



CONSOLIDATED FINANCIAL STATEMENTS

THREE AND SIX MONTHS ENDED SEPTEMBER 30, 2008

(Expressed in Canadian Dollars)

(Unaudited)

These financial statements have not been reviewed by the Company's auditors

AMARC RESOURCES LTD.

Consolidated Balance Sheets

(Expressed in Canadian Dollars)

	September 30, 2008 (Unaudited)	March 31, 2008
ASSETS		
Current assets		
Cash and cash equivalents	\$ 3,444,866	\$ 7,713,995
Amounts receivable and prepaid expenses	571,731	249,252
Balance due from a related party (note 7)	37,694	–
	<u>4,054,291</u>	<u>7,963,247</u>
Equipment (note 4)	65,205	20,369
Mineral property interests (note 5)	4	4
	<u>\$ 4,119,500</u>	<u>\$ 7,983,620</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 793,074	\$ 44,377
Balance due to a related party (note 7)	247,857	180,767
	<u>1,040,931</u>	<u>225,144</u>
Shareholders' equity		
Share capital (note 6(a) and (b))	30,747,065	30,747,065
Contributed surplus	1,663,747	1,469,931
Deficit	(29,332,243)	(24,458,520)
	<u>3,078,569</u>	<u>7,758,476</u>
Nature and continuance of operations (note 1)		
Commitment (note 8)		
Subsequent event (note 9)		
	<u>\$ 4,119,500</u>	<u>\$ 7,983,620</u>

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

Approved by the Board of Directors

/s/ Ronald W. Thiessen

Ronald W. Thiessen
Director

/s/ Robert A. Dickinson

Robert A. Dickinson
Director

AMARC RESOURCES LTD.
Consolidated Statements of Operations and Deficit
(Unaudited - Expressed in Canadian Dollars)

	Three months ended September 30		Six months ended September 30	
	2008	2007	2008	2007
Expenses				
Amortization	\$ 6,236	\$ 1,273	\$ 10,589	\$ 2,546
Conference and travel	18,303	2,543	35,723	4,086
Exploration (schedule)	2,974,071	1,667,197	4,238,537	2,134,696
Exploration - stock-based compensation (note 6(c))	82,314	–	82,314	–
Legal, accounting, and audit	(3,789)	3,496	4,158	6,860
Management and consulting	28,253	6,683	40,289	30,659
Office and administration	49,601	43,911	104,149	97,798
Property investigation	–	836	710	1,364
Salaries and benefits	123,161	74,620	199,221	122,516
Shareholder communication	95,919	18,688	157,136	31,881
Stock-based compensation (note 6(c))	111,502	–	111,502	–
Trust and filing	5,344	7,999	6,814	9,099
	3,490,915	1,827,246	4,991,142	2,441,505
Other items				
Foreign exchange (gain) loss	(40,781)	82,511	(35,887)	171,466
Gain on sale of marketable securities (note 7(b))	–	–	–	(68,992)
Gain on sale of equipment (note 7(c))	(14,007)	–	(14,007)	–
Interest income and other	(31,573)	(92,552)	(67,525)	(201,609)
	(86,361)	(10,041)	(117,419)	(99,135)
Loss for the period	\$ 3,404,554	\$ 1,817,205	\$ 4,873,723	\$ 2,342,370
Deficit, beginning of period	\$ 25,927,689	\$ 21,417,385	\$ 24,458,520	\$ 20,892,220
Deficit, end of period	\$ 29,332,243	\$ 23,234,590	\$ 29,332,243	\$ 23,234,590
Basic and diluted loss per share	\$ 0.05	\$ 0.03	\$ 0.07	\$ 0.04
Weighted average number of common shares outstanding	67,739,473	63,204,364	67,739,473	63,077,615

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

AMARC RESOURCES LTD.
Consolidated Statements of Shareholders' Equity
(Expressed in Canadian Dollars)

	Six months ended		Year ended	
	September 30, 2008		March 31, 2008	
	<i>(unaudited)</i>			
Share capital	<u>Number of shares</u>		<u>Number of shares</u>	
Balance at beginning of the period	67,739,473	\$ 30,747,065	62,949,473	\$ 27,287,248
Exercise of share purchase warrants at \$0.55 per share	–	–	4,790,000	2,634,500
Fair value of warrants allocated to shares issued on exercise	–	–	–	825,317
Balance at end of the period	67,739,473	\$ 30,747,065	67,739,473	\$ 30,747,065
Contributed surplus				
Balance at beginning of the period		\$ 1,469,931		\$ 2,295,248
Fair value of warrants allocated to shares issued on exercise		–		(825,317)
Stock-based compensation		193,816		–
Balance at end of the period		\$ 1,663,747		\$ 1,469,931
Deficit				
Balance at beginning of the period		\$ (24,458,520)		\$ (20,892,220)
Loss for the period		(4,873,723)		(3,566,300)
Balance at end of the period		\$ (29,332,243)		\$ (24,458,520)
TOTAL SHAREHOLDERS' EQUITY		\$ 3,078,569		\$ 7,758,476

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

AMARC RESOURCES LTD.

Consolidated Statements of Cash Flows

(Unaudited - Expressed in Canadian Dollars)

Cash provided by (used in)	Three months ended September 30		Six months ended September 30	
	2008	2007	2008	2007
Operating activities				
Loss for the period	\$ (3,404,554)	\$ (1,817,205)	\$ (4,873,723)	\$ (2,342,370)
Items not involving cash				
Amortization	6,236	1,273	10,589	2,546
Gain on sale of equipment	(14,007)	–	(14,007)	–
Gain on sale of marketable securities	–	–	–	(68,992)
Non-cash interest income (note 7(b))	–	–	–	(53,629)
Stock-based compensation	193,816	–	193,816	–
Changes in non-cash working capital items				
Amounts receivable and prepaid expenses	(213,633)	(83,335)	(322,479)	(94,369)
Balances receivable from and payable to related parties	(136,268)	(324,238)	29,396	(488,860)
Accounts payable and accrued liabilities	641,601	291,957	748,697	305,057
Cash used in operating activities	(2,926,809)	(1,931,548)	(4,227,711)	(2,740,617)
Investing activities				
Loan to a related party (note 7(b))	–	–	–	5,500,000
Proceeds on sale of equipment (note 7(c))	32,679	–	32,679	–
Proceeds on sale of marketable securities	–	–	–	315,497
Purchase of equipment	–	–	(74,097)	–
Cash provided by (used for) investing activities	32,679	–	(41,418)	5,815,497
Financing activities				
Issuance of share capital, net of costs	–	192,501	–	192,501
Cash provided by financing activities	–	192,501	–	192,501
Increase (decrease) in cash and cash equivalents	(2,894,130)	(1,739,047)	(4,269,129)	3,267,381
Cash and cash equivalents, beginning of period	6,338,996	7,922,622	7,713,995	2,916,194
Cash and cash equivalents, end of period	\$ 3,444,866	\$ 6,183,575	\$ 3,444,866	\$ 6,183,575
Components of cash and cash equivalents are as follows:				
Cash	\$ 398,594	\$ 287,240	\$ 398,594	\$ 287,240
Bankers acceptances	–	5,896,335	–	5,896,335
Commercial paper	937,520	–	937,520	–
Treasury bills	2,108,751	–	2,108,751	–
	\$ 3,444,866	\$ 6,183,575	\$ 3,444,866	\$ 6,183,575
Supplementary cash flow information:				
Interest paid	\$ –	\$ –	\$ –	\$ –
Interest received	\$ 31,573	\$ 92,552	\$ 67,525	\$ 147,980
Income taxes paid	\$ –	\$ –	\$ –	\$ –
Non cash investing activities:				
Receipt of common shares of Rockwell Diamonds Inc. representing payment of loan interest (note 7(b))	\$ –	\$ –	\$ –	\$ 246,506
Fair value of share warrants transferred to share capital on warrants exercised from contributed surplus	\$ –	\$ –	\$ –	\$ 60,305

