

ICO Global Communications (Holdings) LTD
Form 10-Q
August 05, 2010
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2010

Or

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

For the transition period from _____ to _____

Commission File Number 001-33008

ICO GLOBAL COMMUNICATIONS (HOLDINGS) LIMITED

(Exact name of registrant as specified in its charter)

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Delaware **98-0221142**
(State or other jurisdiction of **(IRS Employer**

incorporation or organization) **Identification No.)**
Plaza America Tower I, 11700 Plaza America Drive, Suite 1010, Reston, Virginia 20190

(Address of principal executive offices including zip code)

(703) 964-1400

(Registrant's telephone number, including area code)

Indicate by check mark whether the 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 the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No .

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No .

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No .

As of August 2, 2010, the registrant had 199,898,342 shares of Class A common stock and 53,660,000 shares of Class B common stock outstanding.

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ICO GLOBAL COMMUNICATIONS (HOLDINGS) LIMITED

FORM 10-Q

For the three and six months ended June 30, 2010

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Table of Contents**PART I FINANCIAL INFORMATION****Item 1. Financial Statements****ICO Global Communications (Holdings) Limited****(A Development Stage Enterprise)****Condensed Consolidated Balance Sheets****(In thousands, except share data, unaudited)**

	June 30, 2010	December 31, 2009
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 25,509	\$ 4,983
Prepaid expenses and other current assets	1,457	1,039
Total current assets	26,966	6,022
Property in service net of accumulated depreciation of \$431 and \$347, respectively	299	383
Other assets	199	253
Investment in DBSD	23,650	23,650
Total	\$ 51,114	\$ 30,308
LIABILITIES AND STOCKHOLDERS DEFICIENCY IN ASSETS		
Current liabilities:		
Accounts payable	\$ 208	\$ 1,174
Accrued expenses	19,679	19,233
Payable to affiliates	1,171	1,292
Accrued interest	24,254	22,657
Capital lease obligations	18,120	18,385
Total current liabilities	63,432	62,741
Income tax	11,631	13,172
Total liabilities	75,063	75,913
Commitments and contingencies (Note 6)		
Stockholders' deficiency in assets:		
Preferred stock, \$.01 par value, 75,000,000 shares authorized, no shares issued or outstanding		
Class A common stock, \$.01 par value, 900,000,000 shares authorized, 258,078,225 and 213,014,265 shares issued, and 199,899,188 and 154,876,313 shares outstanding	2,581	2,130
Class B convertible common stock, \$.01 par value, 150,000,000 shares authorized, 84,663,382 shares issued and 53,660,000 shares outstanding	847	847
Additional paid-in capital	2,786,539	2,756,406
Treasury stock, 58,179,037 and 58,137,952 shares of Class A common stock and 31,003,382 shares of Class B convertible common stock	(877,675)	(877,648)
Accumulated other comprehensive loss	(7,676)	(7,223)
Deficit accumulated during the development stage	(1,928,565)	(1,920,117)

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Total stockholders	deficiency in assets	(23,949)	(45,605)
Total		\$ 51,114	\$ 30,308

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

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	Three months ended June 30,		Six months ended June 30,		February 9, 2000 (inception) to June 30, 2010 (development stage period)
	2010	2009	2010	2009	
Operating expenses:					
General and administrative	\$ 4,040	\$ 12,657	\$ 8,586	\$ 29,671	\$ 721,419
Research and development		95		1,639	83,792
Contract settlements					(74,955)
Impairment of property under construction					1,438,304
Loss on disposal of assets					11,117
Total operating expenses	4,040	12,752	8,586	31,310	2,179,677
Operating loss	(4,040)	(12,752)	(8,586)	(31,310)	(2,179,677)
Interest income	5	121	5	542	138,272
Interest expense	(1,072)	(12,464)	(2,144)	(34,787)	(269,749)
Gain on deconsolidation of DBSD		281,445		281,445	280,971
Other income (expense)	1,263	(1,024)	511	(6,393)	(5,487)
Income (loss) before income taxes	(3,844)	255,326	(10,214)	209,497	(2,035,670)
Income tax benefit (expense)	41	(231)	1,766	(521)	116,837
Net income (loss) before cumulative effect of change in accounting principle	(3,803)	255,095	(8,448)	208,976	(1,918,833)
Cumulative effect of change in accounting principle					(1,944)
Net income (loss)	\$ (3,803)	\$ 255,095	\$ (8,448)	\$ 208,976	\$ (1,920,777)
Basic and diluted income (loss) per share:					
Income (loss) before cumulative effect of change in accounting principle	\$ (0.02)	\$ 1.23	\$ (0.04)	\$ 1.01	\$ (9.71)
Cumulative effect of change in accounting principle					(0.01)
Basic and diluted income (loss) per share	\$ (0.02)	\$ 1.23	\$ (0.04)	\$ 1.01	\$ (9.72)
Weighted average shares outstanding used to compute basic and diluted income (loss) per share	251,419,482	207,874,061	235,256,830	207,657,762	197,646,392

