option agreement with Minera Bugambillas, S.A. de C.V. ("Bugambillas") whereby Bugambillas could have earned up to a 70% interest in the Inde Property by exercising two options. Bugambillas was required to make all required option payments to the underlying property vendor. In October 2004, Bugambillas terminated its option. The Company then terminated its option agreement with the underlying vendor of the Inde property, and pursuant to that agreement, also relinquished, to the underlying vendor, the three concessions which it owned. The Company also received legal and environmental releases from the vendor and, as a result of these termination agreements, has no further interest in the Inde Property.

### **Fox River Prospect, Manitoba, Canada**

In November 2001, Amarc obtained an option to acquire an interest in the Fox River Prospect in Manitoba, Canada. The option on Fox River was beneficially held by Amarc, indirectly through an affiliated resource investment limited partnership. This option was terminated in January 2003 and the Company has no further interest in the Fox River Prospect.

### **Buck Property, British Columbia, Canada**

In January 2004, the Company entered into an agreement to acquire a 100% interest in the Buck mineral property. The 4,750 hectare Buck property, located 20 kilometers south of Houston, was acquired from United Mineral Services Ltd., a private company owned by a director of the Company, by reimbursing the cost of: staking the property, line-cutting to establish a survey grid over it and performing an induced polarization geophysical survey on the property.

In July 2004, the Company reached an agreement with Chatworth Resources Inc. ( Chatworth , then GMD Resource Corp.), pursuant to which Chatworth can earn a 50% interest in the Buck claims by (i) issuing 100,000 units comprised of 100,000 common shares of Chatworth at a deemed price of \$0.05 per share, and 100,000 two-year share purchase warrants exercisable at \$0.10 per share in the first year and \$0.15 per share in the second year, and (ii) incurring exploration expenditures totaling \$500,000 over five years, with a minimum annual expenditure of \$100,000.

Upon acceptance of the option agreement by the TSX Venture Exchange on July 16, 2004, 100,000 common shares and 100,000 warrants of Chatworth were received by the Company. The 100,000 pre-consolidation Chatworth shares, with a value of \$5,000, were credited against the acquisition cost of the property. Subsequently, Chatworth completed a 6-for-1 share consolidation. The fair value of the Chatworth warrants was estimated on the TSXV acceptance date at \$5,000 and has been credited against the acquisition cost of the property.

Chatworth did not perform its obligations under the July 2004 option agreement causing the agreement to lapse. Chatworth had since amalgamated with ComWest Capital Corp. to form ComWest Enterprise Corp. In November 2005, Chatworth amalgamated with ComWest Capital Corp. to form ComWest Enterprise Corp. ( ComWest ). Under the amalgamation agreement, the Company's 16,667 post-consolidated Chatworth warrants (100,000 pre-consolidation) were exchanged for 12,426 ComWest warrants, which entitled the Company to acquire a ComWest Class B voting common share at \$1.207 per share until July 16, 2006. These warrants expired unexercised.

Although largely overburden covered, the property is indicated to be underlain by Jurassic Hazelton Group and Cretaceous to Tertiary Ootsa Lake Group volcanic rocks, intruded by Late Cretaceous Bulkley formation intrusive rocks. This setting is similar to the setting that hosted the Equity Silver deposit, a past



producer of Placer Dome, located approximately 25 kilometers southeast of the Buck property. The Equity Silver mine produced 93,000 tons of copper, 71.4 million ounces of silver and 0.5 million ounces of gold from 33.8 million tones of ore during the period 1980 to 1994. Two geophysical (induced polarization chargeability) anomalies are known to occur on the property.

The Company has allowed the property to lapse.

#### **RAD Property, British Columbia, Canada**

In January 2004, the Company entered into an agreement to acquire a 100% interest in the RAD property from United Mineral Services Ltd., a private company owned by a director of the Company, by reimbursing the staking cost of \$8,000.

The 2,000 hectare RAD property, located 250 kilometers west of Williams Lake, comprises Jurassic tuffs and volcanic breccia, Upper Cretaceous andesites and basaltic breccias, and overlying Tertiary basalts and andesites. A geologic reconnaissance performed in 2004 confirmed that a historic induced polarization survey had adequately covered the target area and, consequently, no further exploration is planned at this time.

The Company plans to allow the property to lapse.

#### **Sitka Property, British Columbia, Canada**

In January 2004, the Company entered into an agreement to acquire a 100% interest in the Sitka property by paying \$20,000 in cash and by the issuance of 80,000 shares of the Company to an arm's length party.

The 1,275 hectare Sitka Gold property ("Sitka"), located 30 kilometers northeast of Port Hardy, contains structurally controlled gold bearing quartz veins hosted by Devonian to Jurassic rocks, enclosed in a roof pendant in the Jurassic to Cretaceous Coast Plutonic Complex. A review of the existing exploration information on the property was performed and it was determined that the property did not warrant further exploration work by the Company. The property has been allowed to lapse.

#### **The Nechako Gold Project (formerly, the "BOB" and "JMD" Properties), British Columbia, Canada**

In January 2004, the Company entered into an agreement to acquire a 100% interest in the Nechako mineral property. The 1,300 hectare Nechako property, located 80 kilometers west of Quesnel, was acquired by issuing a total of 200,000 shares of the Company to two arm's length parties. Of these 200,000 shares, 50,000 were not due to be issued until the Company reached a third party joint venture agreement or completed a total of \$250,000 in exploration expenditures on the property.

In November 2004, the Company signed an option agreement whereby Endurance Gold Corporation ( Endurance Gold ), an arm's length private company, can acquire a 60% interest in the property by issuing to the Company 250,000 shares in Endurance Gold, and by incurring \$250,000 in exploration work on the property over the next three years. The agreement is conditional upon Endurance Gold becoming a publicly-listed company, a condition that Endurance Gold fulfilled on July 27, 2005 when it listed on the TSX Venture Exchange. On August 18, 2005, the Company received its first payment of 50,000 common shares of Endurance Gold at a deemed price of \$0.23 per share. \$11,500 was credited against the acquisition cost of the property.

At the end of the option period, the Company and Endurance Gold could enter into a joint venture to develop the property with the Company owning 40% and Endurance Gold owning 60%. The two arm's



length parties from whom the property was acquired waived their right to the 50,000 shares of the Company referred to above.

Since January 2005, Endurance Gold registered an additional 3,275 hectares of mineral claims within the area of common interest surrounding the property. These will form part of the property and are subject to the terms of the agreement with Endurance Gold.

Endurance Gold has performed geologic, geochemical and geophysical surveys on the property as well as performing a 422-metre drilling program during November and December 2005. As a result of the expenditures incurred during these programs, Endurance has completed the \$250,000 exploration expenditure requirement of the option agreement. The Company received an additional payment of 200,000 common shares of Endurance in December 2005. Endurance has therefore completed its requirements for vesting its 60% interest in the property.

The Company reviewed the Endurance Gold's exploration results and elected not to participate in the additional expenditures required to complete the drilling in December 2005. As a result, the Company's interest in the property has been reduced to 32.61%.

The property is underlain by Cretaceous sedimentary rocks. Exploration work has identified a large area of epithermal alteration with anomalous gold and gold indicator element mineralization as exhibited from soil and rock chip samples.

#### **GBR Property, British Columbia, Canada**

In April 2004, the Company entered into an agreement to acquire the 1,000 hectare GBR Property located approximately 70 kilometers northwest of Dease Lake on the Golden Bear Road. The Company had the option to acquire a 100% interest in the claims from the Iskut North Syndicate, an arm's length party, by making cash payments totaling \$225,000, of which \$15,000 was paid, and by issuing 450,000 shares of the Company, of which 30,000 were issued during the fiscal year ended March 31, 2005. The property was also subject to a 2% net smelter royalty ( NSR ) which the Company, at its option, could have purchased for \$2 million. The Company staked an additional 5,825 hectares in 28 claims to add to the property within the area of common interest that became subject to the terms of the agreement.

Previous exploration activities on the GBR property had identified large copper and gold soil geochemical anomalies. The Company began a first phase exploration program in June 2004, consisting of geological mapping, approximately 62 line-kilometers of geochemical grids and 47 line-kilometers of ground geophysical surveys (induced polarization and magnetometer).

Results of the programs were reviewed and deemed not to be sufficiently positive to warrant further exploration on the property by the Company. In March 2005, the Company notified the Iskut North Syndicate of its intention to terminate the option. In May 2005, the Company terminated the GBR agreement after filing the requisite assessment work with the British Columbia government to keep the claims in good standing. The Company has no further interest in the property.

#### **Bonanza Property, British Columbia, Canada**

In October 2004, the Company signed a Letter of Intent to enter into an option agreement with Candorado Operating Co. Ltd. ( Candorado ), which owns an option to acquire 100% of the Bonanza property from the underlying owners, subject to a 2% net smelter royalty that can be purchased for \$2 million. The property is located approximately 25 kilometers southeast of the village of Iskut in northwest British Columbia. Pursuant to the Letter of Intent, the

Company could have acquired 51% of Candorado s

---

interest by expending \$125,000 in exploration work. After the Company had earned its 51% interest, the parties could have formed a joint venture to undertake ongoing exploration of the property.

In February 2005, the Company terminated the Bonanza agreement, after filing the requisite assessment work on the claims. The Company has no further interest in the Bonanza property.

### **Spilus Property, British Columbia, Canada**

In June 2004, the Company entered into an option agreement with two arm's length parties to acquire a 100% interest in the 1,000 hectare Spilus gold-copper porphyry property, located near Merritt. The Company could have acquired its interest in the Spilus property by making staged cash payments totaling \$35,000 and issuing 80,000 common shares over three years, of which 10,000 shares were issued during the fiscal year ended March 31, 2005. The property was also subject to a 2% NSR that the Company, at its option, could have purchased for \$2 million.

Reconnaissance geologic surveys were performed over the property during calendar 2004. An evaluation of these results was completed and the results did not warrant further exploration by the Company on this property.

In July 2005, the Company terminated the Spilus agreement and has no further interest in the property.

### **The Witch Properties, British Columbia, Canada**

In September 2004, the Company acquired a 100% interest in the Witch porphyry gold-copper property for a cash payment of \$10,000. The property comprises approximately 4,600 hectares and is located in the Witch Lake/Chuchi Lake region, approximately 80 kilometers north-northwest of Fort St. James. The Company added to the property by staking an additional 1,750 hectares in four claims.

Exploration work performed by previous owners includes soil sampling, magnetometer surveys, induced polarization surveys, trenching and mapping. Several anomalous areas were outlined, some of which had received historical drilling. Anomalous copper values over discontinuous intervals were encountered in the drilling. Prospective areas of the property remained to be tested by geophysics, and untested targets remained to be drilled. These prospective areas were explored by the Company using geophysical techniques, and anomalous zones were drill tested to determine their geologic character. An evaluation of the results from the characterization drilling indicates that the original Witch property does not warrant additional work by the Company.

During the quarter ended December 31, 2004, the Company staked an additional 36,350 hectares in the Witch Lake region, over areas prospective for porphyry gold-copper targets in a region underlain by Jurassic Takla Group and Chuchi Group volcanic and sedimentary rocks intruded by Triassic to Cretaceous intrusive rocks. These claims reach to the south of the Mt. Milligan deposit (measured and indicated resource of 408 million tonnes containing 0.18% copper and 0.40 g/t gold Placer Dome 2003 Annual Report) and comprise the Chona, Kal, M2, M3, M4, M5, Tsil and additional Witch claims. In November 2004, the Kal, M2, M3, M4, M5 and Tsil properties became subject to a farm out agreement with Rockwell Ventures Inc., as described below under Rockwell Agreement. These claims were surveyed by geophysical techniques then tested by drilling during fiscal 2005. An evaluation of these results was completed, indicating that no further exploration by the Company was warranted, and the M2, M4, M5 Kal and Tsil claims were allowed to lapse in 2005.

During the quarter ended March 31, 2005, the Company registered an additional 31,611 hectares in the same region (the Chica, additional Chona, Tchent, Wolf and Xander claims). During the 2005



exploration season, the Company performed extensive detailed geophysical and geochemical surveys on the properties and selected drill targets exhibiting the types of anomalies characteristic of porphyry gold-copper deposits. The Company completed a program of nine drill holes (964 meters) in October 2005. No significant results were obtained from the drilling.

The Company has filed assessment work on 21,025 hectares of the Chona claims to maintain this area in good standing. In addition, the Company is holding an additional 1,050 hectares of the Witch and Chona claims that are in good standing.

#### **Natlan Property, British Columbia, Canada**

In October 2004, the Company signed a Letter of Intent to enter into an option agreement to acquire the **Natlan** gold property located 25 kilometers northeast of Hazelton. In October 2004, the Company staked an additional 1,400 hectares of claims in the area of common interest surrounding the original property that was included in the terms of the Letter.

In March 2005, a definitive option agreement was signed, whereby the Company could purchase 100% of the Natlan gold property by making staged cash payments totaling \$500,000 over five years, of which \$10,000 was paid. The property was subject to a 2% NSR, which could be purchased by the Company for \$2 million.

The Natlan property features a gold (and associated indicator elements) geochemical anomaly in an area of Early Jurassic to Late Cretaceous Bowser Lake Group sedimentary rocks that have been intruded by late Cretaceous Bulkley plutonic rocks. Work during the 2005 exploration season included a soil geochemical survey and drilling. Anomalous soil and rock conditions were encountered during the work; however, no economic mineralization was found. The Company terminated the option agreement during the fiscal quarter ended December 31, 2005.