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

AMARC RESOURCES LTD.
Consolidated Schedules of Exploration Expenses
(Unaudited - Expressed in Canadian Dollars)

British Columbia, Canada Properties	Three months ended September 30		Six months ended September 30	
	2008	2007	2008	2007
Exploration Cost				
Assays and analysis	\$ 339,977	\$ 85,244	\$ 394,001	\$ 101,271
Drilling	567,707	–	595,707	–
Engineering	314,644	4,893	320,889	4,893
Equipment rental	48,615	25,990	87,250	66,319
Environmental	10,899	–	15,475	–
Freight	4,705	13,003	6,668	14,780
Geological	890,724	820,618	1,708,838	1,168,068
Graphics	5,642	2,875	18,134	7,808
Helicopter	353,713	377,914	428,871	377,914
Property fees and assessments	955	23,726	19,365	25,546
Property option payments	10,000	10,000	10,000	10,000
Site activities	262,797	284,609	409,125	336,777
Socioeconomic	–	–	2,730	–
Travel and accommodation	163,693	18,325	221,484	21,320
Incurred during period	2,974,071	1,667,197	4,238,537	2,134,696
Cumulative expenditures, beginning of period	18,714,040	13,817,074	17,449,574	13,349,575
Cumulative expenditures, end of period	\$ 21,688,111	\$ 15,484,271	\$ 21,688,111	\$ 15,484,271

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

AMARC RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the three and six months ended September 30, 2008

(Unaudited - Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Amarc Resources Ltd. (the "Company") is incorporated under the laws of the province of British Columbia, and its principal business activity is the acquisition and exploration of mineral properties. Its principal mineral property interests are located in British Columbia.

Operating results for the six months ended September 30, 2008 are not necessarily indicative of the results that may be expected for the full fiscal year ending March 31, 2009.

These consolidated financial statements are prepared on the basis that the Company will continue as a going concern. The Company has sufficient working capital to meet property expenditure and option payment commitments required to maintain its mineral properties in good standing for fiscal 2009. Management recognizes that the Company will need to generate additional financial resources in order to meet its medium and long term business objectives. However, there can be no assurances that the Company will continue to obtain additional financial resources and/or achieve profitability or positive cash flows. If the Company is unable to obtain adequate additional financing, the Company will be required to curtail operations and exploration activities.

2. BASIS OF PRESENTATION AND PRINCIPLES OF CONSOLIDATION

These interim consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles and are presented in Canadian dollars. They do not include all the disclosures as required for annual financial statements under generally accepted accounting principles. However, these interim consolidated financial statements follow the same accounting policies and methods of application as the Company's most recent annual financial statements. These interim consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended March 31, 2008, which are available on SEDAR at www.sedar.com.

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Compania Minera Amarc SA de CV and Amarc Exploraciones Mineras SA de CV, both of which are incorporated in Mexico. Also included are the accounts of the Precious Exploration Limited Partnership, which is subject to the Company's control and primary beneficial ownership.

All material inter-company balances and transactions have been eliminated.

AMARC RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the three and six months ended September 30, 2008

(Unaudited - Expressed in Canadian Dollars)

3. CHANGES IN ACCOUNTING POLICIES

(a) *Newly Adopted Accounting Policies*

Effective April 1, 2008, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA") relating to financial instruments. As required by the transitional provisions of these new standards, these new standards have been adopted on a prospective basis with no restatement to prior period financial statements.

(i) *Section 1535 – Capital Disclosures*

This standard requires disclosure of an entity's objectives, policies and processes for managing capital, quantitative data about what the entity regards as capital and whether the entity has complied with any capital requirements and, if it has not complied, the consequences of such non-compliance.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern, so that it can continue to explore and develop its projects for the benefit of its shareholders and other stakeholders. The Company considers the components of shareholders' equity, as well as its cash and equivalents and debt (if any), as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. Since the Company is in the exploration stage, the Company may issue new shares through private placements in order to maintain or adjust the capital structure.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The Company's cash resources at September 30, 2008 are sufficient for its present needs, specifically to continue planned exploration and administrative operations through the end of the current fiscal year ending March 31, 2009.

There were no changes to the Company's approach to capital management during the six months ended September 30, 2008. The Company is not subject to any externally imposed capital requirements as at September 30, 2008.

(ii) *Amendments to Section 1400 – Going Concern*

CICA Handbook Section 1400, *General Standards of Financial Statement Presentation*, was amended to include requirements to assess and disclose an entity's ability to continue as a going concern.

AMARC RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the three and six months ended September 30, 2008

(Unaudited - Expressed in Canadian Dollars)

(b) Accounting Standards Not Yet Adopted

(i) International Financial Reporting Standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011, although early adoption may be permitted. Due to the Company's March 31 fiscal year, the transition date for the Company is April 1, 2011. Therefore, the IFRS adoption will require the restatement for comparative purposes of amounts reported by the Company for the year ended March 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

(iv) Section 3064 – Goodwill and Intangibles

The AcSB issued CICA Handbook Section 3064 which replaces Section 3062, *Goodwill and Other Intangible Assets*, and Section 3450, *Research and Development Costs*. This new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets. Standards concerning goodwill remain unchanged from the standards included in the previous Section 3062. The section applies to interim and annual financial statements issued on or after January 1, 2009. Section 3064 is not expected to have a significant impact on the Company's financial statements.