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

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ICO Global Communications (Holdings) Limited

(A Development Stage Enterprise)

Condensed Consolidated Statements of Comprehensive Income (Loss)

(In thousands, unaudited)

	Three months ended June 30,		Six months ended June 30,		February 9, 2000 (inception) to June 30, 2010 (development stage period)
	2010	2009	2010	2009	
Net income (loss)	\$ (3,803)	\$ 255,095	\$ (8,448)	\$ 208,976	\$ (1,920,777)
Other comprehensive income (loss):					
Cumulative translation adjustments	350	(14,522)	(453)	(12,932)	(7,676)
Comprehensive income (loss)	\$ (3,453)	\$ 240,573	\$ (8,901)	\$ 196,044	\$ (1,928,453)

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

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ICO Global Communications (Holdings) Limited

(A Development Stage Enterprise)

Condensed Consolidated Statements of Cash Flows

(In thousands, except share data, unaudited)

	Six months ended June 30,	2009	2010
		\$ 208,976	\$ (8,448)
		3,685	1,095
		181	63
		7,374	

ITEM 4. INFORMATION ON THE COMPANY

A. HISTORY AND DEVELOPMENT OF THE COMPANY

Incorporation

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

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

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

Offices

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

B. BUSINESS OVERVIEW

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

British Columbia Mineral Tenure

On January 12, 2005, the Province of British Columbia adopted an on-line mineral tenure system that includes mineral tenure acquisition and tenure maintenance procedures, as well as a method of converting previous format claims (legacy claims) to new format claims (cell claims). All of the Company's mineral tenures have been converted to cell claims resulting in new tenure numbers and marginally larger claim boundaries. The mineral leases are maintained through the completion of exploration activities referred to as "Assessment Work". The financial requirements related to these exploration works remain the same as previous, but are 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. If the assessment work is not completed the mineral leases may be maintained by a cash payment, but if this payment is not made before the forfeiture date the tenure is relinquished.

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

Environmental Matters

Environmental matters related to 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 surface geological, geochemical and geophysical surveys. However, a bond is required for blasting, machine work and drilling. The required level of reclamation usually involves leaving the sites in a geotechnically stable condition, and grooming the sites to both prevent forest fire hazards and to ensure that natural regeneration

of indigenous plant species can progress within a reasonable period of time.

Mineral Properties and Exploration Activities and Plans

Amarc is focused on mineral exploration in south-central British Columbia ("BC"). It is the aim of the Company to discover and develop a bulk-tonnage gold-copper deposit that has the potential to deliver both substantial growth and value to the Company.

In order to achieve its objective, the Company has assembled a capable and experienced mineral exploration team.

Through its property evaluation efforts, Amarc acquired, by option agreement, the Newton gold-copper property located in south-central BC. In late 2009, the Company completed a successful discovery drill program at Newton. Amarc also acquired, by staking, a 100% interest over approximately 3,300 square kilometers in the prospective Plateau Gold-Copper Belt, which extends both to the south and to the northwest from the Newton property (see [Figure 1](#)).

The Newton Property

The Newton property is located approximately 110 kilometers southwest of the City of Williams Lake, BC (see Figure 1). Core drilling by previous operators at the Newton property tested for porphyry-style copper mineralization and, in general, returned low grade copper results. However, four drill holes (06-12, 06-03, 92-04 and 06-11) positioned in the easternmost part of the area drilled, intercepted 105 metres of 1.20 g/t gold (including 49 metres at 2.33 g/t gold), 95 metres at 0.51 g/t Au, 60 meters of 0.69 g/t gold and 46 meters of 0.54 g/t gold, respectively. Holes 06-12 and 06-03 also bottomed in mineralization. Geological interpretation by Amarc suggests the presence of a bulk-tonnage gold environment.