#### **Cariboo Properties, British Columbia, Canada**

In February and March 2004, the Company staked the 2,000 hectare Crystal Property, the 2,000 hectare Orr Property, the 1,125 hectare Hook Property, the 2,125 Sky Property and the 2,175 hectare Jim Property. The Crystal and Orr claims are located approximately 45 kilometers southeast and 35 kilometers southeast, respectively, of the town of 100 Mile House. The Hook, Sky and Jim Properties are located 12 kilometers northeast, 15 kilometers northwest and 6 kilometers northeast, respectively, of the town of Horsefly. Subsequently, the Company added, by staking, 100 hectares in four claims to the Jim property and 2,500 hectares in five claims to the Crystal property.

The geological setting consists of Mesozoic Nicola Group volcanic and sedimentary rocks in the vicinity of Triassic and Jurassic intrusive plugs and stocks, a setting known to be prospective for porphyry gold-copper occurrences. The target areas are defined by airborne magnetometer geophysical anomalies. Preliminary ground surveys, consisting of geological mapping, geochemical sampling and geophysical surveys, were carried out in May and June of 2004.

In November 2004, the Crystal and Hook properties became the subject to a farm out agreement with Rockwell Ventures Inc., as described below under Rockwell Agreement.

During the quarter ended December 31, 2004, reconnaissance drilling was performed on the Orr, Hook and Crystal properties to characterize a number of geophysical anomalies present on the properties. An evaluation of these results was completed and the Company and Rockwell determined that they had no

---

further interest in the Crystal property. The Company also determined that the results on the Orr property did not warrant further exploration.

During the fiscal year ended March 31, 2005, a portion of the Crystal property and the Orr property were allowed to lapse. In April 2005, the remainder of the Crystal property and the Sky property were allowed to lapse.

In March 2005, the Company entered into an agreement with Wildrose Resources Ltd., whereby the Hook and Jim properties were sold to Wildrose for the sum of \$10 and the right, in favour of the Company and Rockwell, to enter into an option agreement to purchase Wildrose's Cowtrail and Pat claims, also located in the Cariboo region near Horsefly. The Company and Rockwell did not exercise the right to enter into the option agreement.

In November 2004, the Company staked the Giff, Naud and Tin properties comprising 5,196 hectares located in the Cariboo region approximately 85 kilometers east of Williams Lake, to cover regional geophysical targets prospective for porphyry gold-copper-molybdenum deposits. In February 2005 the Company registered the Magoro, RS, Tisdall and TKL properties, comprising a total of 7,462 hectares, in the same area.

These properties were explored during the calendar 2005 field season using geological, geochemical and geophysical techniques. The results of the surveys did not warrant drilling the properties and no further work will be done by the Company. The Giff, Naud, Tin, Magoro, RS, Tisdall and TKL properties have been allowed to lapse.

In May 2005, the Company entered into an option agreement with Taseko Mines Limited, a public company with certain directors in common with the Company, to earn a 50% interest in the Wasp and Anvil properties. The Company will be the operator and can acquire its interest by incurring \$150,000 of exploration expenditures over a two year period.

The Wasp and Anvil properties are located approximately 15 kilometers southeast of Taseko's Prosperity project, situated 130 kilometers southwest of Williams Lake. The Prosperity project hosts a large porphyry gold-copper deposit.

The Company performed a geological reconnaissance survey on the Wasp property during calendar 2005 and plans to perform a geological reconnaissance survey on the Anvil property during calendar 2006.

#### **Max Property, British Columbia, Canada**

In January 2005, the Company entered into an agreement whereby it obtained an option to acquire a 100% interest in the 121 hectare Homestake/Kamad crown-granted mineral claims located 65 kilometers northeast of Kamloops, by making staged cash payments totaling \$135,000 and issuing 200,000 common shares of the Company over a period of 2 years, of which \$60,000 has been paid and 50,000 common shares have been issued to June 30, 2005. The agreement included a 2% net smelter royalty payable from production on the property, which royalty was purchasable by the Company for \$1 million.

The Homestake/Kamad property hosts a precious metals rich volcanogenic massive sulphide occurrence containing barite, silver and base metals. The property has been explored intermittently in the past by surface and underground work. The Company performed a first phase of drilling on the property during the period January to March 2005. A total of 13 holes were drilled comprising 2,728 meters. At least two precious metals-rich, volcanogenic massive sulphide horizons containing silver, gold, copper, lead, zinc and barite were intersected. The two sub-parallel mineralized horizons trend northwest and dip at shallow

to moderate angles to the northeast. A lower mineralized horizon lies approximately 40 meters below the upper horizon. The thirteen holes (MX5-01 to MX5-13) traced the mineralized horizons approximately 300 meters down dip.

In December 2004, the Company entered into a letter agreement with Eagle Plains Resources Ltd. ( Eagle Plains ) for an option to acquire a 60% joint venture position with Eagle Plains to develop the 5,075 hectare Acacia property that is contiguous with and surrounds the Homestake/Kamad claims. The Company could have acquired its interest by making staged payments totaling \$125,000 and 350,000 common shares of the Company and by expending \$2,500,000 in exploration and development work over the next four years. The Company could have increased its interest to 75% by carrying the project to feasibility. A definitive agreement was signed in April 2005. Initial cash payments of \$25,000 and the issuance of 25,000 common shares of the Company were made. The Company was required to spend a minimum of \$100,000 before April 2006 to maintain the option.

During February 2005, the Company staked an additional 3,245 hectares of claims in the area of common interest surrounding the original Acacia property that will be included in the terms of the agreement.

The Acacia property is underlain by the Paleozoic Eagle Bay Assemblage comprising metamorphosed volcanic and sedimentary rocks, known to host the nearby Samatosum and Rea precious and base metals volcanogenic massive sulphide deposits.

The Company performed an additional drilling program on the Homestake and Acacia properties in September and October 2005. Three NQ2 diamond core holes (993 meters) were drilled toward the east of holes MX5-01 to MX5-13 to further test the faulted extensions of the polymetallic massive sulphide and barite lenses. The mineralized horizons were intersected by the drill holes, yielding geochemically anomalous precious and base metal results. These results were reviewed by the Company's personnel and it was determined that no further work would be performed on the property.

The Company has given notice of termination of the option agreements on the Homestake/Kamad property and the Acacia property.

#### **Tulox Property, British Columbia, Canada**

The Tulox property, located in the Cariboo region, comprising 20,726 hectares, was registered for acquisition during the period July 2005 to March 2006 to cover multi-element regional stream sediment geochemical anomalies.

Follow-up work by the Company comprised geological mapping, soil and stream sediment geochemical surveys and prospecting. The source of the anomalies has not been located. The Company is performing additional surveys in fiscal 2007.

#### **Iskut Properties, British Columbia, Canada**

The Company registered for acquisition a total of 5,175 hectares in five properties in the Iskut River area of northwestern B.C. during the period August 2005 to March 2006. These properties comprise the AA, MEZ, TRI A, Copper 152 and Copper 246 properties.

The Company also entered into a letter agreement in May 2006 with an arm's length party, giving the Company the right to explore the 2,302 hectare SEDEX property that adjoins the AA property, and the right to enter into a formal option agreement on or before December 31, 2006 to purchase the SEDEX property by paying the arm's length party \$100,000 and 265,000 shares of the Company in stages by



December 31, 2010. The purchase is subject to a 1.5% Net Smelter Royalty in favor of the arm's length party, 0.5% of which can be purchased by the Company for \$1,000,000. Advance royalty payments of \$20,000 annually are payable to the arm's length party commencing on or before December 31, 2011.

Geological and geochemical reconnaissance programs are being performed on the Iskut properties during calendar 2006.

#### **Other**

The Company also has a 5% net profits interest ("NPI") in the 46 mineral claims comprising the Ana Property in the Yukon Territory, Canada, and a 2.5% NPI in a mineral lease comprising the Mann Lake Property in Saskatchewan. At the present time, the Company has no plans to undertake any programs on these properties.

### **B. BUSINESS OVERVIEW**

Amarc is in the business of acquiring and exploring mineral exploration properties. Amarc is currently focusing on exploration in British Columbia, Canada. The Company has assembled a portfolio of key projects through option agreements and ground staking and is carrying out preliminary exploration programs on high priority targets, with the objective of ascertaining whether any of the properties possess commercially viable mineral deposits. As Amarc is an exploration stage company, there is no assurance that commercially viable mineral deposits exist on its optioned properties or that commercially viable mineral deposits will be found. Further, exploration activities and engineering studies will have to be completed before an evaluation could be undertaken to assess the economic and legal feasibility of any mineral deposits that are found.

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

Mineral claims in British Columbia may be kept in good standing by incurring assessment work or by paying cash-in-lieu of assessment work in the amount of \$100 per mineral claim unit (25 hectares) per year during the first three years following location of the mineral claim. This amount increases to \$200 per mineral claim unit in the fourth and succeeding years.

On January 12, 2005, the Province of British Columbia adopted a new on-line mineral tenure system that includes mineral tenure acquisition and tenure maintenance procedures, as well as a method of converting previous format claims (legacy claims) to new format claims (cell claims). Many of the Company's mineral tenures will be converted to cell claims resulting in new tenure numbers and slightly larger claim boundaries. Assessment work requirements will remain the same, but will be stated as \$4 per hectare per year during the first three years following location of the mineral claim, and \$8 per hectare per year in the fourth and succeeding years.

Crown-granted mineral claim tenure is maintained by paying taxes on an annual basis. Unlike mineral claims, the taxes can be paid late, with penalties and interest. If the taxes remain unpaid after a specified period of time, the claims will revert to the Crown and can be subsequently acquired by normal procedures.

#### **Environmental Matters**

Environmental matters for mineral exploration companies in British Columbia are administered by the Ministry of Energy, Mines and Petroleum Resources. The Company files notice of its work programs

---

with the Ministry, and a bond is determined that will set aside sufficient cash to reclaim the exploration sites to their pre-exploration land use. Typically, no bond is required for exploration activities such as geological, geochemical and geophysical surveys. A bond is required for blasting, machine work and drilling. The required level of reclamation usually involves leaving the sites in a geo-technically stable condition, and grooming the sites to prevent forest fire hazards and to ensure that natural regeneration of previous plant species can progress over a reasonable period of time.

### Exploration Activities during Fiscal 2006

Amarc's exploration activities completed since the beginning of fiscal 2006 include the following:

Name of Mineral Property	Description of Exploration Activity
RAD and Sitka Properties	A geologic reconnaissance of the RAD property performed in 2004 confirmed that a historic induced polarization survey had adequately covered the target area and consequently no further exploration is planned at this time. A geological review of the Sitka property concluded that no further exploration work is warranted at this time. The RAD property is being held on assessment credits and the Sitka property has been allowed to lapse.
GBR Property	During the second quarter of fiscal 2005, the Company completed a preliminary exploration program on the property consisting of soil sampling, magnetometer and induced polarization surveys on the property. Results of the program were evaluated, and deemed to be not sufficiently positive to warrant further exploration by the Company. During fiscal 2006, after filing assessment work, Amarc terminated the GBR property agreement.
Spius Property	During fiscal 2005, the Company completed reconnaissance geologic surveys over the property. The Company completed an evaluation of the results of the surveys and concluded that the property did not warrant further exploration. During fiscal 2006, the Spius option agreement was terminated. The property was returned in good standing to the underlying vendors.
Witch Properties	<p>The Company completed testing by geophysical surveys and reconnaissance drilling of the Kal, M2, M3, M4, M5 and Tsil properties during fiscal 2005. An evaluation of the results of this exploration resulted in the conclusion that the Kal, M2, M3, M4, M5 and Tsil properties did not warrant further exploration. Additional claims were registered for acquisition during fiscal 2006. Amarc performed extensive detailed geophysical and geochemical surveys on these properties and completed a program of nine drill holes (964 meters) in October 2005. No significant results were obtained by the drilling.</p> <p>The Company has filed assessment work on 21,025 hectares of the Chona claims and is holding an additional 4,714 hectares of the Witch and Chona claims that are in good standing.</p>

<b>Name of Mineral Property</b>	<b>Description of Exploration Activity</b>
Natlan Property	Amarc conducted a drill program comprising 387 meters in 2 holes to test a geochemical anomaly on the property. The results of the drilling did not warrant any further work on the property. The property was returned in good standing to the vendor.
Max Property	Amarc conducted drilling programs comprising 16 holes totaling 3,721 meters. At least two precious metals-rich, volcanogenic massive sulphide horizons containing silver, gold, copper, lead, zinc and barite were intersected; however, the drilling indicated that the tonnage potential of the deposit was limited. The properties were returned in good standing to the vendors.
Cariboo Properties	The Giff, Naud, Tin, Magoro, RS, Tisdall and TKL properties were explored in fiscal 2006 using geological, geochemical and geophysical techniques. No drill targets were identified and the properties have been allowed to lapse.  A geological reconnaissance survey was completed on the Wasp property, determining that no further work was warranted.
Tulox Property	The Tulox property was registered for acquisition during the period July 2005 to March 2006.  During fiscal 2006 the Company performed geological mapping, soil and stream sediment geochemical surveys and prospecting.
Iskut Properties	The Iskut Properties were registered for acquisition during the period August 2005 to March 2006.