4. EQUIPMENT

	Cost	Accumulated Amortization	Net Book Value
September 30, 2008			
Site equipment	\$ 44,056	\$ 6,003	\$ 38,053
Computers	30,607	3,455	27,152
Total	\$ 74,663	\$ 9,458	\$ 65,205
March 31, 2008			
Site equipment	\$ 77,551	\$ 57,182	\$ 20,369
Computers	—	—	—
Total	\$ 77,551	\$ 57,182	\$ 20,369

AMARC RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the three and six months ended September 30, 2008

(Unaudited - Expressed in Canadian Dollars)

5. MINERAL PROPERTY INTERESTS

The Company has recorded the following interests in royalties in currently non-producing mineral properties at a nominal value on the consolidated balance sheets:

	September 30, 2008	March 31, 2008
British Columbia, Canada		
Iskut (note (5)(a)(ix))	\$ 1	\$ 1
Witch (note (5)(a)(ix))	1	1
Other		
Ana, Yukon Territory (note (5)(b))	1	1
Mann Lake, Saskatchewan (note (5)(b))	1	1
Total	\$ 4	\$ 4

(a) *British Columbia, Canada*

(i) *Peak Property*

On July 22, 2008, the Company entered into an agreement with a private arm's-length company for an exclusive option whereby the Company may acquire, over up to a three year period, the right to earn an undivided 100% interest in the Peak property, subject to a 2% NSR, which the Company may acquire for \$2,000,000. The agreement is subject to certain conditions, including acceptance by the TSX Venture Exchange (the "Effective Date"). Consideration for acquiring the 100% undivided interest in the Peak property is to consist of staged payments totaling \$85,000 and the incurring of expenditures totaling \$175,000 on the property from the date of signing the letter agreement until the third anniversary of the Effective Date.

During the quarter ended September 30, 2008, the Company paid \$5,000 in property option payments for Peak property and recorded the payments as a property option expense.

(ii) *Pond Property*

In April 2008, the Company entered into an agreement with a private arm's-length company for an exclusive option whereby the Company may acquire, over up to a four year period, the right to earn an undivided 100% interest in the Pond property, subject to a 2% NSR, which the Company may acquire for \$2,000,000. The agreement is subject to certain conditions, including acceptance by the TSX Venture Exchange (the "Effective Date"). Consideration for acquiring the 100% undivided interest in the Pond property is to consist of staged payments totaling \$215,000 and the incurring of expenditures totaling \$225,000 on the property from the date of signing the letter agreement until the fourth anniversary of the Effective Date.

During the quarter ended September 30, 2008, the Company paid \$5,000 in property option payments for Pond property and recorded the payments as a property option expense.

AMARC RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the three and six months ended September 30, 2008

(Unaudited - Expressed in Canadian Dollars)

(iii) Bodine Property, British Columbia

On November 14, 2006, the Company reached an option agreement with an arm's length party to acquire a 100% undivided interest in the Bodine property ("Bodine"). Located approximately 110 kilometers northeast of Smithers, in the Omineca Mining Division in central British Columbia, the Bodine Property covers approximately 640 square kilometers.

The Company can acquire its interest in Bodine by making staged cash payments totaling \$225,000 and expending \$2,000,000 on the property over the next four years. Bodine is subject to a 3% NSR, 2% of which may be purchased at the Company's sole discretion for \$2,000,000 with the remaining 1% subject to a right of first refusal in favor of the Company. Annual advance royalty payments of \$50,000 will be payable beginning from the fifth year of the agreement to the fifteenth year of the agreement.

As at September 30, 2008, the Company had paid \$75,000 in property option payments for Bodine and recorded the payments as a property option expense.

(iv) Iskut Properties

The Company registered for acquisition a total of 5,175 hectares in five properties in the Iskut River area of northwestern British Columbia during the period August 2005 to March 2006. These properties comprised 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 to December 31, 2010. The purchase was subject to a 1.5% NSR in favor of the arm's length party, 0.5% of which could be purchased by the Company for \$1,000,000. Advance royalty payments of \$20,000 annually were payable to the arm's length party commencing on or before December 31, 2011.

(v) Sitlika Properties

In addition to the Bodine Property (note 5(a)(iii)), beginning December 2006, the Company has acquired, by staking claims, 100% interests in seven mineral properties located in the Omineca, Cariboo and Clinton Mining Divisions of British Columbia, ranging in location from approximately 110 kilometers northeast of Smithers to approximately 35 kilometres southwest of Williams Lake. As of September 30, 2008, these properties included the Aspira, Equus, Huge East, Megamine, Myway, Polymac and Polymet claims and in total comprised 1335 square kilometers.

AMARC RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the three and six months ended September 30, 2008

(Unaudited - Expressed in Canadian Dollars)

(vi) *Pinchi Properties*

As at September 30, 2008, the Company held a 100% interest in approximately 262 square kilometers of mineral property located in Omineca Mining Division of British Columbia. These properties are comprised of the Grand, Grand North, and Petite.

(vii) *Carbonate Zinc Properties*

As at September 30, 2008, the Company held a 100% interest in approximately 228 square kilometers along a belt located approximately 130 kilometers north-northwest of McKenzie, BC.

(viii) *Rapid Property*

In April 2008, the Company acquired by staking claims the Rapid Property, which covers approximately 400 square kilometers, and is located 27 kilometers northeast of the Aspira Property (part of the Sitlika Properties) and 36 kilometers northwest of the town of Fort St. James.

(ix) *Other Properties*

During the year ended March 31, 2007, the Company sold a 100% interest in three of the Chona claims, which were part of the Witch property, for proceeds of \$500, subject to a 2.5% NSR. The purchaser may acquire this royalty from the Company for the sum of \$1,000,000 per one-percent royalty. This royalty has been recorded at a nominal value of \$1.

In December 2006, the Company terminated the Letter Agreement and sold the AA property (part of the original Iskut properties) to the arm's length party. The Company retains a 1.5% NSR on production from the property, 0.5% of which can be purchased by the arm's length party for \$1,000,000. This royalty has been recorded at a nominal value of \$1.

(b) *Yukon Territory and Saskatchewan*

The Company has a 5% net profits interest ("NPI") in the 46 mineral claims comprising the Ana Property in the Yukon, and a 2.5% NPI in a mineral lease comprising the Mann Lake Property in Saskatchewan. These net profit interests have been recorded at a nominal value of \$1 each. The Company has neither active exploration programs nor does it plan to undertake any new programs on these properties at the present time.