An initial 14-hole diamond drill program, completed by Amarc in late 2009, returned broad continuous intervals of bulk-tonnage style gold, silver, copper and zinc mineralization. Significant assay results from drill hole sampling are tabulated below. The gold system remains open in all directions.

NEWTON PROJECT
ASSAY RESULTS FROM 14-HOLE, 2009 DRILL PROGRAM

Drill Hole ID	Incl.	Hole Dip (degrees)	Hole Direction (degrees)	From (m)	To (m)	Int. (m)	Au (g/t)	Ag (g/t)	Cu (%)	Zn (%)	AuEQ ¹ (g/t)
9001		-45	90	3.0	39.0	36.0	0.60	0.9	0.01	0.00	0.63
9001		-45	90	228.0	297.0	69.0	1.41	10.9	0.12	0.05	1.85
9001	incl.	-45	90	233.1	234.0	0.9	11.19	22.2	0.21	0.87	12.49
9001	incl.	-45	90	252.8	297.0	44.2	1.74	15.9	0.17	0.02	2.34
9001		-45	90	441.0	477.0	36.0	0.34	0.6	0.03	0.01	0.42
9002		-90	0	222.0	255.2	33.2	0.96	2.8	0.07	0.01	1.16
9002	incl.	-90	0	234.0	252.0	18.0	1.10	3.3	0.09	0.01	1.33
9003		-90	0	3.0	224.5	221.5	0.60	5.6	0.07	0.08	0.87
9003	incl.	-90	0	18.0	39.0	21.0	0.71	2.3	0.01	0.00	0.77
9003	incl.	-90	0	96.0	224.5	128.5	0.84	8.9	0.10	0.13	1.26
9003	and	-90	0	156.0	198.0	42.0	1.25	16.8	0.20	0.11	1.98
9004		-90	0	6.0	195.0	189.0	1.56	7.9	0.08	0.17	1.95
9004	incl.	-90	0	54.0	195.0	141.0	2.01	10.0	0.10	0.22	2.49
9004	and	-90	0	96.0	195.0	99.0	2.76	12.2	0.12	0.26	3.36
9004	and	-90	0	126.0	195.0	69.0	3.79	9.1	0.08	0.30	4.26
9004	and	-90	0	129.0	132.0	3.0	13.47	14.4	0.17	0.12	14.10
9004	and	-90	0	168.9	195.0	26.1	5.54	12.5	0.07	0.31	6.08
9005		-90	0	12.0	27.0	15.0	0.32	1.4	0.04	0.02	0.43
9005		-90	0	41.0	54.0	13.0	0.44	4.4	0.06	0.30	0.81
9005		-90	0	76.0	163.2	87.2	0.50	7.1	0.03	0.55	1.01
9005	incl.	-90	0	88.0	89.0	1.0	16.56	221.6	0.30	2.55	22.38
9005		-90	0	279.0	303.0	24.0	0.34	0.8	0.07	0.01	0.48
9006		-90	0	9.0	306.5	297.5	0.26	2.3	0.03	0.13	0.44
9006	incl.	-90	0	78.0	192.2	114.2	0.32	3.7	0.03	0.25	0.60
9006	incl.	-90	0	264.0	306.5	42.5	0.43	0.6	0.05	0.01	0.53
9007		-90	0	48.0	252.0	204.0	0.33	4.5	0.05	0.11	0.57
9007	incl.	-90	0	48.0	66.0	18.0	0.49	1.9	0.04	0.02	0.60
9007	incl.	-90	0	135.0	216.0	81.0	0.46	8.0	0.07	0.20	0.85
9007	and	-90	0	183.0	216.0	33.0	0.62	13.4	0.12	0.16	1.17

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9008		-90	0	18.0	42.0	24.0	0.44	6.4	0.07	0.07	0.73
9008		-90	0	123.7	129.0	5.3	0.44	8.0	0.08	0.44	1.00
9009		-90	0	15.0	147.9	132.9	0.25	5.9	0.02	0.28	0.55
9009	incl.	-90	0	66.0	114.0	48.0	0.36	6.3	0.02	0.28	0.68
9010		-90	0	35.4	189.0	153.6	0.29	3.0	0.03	0.23	0.52
9010	incl.	-90	0	35.4	69.0	33.6	0.52	3.2	0.05	0.06	0.72
9011		-90	0	83.4	207.0	123.6	0.44	2.3	0.04	0.11	0.62
9011	incl.	-90	0	149.0	207.0	58.0	0.60	2.4	0.04	0.06	0.75
9011	and	-90	0	186.0	207.0	21.0	1.13	2.9	0.05	0.01	1.28
9012	No reportable intercepts										
9013	No reportable intercepts										
9014		-90	0	72.0	210.0	138.0	0.74	4.2	0.06	0.05	0.95
9014	incl.	-90	0	147.0	210.0	63.0	1.17	6.8	0.08	0.05	1.47
9014	and	-90	0	168.0	207.0	39.0	1.45	6.5	0.10	0.06	1.79
9014	and	-90	0	204.0	207.0	3.0	11.70	50.8	0.45	0.06	13.44