**Plan of Operations for Fiscal 2007**

Amarc plans to complete the following exploration activities during fiscal 2007:

<b>Name of Mineral Property</b>	<b>Planned Exploration Activity</b>	<b>Budget (Cdn\$)</b>
Tulox Property	The Company plans to perform soil geochemical surveys and prospecting on the Property.	100,000
Iskut Properties	The Company plans to perform geologic mapping, soil and stream sediment geochemical surveys, and prospecting and rock sampling on the Iskut Properties.	100,000
BC Initiative and Acquisitions Program	Research, planning, data compilation and business support, including the review, inspection and acquisition of key properties.	1,000,000
<b>Total</b>		<b>1,200,000</b>

Details of the planned exploration programs are included in Item 4.D of this Annual Report.

Amarc anticipates spending approximately \$1.2 million in the completion of its planned exploration programs during fiscal 2007. Amarc plans to use its existing cash and working capital to fund these exploration programs. The Company completed significant private placement financings during 2003 and 2004 that enabled the Company to acquire interests in its British Columbia mineral properties and to proceed with exploration activities on these properties. During 2004 and 2005, the Company has raised additional financing through the exercise of previously outstanding options and share purchase warrants.

The Company had cash and cash equivalents of \$4.5 million and working capital of \$4.8 million as at March 31, 2006 and cash of approximately \$4.2 million as at June 16, 2006.

**C. Organizational Structure**

The Company operates directly and has no material subsidiaries.

**D. Property, plant and equipment**

All of the Company's properties are located in British Columbia. For further information about the Company's mineral projects, see Further Particulars of Amarc's Properties below. None of the projects have any material tangible fixed assets located thereon although there is still miscellaneous exploration equipment and motor vehicles held in Mexico.

---



**E. Further Particulars of Amarc's Properties**

The locations of the currently active properties, described in this section, are shown on Figure 1 below:

Figure 1. Location of British Columbia Properties

**(1) The Tulox Property, British Columbia**

**Property**

The Tulox property comprises 21,000 hectares.

---

**Location and Access**

The Tulox property is located in the Bonaparte River area,, approximately 65 kilometers north-northwest of Kamloops, British Columbia. The property is accessed by a network of logging and ranching roads.

A map showing the location of the Tulox Property is provided below.

Figure 2. Location of Tulox Property

---

## **Geology**

The Tulox Property is underlain primarily by Upper Triassic Nicola Group sedimentary and volcanic rocks intruded by Jurassic intrusive rocks. Parts of the property are covered by Miocene volcanic rocks.

### **Exploration in 2005 (Fiscal 2006)**

Exploration work performed during fiscal 2006 comprised geological mapping, soil and stream sediment geochemical surveys and prospecting. Several anomalous areas were outlined.

### **Plan of Operation for 2006 (Fiscal 2007)**

The Company plans to perform additional soil geochemical surveys and prospecting on the Tulox property.

## **(2) The Iskut Properties, British Columbia**

### **Property**

The Iskut Properties comprise six properties, the AA, MEZ, TRI A, Copper 246 and Copper 152, totaling 5,175 hectares, as well as the 2,302 hectare SEDEX property.

### **Location and Access**

The Iskut Properties are located adjacent to the Stewart-Cassiar highway from 170 kilometers to 380 kilometers north of Terrace, British Columbia.

A map showing the location and access to the Iskut Properties is provided below:

---

Figure 3. Location of Iskut Properties

---

## Geology

The AA/SEDEX, MEZ and TRI A properties are underlain by Middle to Upper Jurassic Bowser Lake Group sandstones, siltstones and conglomerates of the Ritchie-Alger Assemblage. The Copper 152 property is underlain by unnamed Middle Triassic undivided volcanic rocks and the Copper 246 property is underlain by Paleozoic limestone and marine sedimentary and volcanic rocks in contact with Lower to Middle Jurassic Hazelton Group calc-alkaline volcanic rocks.

## **Plan of Operation for fiscal 2007**

The properties will be the subject of reconnaissance geological, geochemical and prospecting surveys to determine the nature of any future programs. The field portion of these programs is expected to cost Cdn\$100,000.

---

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

The following discussion should be read in conjunction with the audited consolidated financial statements and related notes, accompanying this Annual Report. The Company prepares and files its consolidated financial statements with various Canadian regulatory authorities in accordance with Canadian generally accepted principles ( GAAP ). References should be made to note 10 to the annual consolidated financial statements which provide reconciliation between US GAAP and Canadian GAAP and their effect on the consolidated financial statements.

**OVERVIEW**

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

As an expenditure-based corporation, Amarc's results of operations are often evaluated on an event driven basis. Results of operations are difficult to quantify given that the product of these expenditures relates to the nature, extent and statistical confidence (primarily from diamond drill exploration programs) in a deposit's size and continuity. It is difficult to evaluate the success of operations in a fiscal year by reference to the financial statements, given that results are more appropriately measured by an evaluation of the minerals discovered and/or confirmed. The Company's operating activities do not occur on a regular or periodic basis and are subject to the economic realities of metals prices and equity financing conditions for natural resource exploration issuers. Accordingly, it may not be meaningful to seek observable trends in financial operating statistics.

Amarc's financial statements are prepared on the basis that it will continue as a going concern. Given that Amarc has no source of significant revenue, this assumption is always subject to the further assumption that there will continue to be investment interest in funding exploration to seek large tonnage metal deposits even where economic certainty is unknown. Amarc can give no assurance that it will continue to be able to raise sufficient funds and should it be unable to continue to do so, may be unable to realize on the carrying value of its resource project and the net realizable value could be materially less than Amarc's liabilities with a potential for total loss to Amarc shareholders.

---

**A. RESULTS OF OPERATIONS****Year Ended March 31, 2006 ( 2006 ) versus Year Ended March 31, 2005 ( 2005 )**

The Company had net loss of \$3,840,903 in 2006 compared to net loss of \$8,627,639 in 2005. The loss in 2006 was lower as a result of decreased exploration expenditures in British Columbia. Excluding stock-based compensation and gain on sales of marketable securities, Amarc had a net loss in 2006 of \$3,950,072, compared to a net loss of \$8,213,162 in 2005.

Exploration expenses for 2006, excluding stock-based compensation, decreased to \$3,012,825, from in \$7,553,950 in 2005, due to a decrease in the number of exploration programs being carried out in British Columbia. The major exploration expenditures during the year were geological (2006 \$1,117,544; 2005 \$3,082,953) and site activities (2006 \$727,397; 2005 \$2,106,647). The decrease in geological expense during the year was due to wages paid for less geological and geophysical work conducted in 2006. Site activities decreased in 2006 due to less site contractors used by the Company for the Company's exploration activities as several properties were allowed to lapse in the last two quarters of the year. Other exploration expenses include drilling (2006 \$260,900; 2005 \$708,953), charter air travel (2006 \$260,720; 2005 \$674,075), and assays and analysis (2006 \$205,889; 2005 \$455,737). Option payments related to mineral property interests decreased to \$78,750 in 2006 from \$99,400 in 2005.

Administrative costs for 2006 increased slightly in line with normal administrative activities and inflation. Salaries and benefits increased to \$382,254 in 2006 from \$356,841 in 2005. Office and administration increased to \$137,155 in 2006 from \$106,349 in 2005. Legal, accounting and audit increased slightly to \$64,160 in 2006 from \$63,521 in 2005. In contrast, shareholder communication costs decreased to \$72,531 from \$104,308 in 2005, and trust and filing decreased to \$17,946 from \$23,350 in 2005.

Interest and other income decreased to \$129,852 in 2006 from \$242,862 in 2005, reflecting a lower level of the average cash on hand during 2006 as compared to 2005.

The gain on sale of marketable securities was \$92,887 in 2006, a slight increase in comparison to the gain of \$81,554 in 2005. The gain in 2006 resulted mainly from the sale of shares of Yukon Zinc Corporation and Endurance Gold Corporation. The write down of marketable securities in 2006 totaled \$190,392 (2005 - \$6,667). The write down of accounts receivable in fiscal 2006 was \$45,088 (2005 - \$nil) as a result of the rejection by the Mexican government of the Company's IVA returns for the calendar years from 1998 to 2000.

A total of \$16,282 of stock-based compensation expense was recovered in 2006 in comparison of \$496,031 of stock-based compensation expense recorded in 2005, as a result of a decrease in the Company's stock price.

**Year Ended March 31, 2005 ( 2005 ) versus Year Ended March 31, 2004 ( 2004 )**

The Company had net loss of \$8,627,639 in 2005 compared to net income of \$831,135 in 2004. The loss in 2005 was due to increased exploration expenditures in British Columbia and a smaller gain on the sale of marketable securities compared to 2004. Excluding stock-based compensation and gain on sale of marketable securities, Amarc had a net loss in 2005 of \$8,213,162, compared to a net loss of \$814,098 in 2004.

---



The Company's exploration expenditures are comprised of expenses incurred in connection with the conduct of exploration programs on its British Columbia properties. The Company's exploration activities on these properties are discussed in Item 4.D of this Annual Report. The Company's exploration costs do not include stock based compensation associated with its exploration activities. Exploration expenses for 2005, excluding stock-based compensation, increased to \$7,553,950, from \$460,252 in 2004, due to an increase in the number of exploration programs being carried out in British Columbia. The major exploration expenditures during the year were geological (2005 \$3,082,953; 2004 \$291,248) and site activities (2005 \$2,106,647; 2004 \$40,078). The increase in geological expense during the year was due to higher wages paid for increased geological and geophysical work. Site activities increased in 2005 due to a higher number of site contractors used in the Company's exploration activities. Other exploration expenses include drilling (2005 \$708,953; 2004 \$nil), charter air travel (2005 \$674,075; 2004 \$2,302), and assays and analysis (2005 \$455,737; 2004 \$115,662). Option payments related to mineral property interests increased to \$99,400 in 2005 from \$nil in 2004.

Office and administration expenses include amounts paid to HDI under the HDI Services Agreement relating to office and administration services provided by HDI. Administrative costs for 2005 increased in line with continued mineral property acquisitions and exploration during the year. Salaries and benefits increased to \$356,841 in 2005 from \$140,619 in 2004. Office and administration increased to \$106,945 in 2005 from \$28,468 in 2004. Shareholder communication increased to \$104,308 from \$21,495 in 2004. Legal, accounting and audit increased to \$63,521 in 2005 from \$53,913 in 2004.

Interest income increased to \$242,862 in 2005 from \$74,590 in 2004, reflecting a higher level of the average cash on reserve during 2005 as compared to 2004. The Company paid interest of \$92,502 on flow-through shares issued in 2004.

The gain on sale of marketable securities was \$81,554 in 2005, a significant decrease in comparison to the gain of \$2,052,596 in 2004. The gain in 2004 resulted mainly from the sale of shares of Expatriate Resources Ltd. The write down of marketable securities in fiscal 2005 totaled \$6,667 (2004 - \$nil).

Stock-based compensation increased to \$496,031 in 2005 from \$407,363 in 2004, as a result of an increase in the Company's stock price.

## **B. LIQUIDITY AND CAPITAL RESOURCES**

The Company had cash and cash equivalents of \$4,537,933 and working capital of \$4,833,727 as at March 31, 2006, compared to cash and equivalents of \$7,335,379 and working capital of \$7,017,106 as at March 31, 2005.

The Company did not have any long term liabilities as at March 31, 2006 or 2005 and does not have any long term liabilities as of the date of this Annual Report.

### **Planned Exploration Activities**

The Company plans to apply its available cash and working capital to continue exploration of the Company's mineral properties. These planned exploration activities are summarized in Item 4.B of this Annual Report. At September 30, 2006, the Company had cash of approximately \$3.9 million. The Company anticipates that its cash and working capital will be sufficient to enable us to carry out the Company's planned exploration activities as well as for property maintenance requirements and administrative overhead for the next eight to ten months without obtaining additional financing.

**Cash Used in Operating Activities**

Cash used in operating activities was \$4,625,140 in 2006, compared to \$7,414,974 in 2005 and \$817,048 in 2004. The decrease in cash used in operating activities in 2006 compared to 2005 and the increase compared to 2004 is attributable primarily to the Company's exploration activities carried out on its British Columbia mineral properties. The Company anticipates continuing to use cash in its operating activities to carry out its exploration programs.

**Cash Flows from Investing Activities**

Cash provided by investing activities was \$240,292 in 2006, compared to cash used in investing activities of \$146,410 in 2005 and cash provided of \$2,528,717 in 2004. Cash provided by investing activities in 2006 was attributable to the disposal of shares of Yukon Zinc Corporation and Endurance Gold Corporation. Cash used in investing activities in 2005 was due to the acquisitions of \$168,000 in mineral property interests (2004 - \$73,929) and a subscription to a private placement in Expatriate Resources Ltd. of \$125,000. Cash used in 2005 was partially offset by proceeds received from the sale of marketable securities of \$146,590. Cash generated from investing activities in 2004 was mainly attributable to the sale of common shares of Expatriate Resources Ltd. and StrataGold Corporation.

**Cash Flows from Financing Activities**

Cash flows from financing activities were \$1,587,402 in 2006, compared to \$1,172,090 in 2005, and \$12,003,155 in 2004. Cash from financing activities in each year were attributable to common shares and share purchase warrants issued for cash.

Cash from financing activities in 2005 was attributable to the exercise of previously outstanding options and warrants. The previously outstanding warrants had been issued in private placement transactions completed in prior years.