AMARC RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the three and six months ended September 30, 2008

(Unaudited - Expressed in Canadian Dollars)

6. SHARE CAPITAL

(a) *Authorized share capital*

The Company's authorized share capital consists of an unlimited number of common shares without par value.

(b) *Issued and outstanding common shares*

The Company had 67,739,473 common shares issued and outstanding as at March 31, 2008 and September 30, 2008.

(c) *Share purchase option compensation plan*

The Company has a share purchase option compensation plan approved by the shareholders that allows the Company to grant up to 10% of the issued and outstanding shares of the Company at any one time, typically vesting over up to two years, subject to regulatory terms and approval, to its directors, employees, officers, and consultants. The exercise price of each option may be set equal to or greater than the closing market price of the common shares on the TSX Venture Exchange on the day prior to the date of the grant of the option, less any allowable discounts. Options have a maximum term of five years and terminate 30 days following the termination of the optionee's employment, except in the case of retirement or death.

On July 17, 2008, the Company granted 1,828,200 options expiring July 19, 2011, at an exercise price of \$0.70 to directors, employees and consultants. As at September 30, 2008, 548,460 options were vested.

The continuity of share purchase options for the period ended September 30, 2008 was:

Expiry date	Exercise price	March 31 2008	Granted	Exercised	Expired/ Cancelled	September 30, 2008
July 19, 2011	\$ 0.70	–	1,828,200	–	(9,100)	1,819,100
Weighted average exercise price		\$ –	\$ 0.70	\$ –	\$ 0.70	\$.070

AMARC RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the three and six months ended September 30, 2008

(Unaudited - Expressed in Canadian Dollars)

Using an option pricing model with the assumptions noted below, the estimated fair value of all options granted or vesting during the three and six months ended September 30, 2008, and which have been reflected in the consolidated statements of operations, is as follows:

Transactions	Three months ended September 30		Six months ended September 30	
	2008	2007	2008	2007
Exploration				
Engineering	\$ 10,633	\$ –	\$ 10,633	\$ –
Environmental, socioeconomic and land	3,693	–	3,693	–
Geological	67,988	–	67,988	–
Exploration	82,314	–	82,314	–
Operations and administration	111,502	–	111,502	–
Total compensation cost recognized in operations, credited to contributed surplus	\$ 193,816	\$ –	\$ 193,816	\$ –

The assumptions used to estimate the fair value of options vesting during the respective periods were as follows:

	Three months ended September 30		Six months ended September 30	
	2008	2007	2008	2007
Risk free interest rate	3.00%	–	3.00%	–
Expected life	3 years	–	3 years	–
Expected volatility	75%	–	75%	–
Expected dividends	nil	–	nil	–

(d) *Share purchase warrants*

The continuity of share purchase warrants (each warrant redeemable for one common share) for the six months period ended September 30, 2008 was:

Expiry date	Exercise Price	March 31 2008	Issued	Exercised	Expired/ Cancelled	September 30, 2008
January 17, 2009	\$ 0.55	5,700,000	–	–	–	5,700,000
Weighted average exercise price		\$ 0.55	\$ –	\$ –	\$ –	\$ 0.55

AMARC RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the three and six months ended September 30, 2008

(Unaudited - Expressed in Canadian Dollars)

The continuity of share purchase warrants for the year ended March 31, 2008 was:

Expiry date	Exercise Price	March 31 2007	Issued	Exercised	Expired/ Cancelled	March 31 2008
January 17, 2009	\$ 0.55	10,490,000	–	4,790,000	–	5,700,000
Weighted average exercise price		\$ 0.55	\$ –	\$ 0.55	\$ –	\$ 0.55

7. RELATED PARTY BALANCES AND TRANSACTIONS

Balances receivable (payable)	September 30, 2008	March 31, 2008
Hunter Dickinson Services Inc. (a)	\$ (247,857)	\$ 180,767
Farallon Minera Mexicana (c)	37,694	–

Transactions	Three months ended September 30		Six months ended September 30	
	2008	2007	2008	2007
Services rendered and expenses reimbursed:				
Hunter Dickinson Services Inc. (a)	\$ 1,132,899	\$ 655,203	\$ 1,998,729	\$ 944,832
Rockwell Diamonds Inc. (b)	–	–	–	53,629
Sale of equipment:				
Farallon Minera Mexicana (c)	32,679	–	32,679	–

- (a) Hunter Dickinson Services Inc. ("HDSI") is a private company owned equally by several public companies, one of which is the Company. HDSI has certain directors in common with the Company and provides geological, corporate development, administrative and management services to, and incurs third party costs on behalf of, the Company and its subsidiaries on a full cost recovery basis.
- (b) Rockwell Diamonds Inc. ("Rockwell"), formerly named Rockwell Ventures Inc., is a public company with certain directors in common with the Company. In January 2007, the Company advanced \$5,500,000 to Rockwell pursuant to a 90-day promissory note. Interest on the promissory note was calculated at a rate of 20% per annum, compounded quarterly. Interest was payable in common shares of Rockwell. On April 18, 2007, Rockwell repaid the principal amount of the loan, together with 497,993 common shares of Rockwell at a deemed price of \$0.495, representing payment of interest on the 90-day promissory note. During the period ended June 30, 2007, interest income of \$53,629 was recorded on the promissory note.

In June 2007, the Company sold its 497,993 common shares of Rockwell for proceeds of \$315,499. A gain of \$68,992 was recorded on the sale.

AMARC RESOURCES LTD.

Notes to the Consolidated Financial Statements

For the three and six months ended September 30, 2008

(Unaudited - Expressed in Canadian Dollars)

- (c) Farallon Minera Mexicana ("FMM") is a subsidiary of Farallon Resources Ltd., a publicly traded company which has certain directors in common with the Company. During the six month period ended September 30, 2008, the Company sold some used equipment with a book value of \$18,673 to FMM at market value, for US\$30,800 (\$32,679).

8. COMMITMENT

During the year ended March 31, 2008, the Company issued 4,440,000 flow-through common shares for proceeds of \$2,442,000 pursuant to the exercise of share warrants. In accordance with certain provisions of the *Income Tax Act (Canada)*, the Company is obligated to spend the proceeds from the flow-through-shares on eligible exploration activities by December 31, 2009. As at September 30, 2008, the Company has, as required, fully spent the proceeds from this flow-through share issuance.

9. SUBSEQUENT EVENT

Subsequent to September 30, 2008, the Company received notices of reassessment for a total amount of approximately \$1.3 million recoverable by the Company on account of investment tax credits under the British Columbia Mining Exploration Tax Credit ("METC") program for the fiscal years 2004, 2005 and 2006. The Company records government grants when the proceeds are actually received. Consequently, the Company has not recorded any of these amounts as receivable as at September 30, 2008.