Gold equivalent (AuEQ) is calculated using a gold price of US\$900/oz, a silver price of US\$15/oz, a copper price of US\$2.50/lb and a zinc price of US\$0.80/lb. Metal recoveries are assumed to be 100%.

The most intensively developed mineralization includes disseminated sulphides, and appears to be preferentially localized within pervasively altered volcanoclastic and epiclastic rock units. These host rocks are characterized by both a high permeability and an anticipated wide geographic distribution a permissive environment for bulk-tonnage style mineralization.

Exploration work in 2010 is aimed at confirming the dimensions and orientation of the mineralized system at Newton. Induced polarization ("IP") geophysical and soil sampling surveys, together with geological mapping, are underway on the property. Initial results from the 2010 IP geophysical survey have identified a second bulk-tonnage gold target measuring approximately 400 metres by 1,500 metres, located some 450 metres to the south of the 2009 discovery drilling, which is open in all directions.

The results of the 2010 exploration work will be combined with information from the 2009 drill program and historical data in order to define the 2010 drill targets. The permit application, which was submitted to the BC provincial government in December 2009 for a 25-hole diamond drill program, has been approved.

Newton Property Agreement

In June 2009, Amarc entered into an Option and Joint Venture Agreement (the "Newton Agreement") with New High Ridge Resources Inc. ("High Ridge") on the Newton property. Under the terms of the

Newton Agreement, Amarc has the right to earn an 80% interest in the Newton property by making a \$60,000 cash payment (paid) and issuing 100,000 Amarc shares (issued) to the underlying owners, funding \$240,000 in exploration expenditures on or before December 31, 2009 (completed) and funding an additional \$4.7 million in exploration expenditures over seven years from the effective date of the agreement. On exercise of the option by Amarc, the two parties are to enter into a joint venture agreement. The Newton Agreement is subject to an underlying option agreement and accompanying amending agreements with arm's length parties. Pursuant to these underlying agreements, High Ridge has acquired a 100% undivided interest in all claims held under the underlying agreement through a series of staged payments, share issuances and exploration expenditures. The claims held under the Newton Agreement are subject to a 2% net smelter royalty, which may be purchased for \$2 million. Advance annual royalty payments of \$25,000 are required, starting in 2011.

The Plateau Gold-Copper Belt

Amarc has staked approximately 3,300 square kilometres of additional minerals claims over the under-explored and prospective Plateau Gold-Copper Belt. The belt extends primarily to the south, and also to the north, from the Newton property. The Plateau Gold-Copper Belt claims are owned 100% by Amarc. Public domain information indicates that the region has favorable geology and geochemistry for Newton-style gold deposits and porphyry gold-copper deposits. Amarc's ground, to the south of Newton, is bordered on the west by Taseko Mines Limited's Prosperity gold-copper project, which is at the advanced permitting-stage..

Amarc has completed a 7,000 line kilometer ZTEM (Z-axis Tipper Electromagnetic system) airborne geophysical survey over the Newton property, other regional anomalies and the sector of the Plateau Gold-Copper Belt that extends south of the Newton property. The ZTEM technology is an innovative airborne electromagnetic system which provides unparalleled resolution and depth of investigation and can detect conductors more than one kilometer below surface. High-sensitivity magnetometry data is collected concurrently. The geophysical signatures of the Newton mineralization and other known mineral occurrences in the region have been established, and Amarc is utilizing this comparative data to assist in the definition of previously unrecognized targets within the belt.

Initial field evaluation, including prospecting, soil geochemical sampling and IP geophysical surveys, is underway on selected targets. Soil sampling has to date defined two significant copper-molybdenum multi-element anomalies, each exceeding 1,500 metres in length and ranging up to 1,000 metres in width. Both these targets remain open for expansion and are to be further assessed by ground geophysics. Relevant permit applications submitted to the provincial government have been approved.