Cash from financing activities in 2004 was attributable to the completion of several private placement financing arrangements.

**Requirement of Financing**

Historically, Amarc's sole source of funding has been the sale of equity securities for cash, primarily through private placements to sophisticated investors and institutions. The Company has issued common share capital in each of the past three fiscal years pursuant to private placement financings and exercise of warrants and options. The Company's ability to obtain additional financing to fund its exploration programs is always uncertain. There can be no assurance of continued access to significant equity funding.

Development of any of the Company's mineral properties beyond feasibility will require additional equity and possible debt financing, both of which involve significant risks and have been referred to previously in this Annual Report. As Amarc is an exploration stage company, it does not have revenues from operations and, except for interest income from its cash and cash equivalents, the Company relies on equity funding for its continuing financial liquidity. The Company does not have any arrangements or commitments in place for any additional financing that would enable it to complete development of either project even in the event of positive feasibility studies.

---

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

The Company has no lines of credit or other sources of financing which have been arranged but are as yet unused.

### **Financial Instruments**

Amarc keeps its financial instruments denominated in Canadian dollars and does not engage in any hedging operations with respect to currency or in-situ minerals. Funds which are excess to Amarc's current needs are invested in short term near-cash investments pending the need for the funds.

### **C. Research Expenditures**

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

### **D. Trend Information**

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

The Company expects that several exploration programs will be carried out in 2006, as discussed in Items 4.B and 4.D of this Annual Report. These expenditures will result in a decrease in the Company's cash and working capital position unless the Company completes further equity financings during 2006, of which there is no assurance.

Copper prices have been increasing since late 2003. Copper prices averaged US\$1.30/lb in 2004 and have averaged US\$1.59/lb in 2005. Copper prices have continued to increase in 2006, averaging approximately US\$2.81/lb to the end of July.

Gold prices have been increasing over the past two years, and this uptrend has accelerated since September 2005. Overall, the gold price increased from US\$410/oz in 2004 to US\$445/oz in 2005. The gold price has also increased in 2006, averaging US\$596/oz to the end of July.

### **E. Off-Balance Sheet Arrangements**

The Company does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the Company's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

---

**F. Tabular Disclosure of Contractual Obligations**

As at fiscal year end March 31, 2006, the Company had the following contractual obligations:

Type of Contractual Obligation	Payment due by period				
	Total	Less than 1 Year	1 - 3 Years	3 - 5 Years	More than 5 Years
Long-Term Debt Obligations					
Capital (Finance) Lease Obligations					
Operating Lease Obligations (Office Lease)					
Purchase Obligations					
Other Long-Term Liabilities Reflected on the Company's Balance Sheet under the GAAP of the primary financial statements					
<b>Total</b>					

**G. Safe Harbor**

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

---

**ITEM 6 DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES****A. Directors and Senior Management**

<b>Name</b>	<b>Position</b>	<b>Director Since</b>
David J. Copeland	Director	September 1995
Scott D. Cousens	Director	September 1995
Robert A. Dickinson	Chairman and Director	April 1993
Jeffrey R. Mason	Secretary, Chief Financial Officer and Director	September 1995
Ronald W. Thiessen	President, Chief Executive Officer and Director	September 1995

**Principal Occupation of Directors and Senior Management**

The following information as to principal occupation, business or employment is not within the knowledge of the management of the Company and has been furnished by the respective nominees. Each nominee has held the same or a similar principal occupation with the organization indicated or a predecessor thereof for the last five years.

**DAVID COPELAND, P.Eng. Director**

David Copeland is a geological engineer who graduated in economic geology from the University of British Columbia. With over 30 years of experience, Mr. Copeland has undertaken assignments in a variety of capacities in mine exploration, discovery and development throughout the South Pacific, Africa, South America and North America. His principal occupation is President and Director of CEC Engineering Ltd., a consulting engineering firm that directs and co-ordinates advanced technical programs for exploration on behalf of the Company and other companies for which Hunter Dickinson Inc., a private company with certain directors in common with the Company, provides consulting services. He is also a director of Hunter Dickinson Inc.

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

<b>Company</b>	<b>Positions Held</b>	<b>From</b>	<b>To</b>
Amarc Resources Ltd.	Director	September 1995	Present
Anooraq Resources Corporation	Director	September 1996	September 2004
Casamiro Resource Corp.	Director	February 1995	August 2002
Continental Minerals Corporation	Director	November 1995	Present
Farallon Resources Ltd.	Director	December 1995	Present
Great Basin Gold Ltd.	Director	February 1994	Present
Northern Dynasty Minerals Ltd.	Director	June 1996	Present
Taseko Mines Limited	Director	January 1994	Present

**SCOTT COUSENS Director**

Scott Cousens provides management, technical and financial services to a number of publicly traded companies. Mr. Cousens' focus since 1991 has been the development of relationships within the international investment community. Substantial financings and subsequent corporate success has established strong ties with North American, European and Asian investors. In addition to financing initiatives he also oversees the corporate communications programs for the public companies to which Hunter Dickinson Inc. provides services.

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

<b>Company</b>	<b>Positions Held</b>	<b>From</b>	<b>To</b>
Amarc Resources Ltd.	Director	September 1995	Present
Anooraq Resources Corporation	Director	September 1996	Present
Continental Minerals Corporation	Director	June 1994	Present
Farallon Resources Ltd.	Director	December 1995	Present
Great Basin Gold Ltd.	Director	March 1993	Present
Northern Dynasty Minerals Ltd.	Director	June 1996	Present
Rockwell Ventures Inc.	Director	November 2000	Present
Taseko Mines Limited	Director	October 1992	Present

**ROBERT DICKINSON, B.Sc., M.Sc. Chairman of the Board and Director**

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

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

<b>Company</b>	<b>Positions Held</b>	<b>From</b>	<b>To</b>
Amarc Resources Ltd.	Director	April 1993	Present
	Co-Chairman	September 2000	April 2004
	Chairman	April 2004	Present
Anooraq Resources Corporation	Chairman	November 1990	September 2004
	Director	October 2004	Present
	Co-Chairman	October 2004	Present
Continental Minerals Corporation	Director	June 2004	Present

Company	Positions Held	From	To
	Chairman	June 2004	January 2006
	Co-Chairman	January 2006	Present
Farallon Resources Ltd.	Director	July 1991	Present
	Chairman	April 2004	September 2004
	Co-Chairman	September 2004	April 2006
Great Basin Gold Ltd.	Director	May 1986	Present
	Co-Chairman	September 2000	April 2004
	Chairman	April 2004	December 2005
	Co-Chairman	December 2005	Present
Northern Dynasty Minerals Ltd.	Director	June 1994	Present
	Co-Chairman	November 2001	April 2004
	Chairman	April 2004	Present
Rockwell Ventures Inc.	Director	November 2000	Present
	Chairman	November 2000	Present
Taseko Mines Limited	Director	January 1991	Present
	Chairman	April 2004	July 2005
	Co-Chairman	July 2005	May 2006

**JEFFREY MASON, B.Comm., CA Director, Chief Financial Officer and Secretary**

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

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

Company	Positions Held	From	To
Amarc Resources Ltd.	Director	September 1995	Present
	Secretary	September 1995	Present
	Chief Financial Officer	September 1998	Present
Anooraq Resources Corporation	Director	April 1996	September 2004

<b>Company</b>	<b>Positions Held</b>	<b>From</b>	<b>To</b>
	Secretary	September 1996	Present
	Chief Financial Officer	February 1999	Present
Continental Minerals Corporation	Director	June 1995	Present
	Secretary	November 1995	Present
	Chief Financial Officer	June 1998	Present
Farallon Resources Ltd.	Director	August 1994	Present
	Secretary	December 1995	Present
	Chief Financial Officer	December 1997	Present
Great Basin Gold Ltd.	Director	February 1994	Present
	Secretary	February 1994	Present
	Chief Financial Officer	June 1998	Present
Northern Dynasty Minerals Ltd.	Director	June 1996	Present
	Secretary	June 1996	Present
	Chief Financial Officer	June 1998	Present
Quartz Mountain Resources Ltd.	Principal Accounting Officer	January 2005	Present
Rockwell Ventures Inc.	Director	November 2000	Present
	Chief Financial Officer	November 2000	Present
Taseko Mines Limited	Director	February 1994	Present
	Secretary	February 1994	Present
	Chief Financial Officer	November 1998	Present

**RONALD THIESSEN, CA Chief Executive Officer, President and Director**

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

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

<b>Company</b>	<b>Positions Held</b>	<b>From</b>	<b>To</b>
Amarc Resources Ltd.	Director	September 1995	Present
	President and Chief	September 2000	Present



<b>Company</b>	<b>Positions Held</b>	<b>From</b>	<b>To</b>
	Executive Officer		
Anooraq Resources Corporation	Director	April 1996	Present
	President and Chief Executive Officer	September 2000	Present
Casamiro Resource Corp.	Director and President	February 1990	August 2002
Continental Minerals Corporation	Director	November 1995	Present
	President and Chief Executive Officer	September 2000	January 2006
	Co-Chairman	January 2006	Present
Farallon Resources Ltd.	Director	August 1994	Present
	President and Chief Executive Officer	September 2000	September 2004
	Co-Chairman	September 2004	April 2006
	Chairman	April 2006	Present
Great Basin Gold Ltd.	Director	October 1993	Present
	President and Chief Executive Officer	September 2000	December 2005
	Co-Chairman	December 2005	Present
Northern Dynasty Minerals Ltd.	Director	November 1995	Present
	President and Chief Executive Officer	November 2001	Present
Rockwell Ventures Inc.	Director	November 2000	Present
	President and Chief	November 2000	Present
	Executive Officer		
Taseko Mines Limited	Director	October 1993	Present
	President and Chief Executive Officer	September 2000	July 2005
	Co-Chairman	July 2005	May 2006
	Chairman	May 2006	Present
Tri-Gold Resources Corp.	Director	July 1992	Present

## **B. Compensation**

### **Compensation of Directors**

There is no arrangement under which directors were compensated by the Company and its subsidiaries during the most recently completed financial year for their services in their capacity as directors or consultants.



**Compensation of Senior Management**

Ronald W. Thiessen, President and Chief Executive Officer, Jeffrey R. Mason, Chief Financial Officer and Secretary and Robert A. Dickinson, Chairman and Director are the Named Executive Officers of the Company for the purposes of the following disclosure. The compensation paid to the Named Executive Officers during the Company's three most recently completed financial years is as set out below:

<b>SUMMARY COMPENSATION TABLE</b>									
Name and Principal Position	Year	Annual Compensation			Long Term Compensation			All Other Compensation (\$)	
		Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Awards		Payouts		
					Securities Under Options/SARs Granted (#)	Restricted Shares or Restricted Share Units (\$)	LTIP Payouts (\$)		
Ronald W. Thiessen Chief Executive Officer, President	2006	155,127	Nil	Nil	Nil	Nil	Nil	Nil	
	2005	75,092	Nil	Nil	200,000	Nil	Nil	Nil	
	2004	18,268	Nil	Nil	Nil	Nil	Nil	Nil	
Jeffrey R. Mason Chief Financial Officer, Secretary	2006	92,835	Nil	Nil	Nil	Nil	Nil	Nil	
	2005	56,519	Nil	Nil	200,000	Nil	Nil	Nil	
	2004	14,054	Nil	Nil	Nil	Nil	Nil	Nil	
Robert A. Dickinson Chairman and Director	2005	95,574	Nil	Nil	Nil	Nil	Nil	Nil	
	2005	20,771	Nil	Nil	200,000	Nil	Nil	Nil	
	2004	4,583	Nil	Nil	Nil	Nil	Nil	Nil	

**Share Options**

The Share Option Plan has been established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Share Option Plan is administered by the directors of the Company. The Share Option Plan provides that options will be issued to directors, officers, employees and consultants of the Company or a subsidiary of the Company. All options expire on a date not later than 10 years after the date of grant of such option.

No option was granted during the year, and no option was outstanding as at March 31, 2006 and the date of this Annual Report.

The only equity compensation plan which the Company has in place is the share option plan (the Plan ) which was previously approved by shareholders on September 21, 2004 and confirmed by the shareholders on September 28, 2006. The Plan has been established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Plan is administered by the directors of the Company. The Plan provides that the number of Common Shares issuable under the Plan, together with all of the Company's other previously established or proposed share compensation arrangements, may not exceed 10% of the total number of issued and outstanding Common Shares under the Plan. As at September 30, 2006 there are no options outstanding. All options expire on a date not later than five years after the date of grant of such option.

---

## **Pension Plans**

There are no defined pension, benefit or actuarial plans in place.

## **C. Board Practices**

All directors were elected at the September 28, 2006 annual general meeting. All directors have a term of office expiring at the next annual general meeting of Amarc, and all officers have a term of office lasting until their removal or replacement by the Board of Directors.

There are no compensatory plan(s) or arrangement(s), with respect to the directors and officers of the Company resulting from the resignation, retirement or any other termination of employment of the officer's employment or from a change of the directors' or officers' responsibilities following a change in control.

## **General**

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

### **1. Board of Directors**

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

The Board facilitates its independent supervision over management in a number of ways including by holding regular meetings at which members of management or non-independent directors are not in attendance and by retaining independent consultants where it deems necessary.

The directors of the Company are not independent.

### **2. Other Directorships**

The section entitled "Election of Directors" in this Information Circular gives details of other reporting issuers of which each director is a director or officer.