SIX MONTHS ENDED SEPTEMBER 30, 2008

MANAGEMENT'S DISCUSSION AND ANALYSIS

**AMARC RESOURCES LTD.
SIX MONTHS ENDED SEPTEMBER 30, 2008
MANAGEMENT'S DISCUSSION AND ANALYSIS**

1.1	Date.....	3
1.2	Overview.....	3
1.3	Selected Annual Information	9
1.4	Summary of Quarterly Results.....	10
1.5	Results of Operations.....	11
1.6	Liquidity.....	11
1.7	Capital Resources	12
1.8	Off-Balance Sheet Arrangements	12
1.9	Transactions with Related Parties.....	12
1.10	Fourth Quarter.....	12
1.11	Proposed Transactions	13
1.12	Critical Accounting Estimates	13
1.13	Changes in Accounting Policies including Initial Adoption.....	13
1.14	Financial Instruments and Other Instruments	13
1.15	Other MD&A Requirements.....	13
1.15.1	Additional Disclosure for Venture Issuers without Significant Revenue	13
1.15.2	Disclosure of Outstanding Share Data.....	14
1.15.3	Internal Controls over Financial Reporting and Disclosure Controls.....	14

**AMARC RESOURCES LTD.
SIX MONTHS ENDED SEPTEMBER 30, 2008
MANAGEMENT'S DISCUSSION AND ANALYSIS**

1.1 Date

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited consolidated financial statements of Amarc Resources Ltd. ("Amarc", or the "Company") for the six months ended September 30, 2008 and the audited consolidated financial statements for the year ended March 31, 2008, which are publicly available on SEDAR at www.sedar.com.

This MD&A is prepared as of November 14, 2008. All dollar figures stated herein are expressed in Canadian dollars, unless otherwise specified.

In recent weeks, the deterioration of global economic conditions has resulted in a significant weakening of base metal prices and high volatility in exchange traded commodity prices. The deterioration in credit market conditions has also increased the cost of obtaining capital and limited the availability of funds. In these conditions, it is difficult to forecast metal prices and customer demand for our products.

Accordingly, we are actively monitoring the effects of the current economic and credit conditions on our business and reviewing our discretionary capital spending, projects, and operating costs and implementing appropriate cash management strategies.

This discussion includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical facts, that address future production, reserve potential, exploration drilling, exploitation activities and events or developments that the Company expects are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

1.2 Overview

Amarc's objective is to discover the next major metals mine in British Columbia. In order to achieve this objective the Company has assembled a capable and experienced mineral exploration team. Positive results from Amarc's extensive 2007 regional programs have resulted in the underexplored and highly prospective Sitlika Zinc-Copper Belt being the focus of 2008 exploration activities.

The Sitlika Zinc-Copper Belt

Located in central British Columbia ("BC") (see figure below), the Sitlika Belt extends for some 226 kilometers from the Endako – Vanderhoof area towards the northwest, through one of the best endowed mineral districts in the province.

**AMARC RESOURCES LTD.
SIX MONTHS ENDED SEPTEMBER 30, 2008
MANAGEMENT'S DISCUSSION AND ANALYSIS**



In December 2006 Amarc acquired, by staking and option agreement, exploration properties covering an area of approximately 1,100 square kilometers along the Sitlika Belt. As of November 14, 2008, the Company had completed additional staking, increasing its tenure position to approximately 2,000 square kilometers.

The Sitlika Belt is underlain by gossanous metasedimentary and metavolcanic rocks of the Sitlika assemblage. The area was the subject of a focused geological mapping initiative by the BC Ministry of Energy and Mines (Schiarizza and Payie, 1997), the results of which indicate that the Sitlika rocks have the potential to host volcanogenic massive sulphide (“VMS”) deposits. In addition, the Sitlika rocks are considered to correlate with the Kutcho Creek Formation, located 250 kilometers to the north, which host the Kutcho Creek VMS deposits. The Kutcho deposits have a reported indicated resource of 17.1 million tonnes grading 1.6% copper, 2.1% zinc, 0.3 g/t gold and 26 g/t silver (Sherwood Copper Corp.).

The Sitlika Belt is well serviced by main line forestry roads, crossing topography that is subdued in comparison with other areas of BC. It is also located proximal to the Yellowhead Highway and the Canadian National rail link, which connect the Belt to the bulk loading terminal port of Prince Rupert. High capacity electric transmission lines and a natural gas line are also proximal to the Belt. Resources, including hospitals and schools, are located in nearby communities such as Burns Lake.

AMARC RESOURCES LTD.
SIX MONTHS ENDED SEPTEMBER 30, 2008
MANAGEMENT'S DISCUSSION AND ANALYSIS

An initial exploration expenditure of \$2.8 million was planned for the 2008 field season. Due to the encouraging results received during the early-stages of the 2008 field season, additional funding was made available to follow up on the positive results. To date, Amarc has spent a total of approximately \$4.5 on exploration this season and of this \$3.9 million was directed to the Sitlika Belt. Since 2007 \$7.2 million dollars have been spent on the BC initiative and of this \$6.1 million has been directed to the Sitlika Belt.

During the 2007 field season, the Company collected 1,586 stream sediment samples along the Sitlika Belt, identifying 17 priority areas with multiple zinc and/or copper dominated targets. Follow-up target definition in 2007 included the collection of 7,517 soil samples, geological mapping and 75 line-kilometers of induced polarization ("IP") geophysical surveys. Two outstanding zinc-copper mineral deposit targets were identified - the Bodine and the Aspira plays.

The **Aspira Project** is located near the southern end of the Sitlika Belt, some 35 kilometers north of the Endako Mine and 40 kilometers to the northeast of the town of Burns Lake. It is accessed by a network of forestry roads.

Reconnaissance stream sediment samples taken in this area during the 2007 field season returned anomalous concentrations of zinc, ranging from 200 ppm to 731 ppm, and copper ranging from 75 ppm to 249 ppm, along a trend of at least 9 kilometers. Follow-up work in 2007 consisted of an 823-sample soil grid extending over an area of 4 square kilometers, which returned high multi-element metal concentrations. An unusually strong, northwest trending, 2-kilometer long soil anomaly was outlined with zinc concentrations ranging from 200 ppm to 8,581 ppm and associated copper and lead values. The Aspira target was constrained only by the extent of the initial grid sampled and remained open to expansion.