The results of these exploration activities will allow the prioritization of targets for drill testing later in the season.

The Newton Property and the Plateau Gold-Copper Belt are located near the City of Williams Lake, a full service regional center which is approximately 250 kilometres northeast of Vancouver. The region is characterized by low-lying and gently rolling hills. It is well served by existing transportation and power infrastructure, supporting a number of operating mines and late-stage development projects. These include the Gibraltar copper-molybdenum mine which has been in operation since 1973, the Mount Polley copper-gold mine which commenced production in 2008, and late-stage development projects notably the Prosperity gold-copper project described above.

The Sitlika Copper-Zinc Belt

Amarc has suspended all exploration activities along the Sitlika Belt in north-central BC in order to focus on the Newton project and the adjacent Plateau Gold-Copper Belt. The Company's land position along the Sitlika Belt has also been reduced to approximately 217 square kilometres.

Other BC Agreements

The Tulox Property Agreement

The Tulox property is located in the Cariboo region and comprises an area of 54 square kilometres which was acquired over the period of 2005 to 2007. The Tulox property is underlain by Mesozoic volcanic and sedimentary rocks which have been intruded by Mesozoic intrusive rocks. These rocks have been overlain by Cenozoic volcanic and pyroclastic rocks. The Tulox property hosts gold and gold indicator element anomalies.

In April 2009, Amarc entered into an option agreement with Tulox Resources Inc. ("Tulox", formerly named Sitec Ventures Corp.) on Amarc's Tulox Property. Tulox can acquire a 100% interest in the Tulox Property by making a cash payment of \$10,000, expending \$2,000,000 on the Tulox Property and issuing 2,625,000 common shares over four years. Tulox has made the \$10,000 cash payment and issued 350,000

common shares to date. Upon preparation of a Preliminary Assessment or a Prefeasibility Study, Amarc may exercise a one-off Back-In Right to obtain a 60% interest in the Tulox Property by completing an additional \$10 million in exploration expenditures on the Property. The Tulox Property is subject to a 3% net smelter royalty, which is reduced to 1.2% in the event that the Back-In Right is exercised by Amarc.

Other Property Interests BC, Yukon, Saskatchewan

Amarc also has a 5% net profits interest ("NPI") in the 46 mineral claims that comprise the **Ana** Property in Yukon, and a 2.5% NPI in a mineral lease over the **Mann Lake** Property in Saskatchewan. The Company has no plans to undertake any programs on either of these properties in 2010.

C. ORGANIZATIONAL STRUCTURE

The Company had two wholly-owned subsidiaries, Compania Minera Amarc SA de CV and Amarc Exploraciones Mineras SA de CV, both of which were incorporated in Mexico. These subsidiaries were liquidated on February 8, 2010. The Company also controls and has primary beneficial ownership of the Precious Exploration Limited Partnership. However, the Company operates directly, and does not consider either of its subsidiaries or the limited partnership to be material at this time.

D. PROPERTY, PLANT AND EQUIPMENT

All of the Company's active properties are located in British Columbia. The nature of the Company's interest in various mineral properties is described above (see item 4B Business Overview). None of the properties have any material tangible fixed assets located thereon. The locations of the currently active properties and details of mineral exploration claims within British Columbia are shown on Figure 1 and Table 1 respectively (below).

Figure 1. Location of Amarc's Newton project.

Table 1: Claim Information for Amarc's BC Properties.

Program	Claim Numbers	Size (km ²)
Plateau Gold Including Newton	208327, 414743, 507905, 507914, 511965, 511967, 514976, 514979, 514981, 606674, 606675, 606676, 606677, 606678, 606679, 606680, 606681, 606682, 606683, 606684, 606685, 606686, 606687, 606688, 606689, 606690, 606691, 606692, 606693, 606694, 606695, 606696, 606697, 606698, 606699, 606700, 606701, 606702, 606703, 606704, 606705, 606706, 606707, 606708, 606709, 606710, 606711, 606712, 606713, 606714, 606715, 606716, 606717, 615743, 615803, 615843, 615863, 616023, 681843, 681844, 681863, 681883, 681903, 681904, 681923, 681924, 681925, 681926, 681927, 681928, 681929, 681930, 681931, 681932, 681933, 681943, 681944, 681963, 681964, 681983, 682003, 682004, 682024, 682025, 682043, 682044, 682063, 682065, 682089, 682094, 682095, 682098, 682100, 682104, 682106, 682107, 682111, 682112, 682114, 682116, 682123, 682124, 682143, 682144, 682163, 682164, 682183, 682184, 682185, 682203, 682204, 682205, 682206, 682207, 682208, 682209, 682210, 682212, 682213, 682214, 682223, 682225, 682226, 682227, 682228, 682229, 682230, 682232, 682233, 682234, 682235, 682236,	3,397