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

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Company's properties, business, technology and industry and on the responsibilities of directors. Board meetings may also include presentations by the Company's management and employees to give the directors additional insight into the Company's business.

---

#### **4. Ethical Business Conduct**

The Board has adopted an ethics policy which is available on the Company's website and in addition has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual directors' participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

#### **5. Nomination of Directors**

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

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

#### **6. Compensation**

The Board determines the compensation for the Chief Executive Officer. The directors receive no cash compensation for acting in their capacity as directors of the Company.

#### **7. Other Board Committees**

The Board has no other committees other than the audit committee.

#### **8. Assessments**

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and its committee. The Board and its committee have considered self-assessment procedures and may formalize procedures to accommodate this in the future. The Board is satisfied with the overall project and corporate achievements of the Company and believes this reflects well on the Board and its practices.

### **AUDIT COMMITTEE**

#### **The Audit Committee's Charter**

The audit committee has adopted a charter that sets out its mandate and responsibilities. A copy of the audit committee charter was attached to the 2005 information circular and is also available at [www.sedar.com](http://www.sedar.com) and the Company's website ([www.amarcresources.com](http://www.amarcresources.com)).

#### **Composition of the Audit Committee**

The members of the audit committee are David Copeland, Scott Cousens and Ronald Thiessen. All members are financially literate. A member of the audit committee is considered *financially literate* if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised

by the Company.

---

### **Relevant Education and Experience**

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

- the accounting principles used by the Company to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- reviewing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements,
- an understanding of internal controls and procedures for financial reporting.

### **Audit Committee Oversight**

Since the commencement of the Company's most recently completed financial year, all recommendations of the audit committee to nominate or compensate an external auditor were adopted by the Board of Directors.

### **Reliance on Certain Exemptions**

The Company's auditors have not provided any material non-audit services.

### **Pre-Approval Policies and Procedures**

The audit committee ordinarily recommends the nomination and engagement of the independent auditors to audit the financial statements, and approves all audit, audit-related services, tax services and other non-audit services provided by the Company's auditors.

Any services provided by the Company's auditors which are not specifically included within the scope of the audit are pre-approved by the audit committee prior to engagement.

### **D. Employees**

At September 30, 2006, Amarc had no direct employees. Amarc's administrative and exploration functions are primarily administered through Hunter Dickinson Inc. (See Item 7 Major Shareholders and Related Party Transactions).

### **E. Share Ownership**

#### **Security Holdings of Directors and Senior Management**

As at September 30, 2006, the directors and officers of Amarc and their affiliates, directly and indirectly, own or control as a group an aggregate of 9,261,417 common shares (17.7%).

The Company's directors and senior management currently beneficially own the following number of the Company's common shares and options:



<b>Name</b>	<b>Shares Owned or Beneficially Controlled</b>	<b>As a Percentage of the Company's Common Shares Outstanding</b>	<b>Number of Options Held</b>
David J. Copeland	869,500	1.7%	Nil
Scott D. Cousens	540,500	1.0%	Nil
Robert A. Dickinson <sup>(1)</sup>	5,286,409	10.1%	Nil
Jeffrey R. Mason	1,396,000	2.7%	Nil
Ronald W. Thiessen	1,169,008	2.2%	Nil
<b>Total</b>	<b>9,261,417</b>	<b>17.7%</b>	<b>Nil</b>

Note:

(1) Certain of these shares are held by United Mineral Services Ltd., a company controlled by Mr. Dickinson.

### **Share Option Plan**

As at September 30, 2006 no options were outstanding pursuant to the Company's Share Option Plan, which reserves up to 10% of the Company's outstanding common at any time for issuance.

### ***Material Terms of the Company's Current Share Option Plan***

The following is a summary of the material terms of the Company's current Share Option Plan:

- (a) all options granted under the Share Option Plan are non-assignable and non-transferable and for a period of no greater than ten years;
- (b) for stock options granted to employees or service providers (inclusive of management company employees), the Company must ensure that the proposed Optionee is a bona fide employee or service provider (inclusive of a management company employee), as the case may be, of the Company or of any of its subsidiaries;
- (c) if an Optionee ceases to be employed by the Company (other than as a result of termination with cause) or ceases to act as a director or officer of the Company or a subsidiary of the Company, any option held by such Optionee may be exercised within 90 days after the date such Optionee ceases to be employed as an officer or director or, as the case may be, or within 30 days if the Optionee is engaged in investor relations activities and ceases to be employed to provide investor relations activities;
- (d) the minimum exercise price of an option granted under the Plan must not be less than the Market Price (as defined in the policies of TSX); and
- (e) no Optionee can be granted an option or options to purchase more than 5% of the outstanding listed shares of the Company in a one year period.
- (f) the number of options granted to Insiders of the Company may exceed 10% of the Company's outstanding shares; or
- (g) the aggregate number of options granted to Insiders of the Company within a one year period may exceed 10% of the Company's outstanding listed shares; or



- (h) the number of options granted to any one Insider and such Insider's associates within a one year period may exceed 5% of the Company's outstanding listed shares; or
  - (i) the Company may decrease the exercise price of options previously granted to Insiders.
- In order to provide incentive to directors, officers, employees, management and others who provide services to the Company, to act in the best interests of the Company, the board approved and shareholders ratified, a share option plan (the Rolling Plan) based on a rolling percentage of up to 10% of the Company's outstanding shares.

***Material Terms of the Rolling Plan***

The following is a summary of the material terms of the Rolling Plan:

- (a) persons who are directors, officers, employees, consultants to the Company or its affiliates, or who are employees of a management company providing services to the Company are eligible to receive grants of options under the Rolling Plan;
  - (b) all options granted under the Rolling Plan are non-assignable and non-transferable and for a period of up to 10 years;
-

**ITEM 7 MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS****A. Major Shareholders**

Amarc's securities are recorded on the books of its transfer agent in registered form, however, the majority of such shares are registered in the name of intermediaries such as brokerage houses and clearing houses on behalf of their respective brokerage clients, and Amarc does not have knowledge or access to information about of the beneficial owners thereof. To the best of its knowledge, Amarc is not directly or indirectly owned or controlled by a corporation or foreign government.

As of September 30, 2006, Amarc had authorized unlimited common shares without par value of which 52,459,473 were issued and outstanding.

The following table lists those persons who are known by Amarc to beneficially own more than 5% of Amarc's common shares and the number of shares beneficially owned by each such shareholder, each as of September 30, 2006:

<b>Shareholder</b>	<b>Number of Shares</b>	<b>Percentage of total outstanding shares</b>
CDS & Co. <sup>(1)</sup>	41,683,809	79.5%
Cede & Co.	2,946,706	5.6%
Robert A. Dickinson (and companies controlled by him)	5,286,409	10.1%

Notes:

(1) CDS is a clearing house for brokerage firms whose clients beneficially own the shares. Management of the Company is unaware of the beneficial ownership of the shares registered in the name of CDS although these figures may include shares of management held in brokerage houses.

The shareholders named in the above table do not have any different voting rights with respect to the common shares held by them.

Under the British Columbia *Securities Act* insiders (generally officers, directors, and holders of 10% or more of Amarc's shares) are required to file insider reports of changes in their ownership in the first 10 days following a trade in Amarc's securities. Copies of such reports are available for public inspection at the offices of the British Columbia Securities Commission, 701 West Georgia Street, Vancouver, British Columbia V7Y 1L2 (phone 604-899-6500) or at the SEDI website ([www.sedi.ca](http://www.sedi.ca)) which is administered by the Canadian Securities Administrators.

As of September 30, 2006, to the best of the Company's knowledge,

<b>Location</b>	<b>Number of registered shareholders of record</b>	<b>Number of shares</b>	<b>Percentage of total shares</b>
Canada	18	49,328,367	94.0%
United States	8	3,030,306	5.8%
Other	2	100,800	0.2%
<b>TOTALS</b>	<b>28</b>	<b>52,459,473</b>	<b>100.0%</b>

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

## **B. Related Party Transactions**

Except as disclosed below, Amarc has not, since the beginning of its last fiscal year ended March 31, 2006, and does not propose to:

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

### **Arrangements with Hunter Dickinson Inc.**

The Company is party to the geological and administrative services agreement with HDI dated for reference December 31, 1996. During the fiscal year ended March 31, 2006, the Company paid \$1,377,312 to HDI for services and reimbursements of third party disbursements pursuant to this agreement.

HDI is a private company owned equally by nine publicly traded exploration and mining companies (one of which is the Company) and is managed by persons who include directors of the Company.

HDI is one of the largest independent mining exploration groups in North America and as of September 30, 2006, employed or retained on a substantially full-time basis, 23 geoscientists, including seven with advanced degrees (two PhD s and five M.Sc s), eight professional geologists (PGeo), and four professional engineers (PEng); six engineers, including four mining engineers and one civil engineer, all with professional engineer designations; one professional agrologist, one biologist (MSc); 11 accountants (including six Chartered Accountants, one CMA and two CGAs) and 28 administrative and support personnel.

HDI has supervised mineral exploration projects in Canada (British Columbia, Manitoba, Ontario, Québec, Yukon and Northwest Territories) and internationally in Brazil, Nevada, Mexico and South Africa. HDI allocates the cost of staff input into projects, such as the Company's projects, based on the time records of involved personnel. Costs of such personnel and third party contractors are billed to the



participating public companies on a full cost recovery basis (inclusive of HDI staff costs and overhead) for amounts which are considered by the Company management to be at a cost that is competitive with arm's-length suppliers.

The shares of HDI are owned by each of the participating public corporations (including the Company) for as long as HDI's services are being retained by such participating company. However, a participant surrenders its single share of HDI at the time of termination of the standard form of services agreement. The agreement can be cancelled on 30 days notice. HDI is managed by the directors of the Company, who are generally the controlling directors of the other corporate participants in the arrangements with HDI.

### **Rockwell Agreement**

On November 1, 2004 the Company entered into an agreement with Rockwell Ventures Inc. ( "Rockwell" ), a related company by virtue of certain directors in common, whereby the Company granted to Rockwell the right to earn an interest in each of the Crystal, Hook, Kal, M2, M3, M5 and Tsil properties by incurring \$600,000 in exploration expenditures on these properties by December 31, 2004, which Rockwell completed. The Company had the option to buy back Rockwell's interest at any time up to June 30, 2005 (the right of "Call" ), by paying a mutually agreed upon price of at least \$660,000 in cash or the equivalent in Amarc shares. The Company allowed this call option to expire unexercised.

### **Taseko Mines Limited**

In May 2005, the Company entered into an option agreement with Taseko Mines Limited ( "Taseko" ), a public company with certain directors in common with the Company, to earn a 50% interest in the Wasp and Anvil projects, by incurring \$150,000 of exploration expenditures over a two year period. The Wasp and Anvil projects are located approximately 15 kilometers southeast of Taseko's Prosperity project, which is situated 130 kilometers southwest of Williams Lake.

### **C. Interests of Experts and Counsel**

Not applicable.

---

## **ITEM 8 FINANCIAL INFORMATION**

### **A. Consolidated Statements and Other Financial Information**

Item 17 of this Form 20-F contains Amarc's audited annual consolidated financial statements for the fiscal years ending March 31, 2006, 2005, and 2004.

### **Legal Proceedings**

Amarc is not involved in any litigation or legal proceedings and to Amarc's knowledge, no material legal proceedings involving Amarc or its subsidiaries are to be initiated against Amarc.

### **Dividend Policy**

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

### **B. Significant Changes**

There have been no significant changes to the accompanying financial statements since March 31, 2005, except as disclosed in this Annual Report on Form 20-F.

---



**ITEM 9 THE OFFER AND LISTING****A. Offer and Listing Details****Trading Markets**

Our common shares have been listed in Canada on the TSX Venture Exchange since August 1995.

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

<b>Fiscal</b>	<b>TSX Venture Exchange</b>	
	<b>High (Cdn\$)</b>	<b>Low (Cdn\$)</b>
<b>2006</b>	0.47	0.22
<b>2005</b>	0.75	0.43
<b>2004</b>	0.99	0.11
<b>2003</b>	0.89	0.15
<b>2002</b>	0.75	0.37

<b>Fiscal</b>	<b>TSX Venture Exchange</b>	
	<b>High (Cdn\$)</b>	<b>Low (Cdn\$)</b>
<b>Q2, 2007</b>	0.39	0.31
<b>Q1, 2007</b>	0.50	0.35
<b>Q4, 2006</b>	0.44	0.28
<b>Q3, 2006</b>	0.40	0.22
<b>Q2, 2006</b>	0.40	0.27
<b>Q1, 2006</b>	0.47	0.32
<b>Q4, 2005</b>	0.60	0.43
<b>Q3, 2005</b>	0.74	0.53

<b>Month</b>	<b>TSX Venture Exchange</b>	
	<b>High (Cdn\$)</b>	<b>Low (Cdn\$)</b>
<b>September 2006</b>	0.35	0.31
<b>August 2006</b>	0.37	0.31
<b>July 2006</b>	0.39	0.31
<b>June 2006</b>	0.43	0.38
<b>May 2006</b>	0.50	0.37
<b>April 2006</b>	0.43	0.35

The Company's common shares have been traded in the U.S. on OTC Bulletin Board since June 2004.

The following tables set forth for the periods indicated the price history of the Company's common shares on the OTC Bulletin Board.