In May 2008, an airborne geophysical survey over Aspira defined a 15-kilometer long linear magnetic high that remains open along strike. Parallel to the magnetic high is a pronounced magnetic low or trough feature measuring 150 meters wide and some 15 kilometers long. The trough within the magnetic high coincides with the 2-kilometre long (and open ended) zinc-in-soil anomaly defined in 2007.

Positive results from 4,361 soil grid geochemical samples, geological mapping and a 37 line-km induced polarization ("IP") geophysical survey completed since May 2008, together with soil grid geochemical sampling data from the 2007 program, delineated four significant target zones over an 11-kilometer trend. Geological mapping has shown that the target zones are underlain by a package of felsic volcanic and fine grained sedimentary rocks that represents preferred stratigraphy for VMS mineralization. A 2,300-meter diamond drill program has been completed over the defined targets. Drill results confirm the permissive nature of the geological environment for VMS development. Although anomalous concentrations of zinc and copper were intercepted economic mineralization was not encountered.

The **Bodine Project** covers approximately 675 square kilometers and is located in the central part of the Sitlika Belt. Initial reconnaissance by Amarc geologists identified massive to semi-massive sulphide mineralization in outcrop. Channel samples returned encouraging grades of 1.79% and 1.37% copper over 2.9 meters and 2.4 meters, respectively. Geological mapping, 34 line-kilometers of IP and ground magnetic geophysical surveys and soil sampling over a 5-kilometer by 1.5-kilometer grid completed in 2007 defined the prospective **Bodine-Warren** target. The soil grid delineated a target over an area of

AMARC RESOURCES LTD.
SIX MONTHS ENDED SEPTEMBER 30, 2008
MANAGEMENT'S DISCUSSION AND ANALYSIS

2,000 meters long by 700 meters wide with copper concentrations ranging from 75 parts per million (ppm) to 1,747 ppm and zinc concentrations of 150 ppm to 2,102 ppm.

An additional infill program, comprising approximately 1,600 soil geochemical samples, were collected over the Bodine-Warren target during the 2008 field season to assist in the delineation of drill targets. A 2,200-meter diamond drilling campaign has been completed on the target. Analytical results are pending.

The **Huge South** target is also located within the Bodine project-area. It is hosted by a thick, felsic volcanic pile, extending over at least eight kilometers, that represents a classic environment for VMS type mineralization. The Huge South target was initially identified during the 2007 field season from approximately 196 silt geochemical samples and 232 stream bank soil geochemical samples. Target delineation soil geochemical sampling during the 2008 field season has defined a strong copper-in-soil anomaly, extending over a length of almost five kilometers. The anomaly remains open to both the northwest and to the southeast. Anomalous gold and zinc concentrations are associated with the copper anomaly. Results from a 5.8 line-kilometer initial induced polarization geophysical survey shows a northwest trending chargeability high that is broadly coincident with the significant anomaly. Further target definition followed by drilling is being planned to test this high priority target.

The planned field work for 2008 has now been concluded along the Sitlika Belt. Approximately 20,000 soil geochemical samples, 500 silt and rock geochemical samples, 80 line-kilometers of induced polarization, 1,128 line-kilometers of helicopter-borne AeroTem II magnetic geophysical surveys, and 4,600 meters of diamond drilling was completed. The information received from this extensive program is currently being reviewed.

Sitlika Belt Option Agreements

Bodine Property Agreement

In November 2006, Amarc reached an option agreement with an arm's length party to acquire a 100% undivided interest in the Bodine property. Amarc can acquire its interest in the Bodine property by making staged cash payments totaling \$225,000 and expending \$2,000,000 on the property over the next four years. The Company has paid \$75,000 in property option payments for Bodine to date. The property is subject to a 3% net smelter royalty, 2% of which may be purchased at the Company's sole discretion for \$2,000,000 with the remaining 1% subject to a right of first refusal in favor of the Company. Annual advance royalty payments of \$50,000 will be required from the fifth year of the agreement to the fifteenth year of the agreement.

Pinchi Belt Gold Properties

As of November 14, 2008, Amarc had a land position of approximately 260 square kilometers along the Pinchi Belt in BC, acquired by staking in 2006 and 2007.

The properties are underlain by Paleozoic limestone, sedimentary and volcanic rocks that have been intruded by Mesozoic intrusive rocks. This geologic environment is prospective for bulk tonnage gold deposits.

AMARC RESOURCES LTD.
SIX MONTHS ENDED SEPTEMBER 30, 2008
MANAGEMENT'S DISCUSSION AND ANALYSIS

The Company performed airborne and ground based geophysical surveys and grid-based geochemical surveys during the 2007 field season to identify targets for follow-up. Four targets were followed-up in 2007. During the 2008 field season, approximately 1,200 soil geochemical samples were collected from the Gran and Grand North targets. A review of these results, in combination with those from the 2007 field season, is in progress.

The costs incurred on the Pinchi program to date total approximately \$457,000.

Carbonate Zinc Belt

In 2007, Amarc acquired by staking approximately 250 square kilometers along a belt located some 130 kilometers north-northwest of McKenzie, BC. The land position has been reduced to approximately 228 square kilometers.

Paleozoic dolomite, limestone and other calcareous sedimentary rocks belonging to various formations, including the Pine Point Formation, underlie the belt. These formations are prospective for Pine Point–Mississippi Valley type Carbonate Hosted Zinc deposits. The historical Pine Point deposits hosted mineral reserves of 64.3 million tonnes grading 7% zinc and 3% lead.

A desk-top analysis of available data resulted in seven targets being selected for follow-up in the field in 2008. Only one of these targets, the Zap play, was eventually follow-up in the field. Information from the field assessment is under review.

The cost of the Carbonate Zinc Belt program to date is approximately \$124,000.

Other Properties

The Rapid Property

In April 2008, Amarc staked the **Rapid Property**, which covers approximately 400 square kilometers of anomalous copper-zinc-silver geochemical values in stream sediments reported in a release by Geoscience BC. The Rapid property is located 27 kilometers northeast of the Aspira property and 36 kilometers northwest of the town of Fort St. James. Access to the site is by a network of forestry roads.

An airborne magnetics geophysical survey carried out in the early part of the 2008 season was followed up by focused geological mapping, collection of 2,840 geochemical soil samples and completion of approximately 34 line-kilometers of induced polarization geophysical surveys. The information from this work is under review.

The cost of the programs to date is approximately \$479,000.