<b>Fiscal</b>	<b>OTCBB</b>	
	<b>High (US\$)</b>	<b>Low (US\$)</b>
<b>2006</b>	0.38	0.20
<b>2005</b>	0.60	0.34
<b>2004</b>	N/A	N/A
<b>2003</b>	N/A	N/A
<b>2002</b>	N/A	N/A

<b>Fiscal</b>	<b>OTCBB</b>	
	<b>High (US\$)</b>	<b>Low (US\$)</b>
<b>Q2, 2007</b>	0.35	0.28
<b>Q1, 2007</b>	0.46	0.30
<b>Q4, 2006</b>	0.38	0.20
<b>Q3, 2006</b>	0.35	0.20
<b>Q2, 2006</b>	0.35	0.21
<b>Q1, 2006</b>	0.38	0.24
<b>Q4, 2005</b>	0.49	0.35
<b>Q3, 2005</b>	0.58	0.43

<b>Month</b>	<b>OTCBB</b>	
	<b>High (US\$)</b>	<b>Low (US\$)</b>
<b>September 2006</b>	0.32	0.28
<b>August 2006</b>	0.33	0.28
<b>July 2006</b>	0.35	0.28
<b>June 2006</b>	0.38	0.34
<b>May 2006</b>	0.46	0.28
<b>April 2006</b>	0.35	0.30

**B. Plan of Distribution**

Not applicable.

**C. Markets**

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

**D. Selling Shareholders**

Not applicable.

**E. Dilution**

Not applicable.

**F. Expenses of the Issue**

Not applicable.

---

## **ITEM 10 ADDITIONAL INFORMATION**

### **A. Share Capital**

Not applicable.

### **B. Memorandum and Articles of Association**

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

In March 2004, the *Company Act* (British Columbia) (the BCCA) was replaced by the *Business Corporations Act* (British Columbia) (the BCA). All companies currently incorporated under the BCCA must complete a transition application to the BCA by March 29, 2006. The directors of the Company authorized the Company to file a transition application with the Registrar of Companies and to comply with the BCA. Accordingly, the Company filed a Notice of Articles on October 2, 2004. The BCA approved the Company increased flexibility in the provisions of its governing documents. Accordingly, the adoption of this new form of Articles (New Articles) was also approved by shareholders at the annual general meeting held on October 12, 2005.

A summary of certain changes under the New Articles was discussed and filed in prior year with the Company's filing on Form 20-F.

### **C. Material Contracts**

Amarc's material contracts as of September 30, 2006 are:

- (a) Geological Management and Administration Services Agreement with Hunter Dickinson Inc. (HDI) dated for reference December 31, 1996 whereby HDI provides geological, exploration and administrative services to Amarc. (See Item 7 and 4B.) Copies of these contracts are incorporated by reference to Item 19 Exhibits of the Company's Form 20-F Initial Registration filed with the SEC in June 2002.
  - (b) Farmout Agreement with Rockwell Ventures Inc. dated November 2004.
  - (c) Mineral Property Option Agreement between Amarc and EJB Enterprises dated January 2005.
  - (d) Mineral Property Option Agreement between Amarc and Eagle Plains Resources dated April 2005.
  - (e) Mineral Property Option Agreement between Amarc and Taseko Mines dated May 2005.
- The about items were filed in previous years with the Company's filings on Form 20-F.
-

#### D. Exchange Controls

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

There is no limitation imposed by the laws of Canada or by the charter or other constituent documents of Amarc on the right of a non-resident to hold or vote its common shares, other than as provided in the *Investment Canada Act* (Canada) (the Investment Act). The following discussion summarizes the material features of the Investment Act for a non-resident who proposes to acquire a controlling number of Amarc's common shares. It is general only, it is not a substitute for independent advice from an investor's own advisor, and it does not anticipate statutory or regulatory amendments. Amarc does not believe the Investment Act will have any effect on it or on its non-Canadian shareholders due to a number of factors including the nature of its operations and Amarc's relatively small capitalization.

The Investment Act generally prohibits implementation of a reviewable investment by an individual, government or agency thereof, corporation, partnership, trust or joint venture (each an entity) that is not a Canadian as defined in the Investment Act (i.e. a non-Canadian), unless after review the Minister responsible for the Investment Act is satisfied that the investment is likely to be of net benefit to Canada. An investment in Amarc's common shares by a non-Canadian (other than a WTO Investor as that term is defined in the Investment Act and which term includes entities which are nationals of or are controlled by nationals of member states of the World Trade Organization) when Amarc was not controlled by a WTO Investor, would be reviewable under the Investment Act if it was an investment to acquire control of Amarc and the value of the assets of Amarc, as determined in accordance with the regulations promulgated under the Investment Act, was over \$5 million, or if an order for review was made by the federal cabinet on the grounds that the investment related to Canada's cultural heritage or national identity, regardless of the value of the assets of Amarc. An investment in the common shares of Amarc by a WTO Investor, or by a non-Canadian when Amarc was controlled by a WTO Investor, would be reviewable under the Investment Act if it was an investment to acquire control of Amarc and the value of the assets of Amarc, as determined in accordance with the regulations promulgated under the Investment Act, was not less than a specified amount, which for 2005 exceeds \$250 million. A non-Canadian would acquire control of Amarc for the purposes of the Investment Act if the non-Canadian acquired a majority of the common shares. The acquisition of less than a majority but one-third or more of the common shares would be presumed to be an acquisition of control of Amarc unless it could be established that, on the acquisition, Amarc was not controlled in fact by the acquirer through the ownership of the common shares.

The foregoing assumes Amarc will not engage in the production of uranium or own an interest in a producing uranium property in Canada, or provide any financial service or transportation service, as the rules governing these businesses are different.

Certain transactions relating to the common shares would be exempt from the Investment Act, including

- (a) an acquisition of the common shares by a person in the ordinary course of that person's business as a trader or dealer in securities,

- (b) an acquisition of control of Amarc in connection with the realization of security granted for a loan or other financial assistance and not for a purpose related to the provisions of the Investment Act, and
- (c) an acquisition of control of Amarc by reason of an amalgamation, merger, consolidation or corporate reorganization following which the ultimate direct or indirect control in fact of Amarc, through the ownership of the common shares, remained unchanged.

#### **E. Taxation**

**ALL PROSPECTIVE INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE SPECIFIC TAX CONSEQUENCES OF PURCHASING THE COMMON SHARES.**

#### *Material Canadian Federal Income Tax Consequences for United States Residents*

The following summarizes the material Canadian federal income tax consequences generally applicable to the holding and disposition of Common Shares by a holder (in this summary, a U.S. Holder ) who, (a) for the purposes of the Income Tax Act (Canada) (the Tax Act ), is not resident in Canada, deals at arm's length with Amarc, holds the Common Shares as capital property and does not use or hold the Common Shares in the course of carrying on, or otherwise in connection with, a business in Canada, and (b) for the purposes of the Canada-United States Income Tax Convention, 1980 (the Treaty ), is a resident solely of the United States, has never been a resident of Canada, and has not held or used (and does not hold or use) Common Shares in connection with a permanent establishment or fixed base in Canada. This summary does not apply to traders or dealers in securities, limited liability companies, tax-exempt entities, insurers, financial institutions (including those to which the mark-to-market provisions of the Tax Act apply), or any other U.S. Holder to which special considerations apply.

This summary is based on the current provisions of the Tax Act including all regulations there under, the Treaty, all proposed amendments to the Tax Act, the regulations and the Treaty publicly announced by the Government of Canada to the date hereof, and the current administrative practices of the Canada Customs and Revenue Agency. It has been assumed that all currently proposed amendments will be enacted as proposed and that there will be no other relevant change in any governing law or administrative practice, although no assurances can be given in these respects. The immediately following summary does not take into account Canadian provincial, U.S. federal (which follows further below), state or other foreign income tax law or practice. The tax consequences to any particular U.S. Holder will vary according to the status of that holder as an individual, trust, corporation, partnership or other entity, the jurisdictions in which that holder is subject to taxation, and generally according to that holder's particular circumstances. Accordingly, this summary is not, and is not to be construed as, Canadian tax advice to any particular U.S. Holder.

#### *Dividends*

Dividends paid or deemed to be paid to a U.S. Holder by Amarc will be subject to Canadian withholding tax. Under the Treaty, the rate of withholding tax on dividends paid to a U.S. Holder is generally limited to 15% of the gross amount of the dividend (or 5% if the U.S. Holder is a corporation and beneficially owns at least 10% of Amarc's voting shares). Amarc will be required to withhold the applicable withholding tax from any such dividend and remit it to the Canadian government for the U.S. Holder's account.

---

### *Disposition*

A U.S. Holder is not subject to tax under the Tax Act in respect of a capital gain realized on the disposition of a Common Share in the open market unless the share is taxable Canadian property to the holder thereof and the U.S. Holder is not entitled to relief under the Treaty. A common share will be taxable Canadian property to a U.S. Holder if, at any time during the 60 months preceding the disposition, the U.S. Holder or persons with whom the U.S. Holder did not deal at arm's length alone or together owned, or had rights to acquire, 25% or more of Amarc's issued shares of any class or series. If the shares of Amarc constitute taxable Canadian property to the holder, the holder may be subject to Canadian income tax on the gain. The taxpayer's capital gain or loss from a disposition of the share is the amount, in any, by which the proceeds of disposition exceed (or are exceeded by) the aggregate of the adjusted cost base and reasonable expenses of disposition. One-half of the capital gain is included in income and one-half of the capital loss is deductible from capital gains realized in the same year. Unused capital losses may be carried back three taxation years or forward indefinitely and applied to reduce capital gains realized in those years. It should be noted that Canada requires a withholding tax on the gross proceeds of a sale of taxable Canadian property by a non-resident. The withholding tax may be reduced on completion of a Clearance Certificate request. If the disposition of the share is subject to tax in Canada, the nonresident must also file a Canadian income tax return reporting the disposition.

A U.S. Holder whose common shares do constitute taxable Canadian property, and who might therefore be liable for Canadian income tax under the Tax Act, will generally be relieved from such liability under the Treaty unless the value of such shares at the time of disposition is derived principally from real property situated in Canada. The value of Amarc's common shares is not currently derived principally from real property situated in Canada.

### *United States Tax Consequences*

#### *United States Federal Income Tax Consequences*

The following is a discussion of all material United States federal income tax consequences, under current law, generally applicable to a U.S. Holder (as hereinafter defined) of common shares of Amarc. This discussion does not address all potentially relevant federal income tax matters and it does not address consequences peculiar to persons subject to special provisions of federal income tax law, such as those described below as excluded from the definition of a U.S. Holder. In addition, this discussion does not cover any state, local or foreign tax consequences. (See *Taxation - Canadian Federal Income Tax Consequences* above). Accordingly, the Company urges holders and prospective holders of common shares of Amarc to consult their own tax advisors about the specific federal, state, local, and foreign tax consequences to them of purchasing, owning and disposing of common shares of Amarc, based upon their individual circumstances.

The following discussion is based upon the sections of the Internal Revenue Code of 1986, as amended (the *Code*), Treasury Regulations, published Internal Revenue Service ( *IRS* ) rulings, published administrative positions of the *IRS* and court decisions that are currently applicable, any or all of which could be materially and adversely changed, possibly on a retroactive basis, at any time and which are subject to differing interpretations. This discussion does not consider the potential effects, both adverse and beneficial, of any proposed legislation which, if enacted, could be applied, possibly on a retroactive basis, at any time.

---

*U.S. Holders*

As used herein, a U.S. Holder means a holder of common shares of Amarc who is a citizen or individual resident of the United States, a corporation or partnership created or organized in or under the laws of the United States or of any political subdivision thereof, an estate whose income is taxable in the United States irrespective of source or a trust subject to the primary supervision of a court within the United States and control of a United States fiduciary as described Section 7701(a)(30) of the Code. This summary does not address the tax consequences to, and U.S. Holder does not include, persons subject to specific provisions of federal income tax law, such as tax-exempt organizations, qualified retirement plans, individual retirement accounts and other tax-deferred accounts, financial institutions, insurance companies, real estate investment trusts, regulated investment companies, broker-dealers, non-resident alien individuals, persons or entities that have a functional currency other than the U.S. dollar, shareholders subject to the alternative minimum tax, shareholders who hold common shares as part of a straddle, hedging or conversion transaction, and shareholders who acquired their common shares through the exercise of employee stock options or otherwise as compensation for services. This summary is limited to U.S. Holders who own common shares as capital assets and the summary does not address the consequences to a person or entity holding an interest in a shareholder or the consequences to a person of the ownership, exercise or disposition of any options, warrants or other rights to acquire common shares. In addition, this summary does not address special rules applicable to United States persons (as defined in Section 7701(a)(30) of the Code) holding common shares through a foreign partnership or to foreign persons holding common shares through a domestic partnership.

*Distribution on Common Shares of Amarc*

In general, U.S. Holders receiving dividend distributions (including constructive dividends) with respect to common shares of Amarc are required to include in gross income for United States federal income tax purposes the gross amount of such distributions, equal to the U.S. dollar value of such distributions on the date of receipt (based on the exchange rate on such date), to the extent that Amarc has current or accumulated earnings and profits, without reduction for any Canadian income tax withheld from such distributions. Such Canadian tax withheld may be credited, subject to certain limitations, against the U.S. Holder's federal income tax liability or, alternatively, may be deducted in computing the U.S. Holder's federal taxable income by those who itemize deductions. (See more detailed discussion at *Foreign Tax Credit* below). To the extent that distributions exceed current or accumulated earnings and profits of Amarc, they will be treated first as a return of capital up to the U.S. Holder's adjusted basis in the common shares and thereafter as gain from the sale or exchange of property. Preferential tax rates for long-term capital gains are applicable to a U.S. Holder which is an individual, estate or trust. There are currently no preferential tax rates for long-term capital gains for a U.S. Holder which is a corporation.