Other BC Agreements

The Pond Property Agreement

In September 2007, Amarc entered into a letter agreement with an arm's length party for an exclusive option whereby the Company may acquire, over up to a four year period, the right to earn an undivided 100% interest in the **Pond** property, subject to a 2% net smelter royalty, which the Company may acquire

AMARC RESOURCES LTD.
SIX MONTHS ENDED SEPTEMBER 30, 2008
MANAGEMENT'S DISCUSSION AND ANALYSIS

for \$2,000,000. Consideration for acquiring the 100% undivided interest in the Pond property is to consist of staged payments totaling \$215,000 and the incurring of expenditures totaling \$225,000 on the property from the date of signing the letter agreement until the fourth anniversary of the Effective Date. A formal agreement was executed on August 1, 2008.

The Pond property is located approximately 90 kilometers northwest of Fort St. James, and is accessible by road.

The property is underlain by rocks of the Cache Creek Complex, which comprises minor serpentinites of the Late Pennsylvanian to Late Triassic Trembleur Ultramafite Unit, and also greenstones and greenschist metamorphic rocks of the Rubyrock Igneous Complex. These units lie in close proximity to Middle Jurassic to Early Cretaceous granites of the Endako Batholith – Francois Lake Suite that are prospective for porphyry-style base metal deposits.

The Tulox Property Agreement

The **Tulox** property, located in the Cariboo region and comprising 252 square kilometers, was acquired during 2005 to 2007. The Tulox property is underlain by Mesozoic volcanic and sedimentary rocks that have been intruded by Mesozoic intrusive rocks. These rocks have been overlain by Cenozoic volcanic and pyroclastic rocks. The Tulox property is anomalous in gold and gold indicator elements.

In 2007, Amarc entered into an agreement to sell the Tulox property, subject to certain conditions, to Tulox Resources Inc., formerly named Sitec Ventures Corp.

Other Property Agreements

Amarc retains a 2.5% net smelter royalty on production from the 1,300 hectare **Chona** property, which comprised part of the Witch porphyry gold-copper properties located in B.C., that can be purchased by the arm's length owner for \$2,500,000.

The Company also retains a 1.5% net smelter royalty from the 1,760 hectare **AA** property, part of the Iskut Properties located in B.C., 0.5% of which can be purchased by the arm's length owner for \$1,000,000.

Amarc also has a 5% net profits interest ("NPI") in the 46 mineral claims that comprise the **Ana** Property in the Yukon Territory, and a 2.5% NPI in a mineral lease over the **Mann Lake** Property in Saskatchewan.

At the present time, the Company has no plans to undertake any programs on these properties.

Market Trends

Copper prices

Copper prices had generally been increasing since late 2003, and continued to be strong in the quarter ending September 30, but since then have been volatile as a result of uncertainty in global financial markets. The average price in 2008 to mid-November was US\$3.34/lb, compared to an average price of US\$3.22/lb in 2007. Over the past six weeks, copper prices have ranged from a high \$2.88/lb on October 1 to \$1.65/lb on November 14, 2008, and averaged \$2.06/lb during that period.

**AMARC RESOURCES LTD.
SIX MONTHS ENDED SEPTEMBER 30, 2008
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Zinc prices

Zinc prices have decreased during the 2008 calendar year, varying from a high \$1.29/lb in March and a low of \$0.50/lb in October. The average price in 2008 to November 14, 2008 is \$0.90/lb, compared to the average price of \$1.47/lb in 2007. Zinc prices have ranged from a high of \$0.76/lb on October 1, 2008 to a low of \$0.50/lb on November 11, and an average of \$0.58/lb during that period.

Precious metals prices

Precious metals prices have been increasing, overall, for more than three years. Gold prices dropped below \$800/oz for a two-week period in early September, and again since mid October. The average gold price to November 17, 2008 is \$880/oz, compared to an average price of US\$695/oz. As global economic conditions weaken and other market conditions are uncertain, gold prices are expected to remain strong. Gold prices averaged \$781/oz during the six-week period ending November 14, 2008, ranging from \$903/oz on October 8 to \$747/oz on November 14, 2008.

1.3 Selected Annual Information

Not required for interim MD&A.

AMARC RESOURCES LTD.
SIX MONTHS ENDED SEPTEMBER 30, 2008
MANAGEMENT'S DISCUSSION AND ANALYSIS

1.4 Summary of Quarterly Results

Expressed in thousands of Canadian dollars, except per-share amounts. Small differences are due to rounding.

	Sept 30 2008	June 30 2008	Mar 31 2008	Dec 31 2007	Sept 30 2007	June 30 2007	Mar 31 2007	Dec 31 2006
Current assets	4,054	6,697	7,963	5,991	6,901	8,232	8,743	5,956
Other assets	65	90	20	22	22	24	25	69
Total assets	4,120	6,787	7,984	6,013	6,923	8,256	8,768	6,025
Current liabilities	1,041	497	225	40	383	91	78	2,180
Shareholders' equity	3,079	6,289	7,758	5,973	6,540	8,165	8,690	3,845
Total liabilities & shareholders' equity	4,120	6,787	7,984	6,013	6,923	8,256	8,768	6,025
Working capital	3,013	6,199	7,738	5,951	6,517	8,141	8,665	3,776
Expenses								
Amortization	6	4	1	1	1	1	–	2
Conference and travel	18	17	86	4	3	2	–	17
Exploration	2,974	1,264	489	443	1,667	467	271	369
Legal, accounting and audit	(4)	8	27	21	3	3	22	2
Management and consulting	28	12	–	18	7	24	2	3
Office and administration	50	55	49	37	44	54	44	46
Property investigation	–	1	–	1	1	1	2	(4)
Salaries and benefits	123	76	56	78	75	48	60	56
Shareholder communication	96	61	20	21	19	13	10	12
Trust and filing	5	1	11	7	8	1	10	3
Subtotal	3,297	1,500	741	631	1,827	614	421	506
Foreign exchange loss (gain)	(41)	5	(34)	1	83	89	12	(48)
Gain (loss) on disposal of equipment	(14)	–	–	–	–	–	–	–
Interest income	(32)	(36)	(50)	(64)	(93)	(109)	(224)	(31)
Other	–	–	–	–	–	–	–	–
Subtotal	3,211	1,469	656	568	1,817	594	209	427
Stock-based compensation	194	–	–	–	–	–	–	–
Gain on sale of marketable securities	–	–	–	–	–	(69)	–	–
Write-down of mineral property interest	–	–	–	–	–	–	43	–
Net loss for the period	\$ 3,405	\$ 1,469	\$ 656	\$ 568	\$ 1,817	\$ 525	\$ 252	\$ 427
Basic and diluted net loss per share	\$ 0.05	\$ 0.02	\$ 0.01	\$ 0.01	\$ 0.03	\$ 0.01	\$ 0.00	\$ 0.01
Weighted average number of common shares outstanding (thousands)	67,739	67,739	63,923	63,299	63,204	62,949	60,968	52,459

AMARC RESOURCES LTD.
SIX MONTHS ENDED SEPTEMBER 30, 2008
MANAGEMENT'S DISCUSSION AND ANALYSIS

1.5 Results of Operations

The Company recorded a net loss of \$4,873,723 for the six month period ended September 30, 2008 compared to net loss of \$2,342,370 for the same period in fiscal 2008. The increase in loss was due primarily to increased exploration activities, compared to the previous year.