In the case of foreign currency received as a dividend that is not converted by the recipient into U.S. dollars on the date of receipt, a U.S. Holder will have a tax basis in the foreign currency equal to its U.S. dollar value on the date of receipt. Generally any gain or loss recognized upon a subsequent sale or other disposition of the foreign currency, including the exchange for U.S. dollars, will be ordinary income or loss. However, an individual whose realized gain does not exceed \$200 will not recognize that gain, provided that there are no expenses associated with the transaction that meet the requirements for deductibility as a trade or business expense (other than travel expenses in connection with a business trip) or as an expense for the production of income.

Dividends paid on the common shares of Amarc generally will not be eligible for the dividends received deduction provided to corporations receiving dividends from certain United States corporations. A U.S. Holder which is a corporation and which owns shares representing at least 10% of the voting power and value of Amarc may, under certain circumstances, be entitled to a 70% (or 80% if the U.S. Holder owns



shares representing at least 20% of the voting power and value of Amarc) deduction of the United States source portion of dividends received from Amarc (unless Amarc qualifies as a foreign personal holding company or a passive foreign investment company, as defined below). Amarc does not anticipate that it will earn any United States income, however, and therefore does not anticipate that any U.S. Holder will be eligible for the dividends received deduction.

Under current Treasury Regulations, dividends paid on Amarc's common shares, if any, generally will not be subject to information reporting and generally will not be subject to U.S. backup withholding tax. However, dividends and the proceeds from a sale of Amarc's common shares paid in the U.S. through a U.S. or U.S. related paying agent (including a broker) will be subject to U.S. information reporting requirements and may also be subject to the 31% U.S. backup withholding tax, unless the paying agent is furnished with a duly completed and signed Form W-9. Any amounts withheld under the U.S. backup withholding tax rules will be allowed as a refund or a credit against the U.S. Holder's U.S. federal income tax liability, provided the required information is furnished to the IRS.

#### *Foreign Tax Credit*

A U.S. Holder who pays (or has withheld from distributions) Canadian income tax with respect to the ownership of common shares of Amarc may be entitled, at the option of the U.S. Holder, to either receive a deduction or a tax credit for such foreign tax paid or withheld. Generally, it will be more advantageous to claim a credit because a credit reduces United States federal income taxes on a dollar-for-dollar basis, while a deduction merely reduces the taxpayer's income subject to tax. This election is made on a year-by-year basis and generally applies to all foreign taxes paid by (or withheld from) the U.S. Holder during that year. There are significant and complex limitations which apply to the credit, among which is the general limitation that the credit cannot exceed the proportionate share of the U.S. Holder's United States income tax liability that the U.S. Holder's foreign source income bears to his or its worldwide taxable income. In the determination of the application of this limitation, the various items of income and deduction must be classified into foreign and domestic sources. Complex rules govern this classification process. In addition, this limitation is calculated separately with respect to specific classes of income such as passive income, high withholding tax interest, financial services income, shipping income, and certain other classifications of income. Dividends distributed by Amarc will generally constitute passive income or, in the case of certain U.S. Holders, financial services income for these purposes. The availability of the foreign tax credit and the application of the limitations on the credit are fact specific, and U.S. Holders of common shares of Amarc should consult their own tax advisors regarding their individual circumstances.

#### *Disposition of Common Shares of Amarc*

In general, U.S. Holders will recognize gain or loss upon the sale of common shares of Amarc equal to the difference, if any, between (i) the amount of cash and the fair market value of any property received, and (ii) the shareholder's tax basis in the common shares of Amarc. Preferential tax rates apply to long-term capital gains of U.S. Holders which are individuals, estates or trusts. In general, gain or loss on the sale of common shares of Amarc will be long-term capital gain or loss if the common shares are a capital asset in the hands of the U.S. Holder and are held for more than one year. Deductions for net capital losses are subject to significant limitations. For U.S. Holders which are not corporations, any unused portion of such net capital loss may be carried over to be used in later tax years until such net capital loss is thereby exhausted.

For U.S. Holders that are corporations (other than corporations subject to Subchapter S of the Code), an unused net capital loss may be carried back three years and carried forward five years from the loss year to be offset against capital gains until such net capital loss is thereby exhausted.

*Other Considerations*

Set forth below are certain material exceptions to the above-described general rules describing the United States federal income tax consequences resulting from the holding and disposition of common shares:

*Foreign Personal Holding Company*

If at any time during a taxable year more than 50% of the total combined voting power or the total value of Amarc's outstanding shares is owned, directly or indirectly (pursuant to applicable rules of constructive ownership), by five or fewer individuals who are citizens or residents of the United States and 60% or more of Amarc's gross income for such year is derived from certain passive sources (e.g., from certain interest and dividends), Amarc may be treated as a foreign personal holding company. In that event, U.S. Holders that hold common shares would be required to include in gross income for such year their allocable portions of such passive income to the extent Amarc does not actually distribute such income. Amarc does not believe that it currently qualifies as a foreign personal holding company. However, there can be no assurance that Amarc will not be considered a foreign personal holding company for the current or any future taxable year.

*Foreign Investment Company*

If 50% or more of the combined voting power or total value of Amarc's outstanding shares is held, directly or indirectly, by citizens or residents of the United States, United States domestic partnerships or corporations, or estates or trusts other than foreign estates or trusts (as defined by the Code Section 7701(a)(31)), and Amarc is found to be engaged primarily in the business of investing, reinvesting, or trading in securities, commodities, or any interest therein, it is possible that Amarc may be treated as a foreign investment company as defined in Section 1246 of the Code, causing all or part of any gain realized by a U.S. Holder selling or exchanging common shares to be treated as ordinary income rather than capital gain. Amarc does not believe that it currently qualifies as a foreign investment company. However, there can be no assurance that Amarc will not be considered a foreign investment company for the current or any future taxable year.

*Passive Foreign Investment Company*

United States income tax law contains rules governing passive foreign investment companies ( PFIC ) which can have significant tax effects on U.S. Holders of foreign corporations. These rules do not apply to non-U.S. Holders. Section 1297 of the Code defines a PFIC as a corporation that is not formed in the United States if, for any taxable year, either (i) 75% or more of its gross income is passive income, which includes interest, dividends and certain rents and royalties or (ii) the average percentage, by fair market value (or, if the corporation is not publicly traded and either is a controlled foreign corporation or makes an election, by adjusted tax basis), of its assets that produce or are held for the production of passive income is 50% or more. Amarc appears to have been a PFIC for the fiscal year ended March 31, 2005, and at least certain prior fiscal years. In addition, Amarc expects to qualify as a PFIC for the fiscal year ending March 31, 2006 and may also qualify as a PFIC in future fiscal years. Each U.S. Holder of Amarc is urged to consult a tax advisor with respect to how the PFIC rules affect such U.S. Holder's tax situation.

Each U.S. Holder who holds stock in a foreign corporation during any year in which such corporation qualifies as a PFIC is subject to United States federal income taxation under one of three alternative tax regimes at the election of such U.S. Holder. The following is a discussion of such alternative tax regimes applied to such U.S. Holders of Amarc. In addition, special rules apply if a foreign corporation qualifies as both a PFIC and a controlled foreign corporation (as defined below) and a U.S. Holder owns,

---

actually or constructively, 10% or more of the total combined voting power of all classes of stock entitled to vote of such foreign corporation (See more detailed discussion at **Controlled Foreign Corporation** below).

A U.S. Holder who elects to treat Amarc as a qualified electing fund ( **QEF** ) will be subject, under Section 1293 of the Code, to current federal income tax for any taxable year to which the election applies in which Amarc qualifies as a PFIC on his pro rata share of Amarc's (i) net capital gain (the excess of net long-term capital gain over net short-term capital loss), which will be taxed as long-term capital gain, and (ii) ordinary earnings (the excess of earnings and profits over net capital gain), which will be taxed as ordinary income, in each case, for the shareholder's taxable year in which (or with which) Amarc's taxable year ends, regardless of whether such amounts are actually distributed. A U.S. Holder's tax basis in the common shares will be increased by any such amount that is included in income but not distributed.

The procedure a U.S. Holder must comply with in making an effective QEF election, and the consequences of such election, will depend on whether the year of the election is the first year in the U.S. Holder's holding period in which Amarc is a PFIC. If the U.S. Holder makes a QEF election in such first year, i.e., a **timely QEF election**, then the U.S. Holder may make the QEF election by simply filing the appropriate documents at the time the U.S. Holder files his tax return for such first year. If, however, Amarc qualified as a PFIC in a prior year during the U.S. Holder's holding period, then, in order to avoid the Section 1291 rules discussed below, in addition to filing documents, the U.S. Holder must elect to recognize under the rules of Section 1291 of the Code (discussed herein), (i) any gain that he would otherwise recognize if the U.S. Holder sold his stock on the qualification date or (ii) if Amarc is a controlled foreign corporation, the U.S. Holder's pro rata share of Amarc's post-1986 earnings and profits as of the qualification date. The qualification date is the first day of Amarc's first tax year in which Amarc qualified as a QEF with respect to such U.S. Holder. For purposes of this discussion, a U.S. Holder who makes (i) a timely QEF election, or (ii) an untimely QEF election and either of the above-described gain-recognition elections under Section 1291 is referred to herein as an **Electing U.S. Holder**. A U.S. Holder who holds common shares at any time during a year of Amarc in which Amarc is a PFIC and who is not an Electing U.S. Holder (including a U.S. Holder who makes an untimely QEF election and makes neither of the above-described gain-recognition elections) is referred to herein as a **Non-Electing U.S. Holder**. An Electing U.S. Holder (i) generally treats any gain realized on the disposition of his Amarc common shares as capital gain; and (ii) may either avoid interest charges resulting from PFIC status altogether, or make an annual election, subject to certain limitations, to defer payment of current taxes on his share of Amarc's annual realized net capital gain and ordinary earnings subject, however, to an interest charge. If the U.S. Holder is not a corporation, any interest charge imposed under the PFIC regime would be treated as **personal interest** that is not deductible.

In order for a U.S. Holder to make (or maintain) a valid QEF election, Amarc must provide certain information regarding its net capital gains and ordinary earnings and permit its books and records to be examined to verify such information. Amarc intends to make the necessary information available to U.S. Holders to permit them to make (and maintain) QEF elections with respect to Amarc. Amarc urges each U.S. Holder to consult a tax advisor regarding the availability of, and procedure for making, the QEF election.

A QEF election, once made with respect to Amarc, applies to the tax year for which it was made and to all subsequent tax years, unless the election is invalidated or terminated, or the IRS consents to revocation of the election. If a QEF election is made by a U.S. Holder and Amarc ceases to qualify as a PFIC in a subsequent tax year, the QEF election will remain in effect, although not applicable, during those tax years in which Amarc does not qualify as a PFIC. Therefore, if Amarc again qualifies as a PFIC in a subsequent tax year, the QEF election will be effective and the U.S. Holder will be subject to the rules described above for Electing U.S. Holders in such tax year and any subsequent tax years in which Amarc

qualifies as a PFIC. In addition, the QEF election remains in effect, although not applicable, with respect to an Electing U.S. Holder even after such U.S. Holder disposes of all of his or its direct and indirect interest in the shares of Amarc. Therefore, if such U.S. Holder reacquires an interest in Amarc, that U.S. Holder will be subject to the rules described above for Electing U.S. Holders for each tax year in which Amarc qualifies as a PFIC.

In the case of a Non-Electing U.S. Holder, special taxation rules under Section 1291 of the Code will apply to (i) gains realized on the disposition (or deemed to be realized by reasons of a pledge) of his Amarc common shares and (ii) certain excess distributions, as defined in Section 1291(b), by Amarc.

A Non-Electing U.S. Holder generally would be required to pro rate all gains realized on the disposition of his Amarc common shares and all excess distributions on his Amarc common shares over the entire holding period for the common shares. All gains or excess distributions allocated to prior years of the U.S. Holder (excluding any portion of the holder's period prior to the first day of the first year of Amarc (i) which began after December 31, 1986, and (ii) for which Amarc was a PFIC) would be taxed at the highest tax rate for each such prior year applicable to ordinary income. The Non-Electing U.S. Holder also would be liable for interest on the foregoing tax liability for each such prior year calculated as if such liability had been due with respect to each such prior year. A Non-Electing U.S. Holder that is not a corporation must treat this interest charge as personal interest which, as discussed above, is wholly non-deductible. The balance, if any, of the gain or the excess distribution will be treated as ordinary income in the year of the disposition or distribution, and no interest charge will be incurred with respect to such balance. In certain circumstances, the sum of the tax and the PFIC interest charge may exceed the amount of the excess distribution received, or the amount of proceeds of disposition realized, by the U.S. Holder.

If Amarc is a PFIC for any taxable year during which a Non-Electing U.S. Holder holds Amarc common shares, then Amarc will continue to be treated as a PFIC with respect to such Amarc common shares, even if it is no longer definitionally a PFIC. A Non-Electing U.S. Holder may terminate this deemed PFIC status by electing to recognize gain (which will be taxed under the rules discussed above for Non-Electing U.S. Holders) as if such Amarc common shares had been sold on the last day of the last taxable year for which it was a PFIC.

Effective for tax years of U.S. Holders beginning after December 31, 1997, U.S. Holders who hold (actually or constructively) marketable stock of a foreign corporation that qualifies as a PFIC may elect to mark such stock to the market annually (a mark-to-market election). If such an election is made, such U.S. Holder will generally not be subject to the special taxation rules of Section 1291 discussed above. However, if the mark-to-market election is made by a Non-Electing U.S. Holder after the beginning of the holding period for the PFIC stock, then the Section 1291 rules will apply to certain dispositions of, distributions on and other amounts taxable with respect to Amarc common shares. A U.S. Holder who makes the mark-to-market election will include in income for each taxable year for which the election is in effect an amount equal to the excess, if any, of the fair market value of the common shares of Amarc as of the close of such tax year over such U.S. Holder's adjusted basis in such common shares. In addition, the U.S. Holder is allowed a deduction for the lesser of (i) the excess, if any, of such U.S. Holder's adjusted tax basis in the common shares over the fair market value of such shares as of the close of the tax year, or (ii) the excess, if any, of (A) the mark-to-market gains for the common shares in Amarc included by such U.S. Holder for prior tax years, including any amount which would have been treated as a mark-to-market gain for any prior tax year but for the Section 1291 rules discussed above with respect to Non-Electing U.S. Holders, over (B) the mark-to-market losses for shares that were allowed as deductions for prior tax years. A U.S. Holder's adjusted tax basis in the common shares of Amarc will be adjusted to reflect the amount included in or deducted from income as a result of a mark-to-market election. A mark-to-market election applies to the taxable year in which the election is made and to each subsequent taxable year, unless Amarc common shares cease to be marketable, as specifically defined, or the IRS

consents to revocation of the election. Because the IRS has not established procedures for making a mark-to-market election, U.S. Holders should consult their tax advisor regarding the manner of making such an election. No view is expressed regarding whether common shares of Amarc are marketable for these purposes or whether the election will be available.

Under Section 1291(f) of the Code, the IRS has issued Proposed Treasury Regulations that, subject to certain exceptions, would treat as taxable certain transfers of PFIC stock by Non-Electing U.S. Holders that are generally not otherwise taxed, such as gifts, exchanges pursuant to corporate reorganizations, and transfers at death. Generally, in such cases the basis of Amarc common shares in the hands of the transferee and the basis of any property received in the exchange for those common shares would be increased by the amount of gain recognized. Under the Proposed Treasury Regulations, an Electing U.S. Holder would not be taxed on certain transfers of PFIC stock, such as gifts, exchanges pursuant to corporate reorganizations, and transfers at death. The transferee's basis in this case will depend on the manner of the transfer. In the case of a transfer by an Electing U.S. Holder upon death, for example, the transferee's basis is generally equal to the fair market value of the Electing U.S. Holder's common shares as of the date of death under Section 1014 of the Code. The specific tax effect to the U.S. Holder and the transferee may vary based on the manner in which the common shares are transferred. Each U.S. Holder of Amarc is urged to consult a tax advisor with respect to how the PFIC rules affect his or its tax situation.

Whether or not a U.S. Holder makes a timely QEF election with respect to common shares of Amarc, certain adverse rules may apply in the event that both Amarc and any foreign corporation in which Amarc directly or indirectly holds shares is a PFIC (a lower-tier PFIC). Pursuant to certain Proposed Treasury Regulations, a U.S. Holder would be treated as owning his or its proportionate amount of any lower-tier PFIC shares, and generally would be subject to the PFIC rules with respect to such indirectly-held PFIC shares unless such U.S. Holder makes a timely QEF election with respect thereto. Amarc intends to make the necessary information available to U.S. Holders to permit them to make (and maintain) QEF elections with respect to each subsidiary of Amarc that is a PFIC.

Under the Proposed Treasury Regulations, a U.S. Holder who does not make a timely QEF election with respect to a lower-tier PFIC generally would be subject to tax (and the PFIC interest charge) on (i) any excess distribution deemed to have been received with respect to his or its lower-tier PFIC shares and (ii) any gain deemed to arise from a so-called indirect disposition of such shares. For this purpose, an indirect disposition of lower-tier PFIC shares would generally include (i) a disposition by Amarc (or an intermediate entity) of lower-tier PFIC shares, and (ii) any other transaction resulting in a diminution of the U.S. Holder's proportionate ownership of the lower-tier PFIC, including an issuance of additional common shares by Amarc (or an intermediate entity). Accordingly, each prospective U.S. Holder should be aware that he or it could be subject to tax even if such U.S. Holder receives no distributions from Amarc and does not dispose of its common shares. Amarc strongly urges each prospective U.S. Holder to consult a tax advisor with respect to the adverse rules applicable, under the Proposed Treasury Regulations, to U.S. Holders of lower-tier PFIC shares.

Certain special, generally adverse, rules will apply with respect to Amarc common shares while Amarc is a PFIC unless the U.S. Holder makes a timely QEF election. For example under Section 1298(b)(6) of the Code, a U.S. Holder who uses PFIC stock as security for a loan (including a margin loan) will, except as may be provided in regulations, be treated as having made a taxable disposition of such shares.

#### *Controlled Foreign Corporation*

If more than 50% of the total combined voting power of all classes of shares entitled to vote or the total value of the shares of Amarc is owned, actually or constructively, by citizens or residents of the United

States, United States domestic partnerships or corporation, or estates or trusts other than foreign estates or trusts (as defined by the Code Section 7701(a)(31)), each of which own, actually or constructively, 10% or more of the total combined voting power of all classes of shares entitled to vote of Amarc ( United States Shareholder ), Amarc could be treated as a controlled foreign corporation ( CFC ) under Subpart F of the Code. This classification would affect many complex results, one of which is the inclusion of certain income of a CFC which is subject to current U.S. tax. The United States generally taxes United States Shareholders of a CFC currently on their pro rata shares of the Subpart F income of the CFC. Such United States Shareholders are generally treated as having received a current distribution out of the CFC's Subpart F income and are also subject to current U.S. tax on their pro rata shares of increases in the CFC's earnings invested in U.S. property. The foreign tax credit described above may reduce the U.S. tax on these amounts. In addition, under Section 1248 of the Code, gain from the sale or exchange of shares by a U.S. Holder of common shares of Amarc which is or was a United States Shareholder at any time during the five-year period ending on the date of the sale or exchange is treated as ordinary income to the extent of earnings and profits of Amarc attributable to the shares sold or exchanged. If a foreign corporation is both a PFIC and a CFC, the foreign corporation generally will not be treated as a PFIC with respect to United States Shareholders of the CFC. This rule generally will be effective for taxable years of United States Shareholders beginning after 1997 and for taxable years of foreign corporations ending with or within such taxable years of United States Shareholders. Special rules apply to United States Shareholders who are subject to the special taxation rules under Section 1291 discussed above with respect to a PFIC. Because of the complexity of Subpart F, a more detailed review of these rules is outside of the scope of this discussion. Amarc does not believe that it currently qualifies as a CFC. However, there can be no assurance that Amarc will not be considered a CFC for the current or any future taxable year.

**F. Dividends and Paying Agents**

Not applicable.

**G. Statement by Experts**

Not applicable.

**H. Documents on Display**

Exhibits attached to this Form 20-F are also available for viewing at the offices of Amarc, Suite 1020 - 800 West Pender Street, Vancouver, British Columbia V6C 2V6 or on request of Amarc at 604-684-6365, attention: Shirley Main. Copies of Amarc's financial statements and other continuous disclosure documents required under the British Columbia *Securities Act* are available for viewing on the internet at [www.sedar.com](http://www.sedar.com). The Company's filings with the United States Securities and Exchange Commission are available for viewing at [www.sec.gov](http://www.sec.gov).

**I. Subsidiary Information**

Not applicable.

---

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

**(a) Transaction Risk and Currency Risk Management**

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

**(b) Exchange Rate Sensitivity**

Amarc's administrative operations are in Canada. The Company typically holds most of its funds in Canadian dollars and typically acquires foreign currency on an as-needed basis and hence it is not significantly affected by exchange rate risk.

**(c) Interest Rate Risk and Equity Price Risk**

Amarc is equity financed and does not have any debt which is subject to interest rate change risks.

**(d) Commodity Price Risk**

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

---

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

**A. Debt Securities**

Not applicable.

**B. Warrants and Rights**

Not applicable.

**C. Other Securities**

Not applicable.

**D. American Depositary Shares**

Not applicable.

---



**PART II**

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

Not applicable.

---

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

Not applicable.

---

**ITEM 15 CONTROLS AND PROCEDURES**

As required by Rule 13a-15 under the *Securities Exchange Act of 1934* (the Exchange Act), the Company carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of March 31, 2006. This evaluation was carried out under the supervision and with the participation of the Company's Chief Executive Officer, Ronald W. Thiessen, and the Company's Chief Financial Officer, Jeffrey R. Mason. Based upon that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective in timely alerting management to material information relating to the Company required to be included in the Company's periodic SEC filings. There have been no significant changes in the Company's internal controls or in other factors that could significantly affect internal controls subsequent to the date the Company carried out its evaluation.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed the Company's reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in the Company's reports filed under the Exchange Act is accumulated and communicated to management, including the Company's Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

During the Company's most recently completed fiscal year ended March 31, 2006, there were no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to affect, its internal control over financial reporting.

The term "internal control over financial reporting" is defined as a process designed by, or under the supervision of, the registrant's principal executive and principal financial officers, or persons performing similar functions, and effected by the registrant's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- (1) Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the registrant;
  - (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the registrant are being made only in accordance with authorizations of management and directors of the registrant; and
  - (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the registrant's assets that could have a material effect on the financial statements.
-

**ITEM 16 AUDIT COMMITTEE, CODE OF ETHICS, ACCOUNTANT FEES AND EXEMPTIONS****A. Audit Committee Financial Expert**

The board of directors has determined that Mr. Ronald W. Thiessen, who is also the President and Chief Executive Officer of the Company, is a member of the audit committee of the Company who qualifies as an audit committee financial expert based on his education and experience. Mr. Thiessen is not independent, as that term is defined by the rules of the American Stock Exchange. Mr. Thiessen is an accredited Chartered Accountant in Canada.

**B. Code of Ethics**

The Company has adopted a code of ethics that applies to the Company's chief executive officer, the chief financial officer, and other members of senior management. The Company's Code of Ethics is attached as an exhibit to this Form 20-F.

**C. Principal Accountant Fees and Services**

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

Services:	Year ended March 31, 2006	Year ended March 31, 2005
Audit Fees <sup>(1)</sup>	\$ 15,000	\$ 11,500
Audit-Related Fees <sup>(2)</sup>		375
Tax Fees <sup>(3)</sup>		1,000
All Other Fees <sup>(4)</sup>		
	\$ 15,000	\$ 12,875

Notes:

- (1) Audit Fees include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) Audit-Related Fees include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

From time to time, management of the Company recommends to and requests approval from the audit committee for non-audit services to be provided by the Company's auditors. The audit committee routinely considers such requests at committee meetings, and if acceptable to a majority of the audit committee members, pre-approves such non-audit services by a resolution authorizing management to engage the Company's auditors for such non-audit services, with set maximum dollar amounts for each itemized service. During such deliberations, the audit committee assesses, among other factors, whether the services requested would be considered prohibited services as contemplated by the US Securities and Exchange Commission, and whether the services requested and the fees related to such services could impair the independence of the auditors.

**D. Exemptions from Listing Standards for Audit Committees**

Not applicable.

**E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers**

None.

---

**PART III**

**ITEM 17 FINANCIAL STATEMENTS**

The following audited financial statements are included with this Annual Report:

- (1) Auditors Report dated July 7, 2006;
  - (2) Consolidated Balance Sheets as at March 31, 2006, and 2005;
  - (3) Consolidated Statements of Operations and Deficit for the years ended March 31, 2006, 2005 and 2004;
  - (4) Consolidated Statements of Cash Flows for the years ended March 31, 2006, 2005 and 2004; and
  - (5) Notes to the Consolidated Financial Statements.
-

**ITEM 18 FINANCIAL STATEMENTS**

Amarc has elected to provide financial statements required by Item 17.

---

**ITEM 19 EXHIBITS**

The following exhibits are filed with this Annual Report on Form 20-F in respect of the current year:

**Exhibit Description**

12.1 Certification pursuant to Rule 13a-14(A)/15d-14(A) of Chief Executive Officer.

12.2 Certification pursuant to Rule 13a-14(A)/15d-14(A) of Chief Financial Officer.

13.1 Certification pursuant to 18 U.S.C. Section 1350 of Chief Executive Officer.

13.2 Certification pursuant to 18 U.S.C. Section 1350 of Chief Financial Officer.

99.1 Consolidated balance sheets as at March 31, 2006 and 2005; consolidated statements of operations and deficit, cash flows and notes thereto for the year ended March 31, 2006, 2005, and 2004, together with Report of Independent Public Accounting Firm;

---



**SIGNATURES**

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

**AMARC RESOURCES LTD.**

*/s/ Jeffrey R. Mason*

---

JEFFREY R. MASON  
Director, Chief Financial Officer and Secretary

DATED: September 30, 2006

---