Exploration expenses for the six month period ended September 30, 2008 increased to \$4,238,537, compared to \$2,134,696 for the same period in the previous year, due to increased exploration programs being carried out in British Columbia. The major exploration expenditures during the period were geological (2009 – \$1,708,838; 2008 – \$1,168,068), drilling (2009 – \$ 595,707; 2008 – \$nil), engineering (2009 – \$ 320,889; 2008 – \$4,893), helicopter (2009 – \$428,871; 2008 – \$377,914), site activities (2009 – \$409,125; 2008 – \$336,777), and assays and analysis (2009 – \$394,001; 2008 – \$101,271).

Administrative costs for the current period also increased with the greater exploration activities. The major administrative costs during the period were salaries and benefits (2009 – \$ 199,221; 2008 – \$122,516), office and administration (2009 – \$ 104,149; 2008 – \$97,798), management and consulting (2009 – \$ 40,289; 2008 – \$30,659), and shareholder communication (2009 – \$ 157,136; 2008 – \$31,881).

Stock-based compensation expense of \$193,816 was charged to operations during the current period, compared to \$nil for the same period last year, due to options being granted during the current period.

Interest income decreased to \$67,525 for the current period compared to \$201,609 for the same period last year. The higher interest income in prior period was mainly due to interest earned on the \$5,500,000 loan to Rockwell Diamonds Inc., compared to \$nil during the current period.

A foreign exchange gain of \$35,887 was recorded during the current period, compared with a loss of \$171,466 in the same period of the prior year, due to appreciation in value of the Company's US dollar assets, mainly held in cash and equivalents, against the Canadian dollar.

During the current period, there was no gain on the sale of marketable securities, compared with \$68,992 during the same period of the prior year. The gain during the prior period was resulted from the sale of 497,993 common shares of Rockwell Diamonds Inc., which the Company had received as payment for the interest portion of the \$5,500,000 loan to Rockwell Diamonds Inc.

The Company sold certain used equipment for US\$30,800 (\$32,679) to a related party, Farallon Minera Mexicana SA de CV, and a gain of \$14,007 was recorded during the current period. There was no gain or loss on the sale of equipment during the same period last year.

1.6 Liquidity

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company has issued common share capital in each of the past few years, pursuant to private placement financings and the exercise of warrants and options.

At September 30, 2008, the Company had working capital of approximately \$3.0 million, compared to working capital of \$7.7 million as at March 31, 2008. The decrease in working capital is due to the exploration and administrative expenditure incurred during the current period. The Company's current

AMARC RESOURCES LTD.
SIX MONTHS ENDED SEPTEMBER 30, 2008
MANAGEMENT'S DISCUSSION AND ANALYSIS

working capital is sufficient to fund its known commitments required to maintain its mineral properties in good standing for fiscal 2009.

The Company will continue to advance its exploration projects, but in light of current market conditions will remain prudent and disciplined in its approach in doing so, by finding the right balance between advancing the projects and preserving its cash.

The Company has no long term debt, capital lease obligations, operating leases or any other long term obligations.

Development of any of the Company's mineral properties will require additional equity and possibly debt financing. As the Company 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.

1.7 Capital Resources

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

The Company has applied for refundable investment tax credits under the British Columbia Mining Exploration Tax Credit ("METC") program. The government department responsible for the administration of the METC program has reviewed and audited the claims and has subsequently issued reassessment notices for the total expected refund of approximately \$1.3 million. The Company records these amounts upon receipt; consequently, the Company has not recorded any of these amounts as receivable.

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

1.8 Off-Balance Sheet Arrangements

None.

1.9 Transactions with Related Parties

The required disclosure is provided in note 7 of the accompanying unaudited financial statements as at and for the six months ended September 30, 2008.

1.10 Fourth Quarter

Not applicable.

**AMARC RESOURCES LTD.
SIX MONTHS ENDED SEPTEMBER 30, 2008
MANAGEMENT'S DISCUSSION AND ANALYSIS**

1.11 Proposed Transactions

There are no proposed transactions requiring disclosure under this section.

1.12 Critical Accounting Estimates

Not required. The Company is a venture issuer.

1.13 Changes in Accounting Policies including Initial Adoption

The required disclosure is provided in note 3 of the accompanying unaudited financial statements as at and for the six months ended September 30, 2008.

1.14 Financial Instruments and Other Instruments

The carrying amounts of cash and equivalents, amounts receivable, and accounts payable and accrued liabilities approximate their fair values due to their short-term nature.

1.15 Other MD&A Requirements

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

1.15.1 Additional Disclosure for Venture Issuers without Significant Revenue

(a) *capitalized or expensed exploration and development costs;*

The required disclosure is presented as a schedule to the unaudited consolidated financial statements for the six months ended September 30, 2008.

(b) *expensed research and development costs;*

Not applicable.

(c) *deferred development costs;*

Not applicable.

(d) *general and administration expenses; and*

The required disclosure is presented in the consolidated statements of operations.

(e) *any material costs, whether capitalized, deferred or expensed, not referred to in (a) through (d);*

None.

AMARC RESOURCES LTD.
SIX MONTHS ENDED SEPTEMBER 30, 2008
MANAGEMENT'S DISCUSSION AND ANALYSIS

1.15.2 Disclosure of Outstanding Share Data

The following table details the share capital structure as at November 14, 2008, the date of this MD&A. These figures may be subject to minor accounting adjustments prior to presentation in future consolidated financial statements.

	Expiry date	Exercise price	Number
Common shares			67,739,473
Warrants	January 17, 2009	\$0.55	5,700,000
Options	July 19, 2011	\$0.70	1,819,100

1.15.3 Internal Controls over Financial Reporting and Disclosure Controls

Internal Controls over Financial Reporting Procedures

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

There have been no significant changes in internal controls over financial reporting occurred during the period ended September 30, 2008 that could have materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting.

Disclosure Controls and Procedures

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

There have been no significant changes in the Company's disclosure controls during the period ended September 30, 2008 that could significantly affect disclosure controls subsequent to the date the Company carried out its evaluation.