Program	Claim Numbers	Size (km ²)
	682243, 682244, 682245, 682246, 682263, 682283, 682284, 682285, 682286, 682287, 682288, 682289, 682290, 682291, 682303, 682304, 682305, 682306, 682307, 682308, 682309, 682310, 682311, 682312, 682313, 682315, 682316, 682317, 682318, 682319, 682320, 682321, 682323, 682324, 682326, 682327, 682328, 682329, 682330, 682331, 682332, 682333, 682334, 682335, 682336, 682337, 682338, 682343, 682344, 682345, 682346, 682347, 682348, 682349, 682350, 682351, 682352, 682353, 682354, 682363, 682364, 682365, 682366, 682367, 682368, 682369, 682370, 682371, 682372, 682373, 682374, 682375, 682376, 682377, 682383, 682384, 682403, 682404, 682405, 682406, 682407, 682408, 682411, 682413, 682414, 682416, 682417, 682418, 682423, 682424, 682425, 682426, 682427, 682428, 682443, 682444, 682463, 682464, 682483, 682484, 682503, 682504, 682505, 682506, 682507, 682508, 682509, 682510, 682511, 682513, 682514, 682515, 682516, 682517, 682518, 682519, 682520, 682521, 682522, 682523, 682524, 682543, 682563, 682583, 682603, 682604, 682605, 682606, 682608, 682609, 682610, 682611, 682613, 682614, 682615, 682616, 682617, 682618, 682619, 682620, 682621, 682622, 682643, 682644, 682645, 682663, 682684, 682685, 682687, 682704, 682723, 682743, 682744, 682763, 683343, 684043, 684044, 684045, 684046, 684047, 684048, 684843, 684863, 684883, 685023, 685025, 685683, 685684, 685685, 685686, 685687, 685703, 685704, 685705, 685706, 685707, 685708, 685709, 685723, 685724, 685743, 685763, 685764, 685765, 685767, 685783, 685784, 685785, 685786, 685803, 685823, 685843, 685844, 685845, 686143, 686323, 686343, 686363, 686383, 686384, 686385, 686386, 686387, 686388, 686403, 705129, 705131, 705132, 705134, 705135, 705136, 705137, 705138, 705139, 705140, 705142, 705143, 705144, 705145, 705146, 705147, 705148, 705149, 705150, 705151, 705152, 705153, 705154, 705155, 705156, 705157, 705158, 705159, 705187, 705188, 705189, 705190, 705191, 705192, 705193, 705194, 705195, 705196, 705197, 705198, 705199, 705200, 705201, 705202, 705203, 705204, 705205, 705206, 705207, 705208, 705209, 705210, 705211, 705239, 705241, 705244, 705504, 705505, 705506, 705507, 705508, 705509, 705510, 705512, 705513, 705514, 705516, 705518, 705520, 705522, 705564, 705566, 705567, 705569, 705570, 705571, 705572, 705574, 705575, 705577, 705578, 705580, 705581, 705582, 705583, 705584, 705596, 705597, 705598, 705599, 705600, 705602, 705603, 705604, 705605, 705606, 705607, 705608, 705609, 705610, 705611, 705612, 705613, 705614, 705615, 705616, 705617, 705619, 705620, 705622, 705623, 705624, 705625, 705626, 705627, 705767, 705779, 705780, 705781, 705782, 705783, 705784, 705785, 705786, 705787, 705788, 705789, 705790, 705822, 705823, 705824, 705962, 705963, 705964, 705965, 705966, 705967, 705968, 705969, 705970, 705971, 705972, 705973, 705974, 705975, 705976, 705977, 705978, 705979, 705980, 705981, 705982, 705983, 705985, 705986, 705987, 705988, 705989, 705990, 705991, 705992, 705993, 705994, 705995, 705996, 705997, 705998, 705999, 706001, 706002, 706003, 706004, 706005, 706006, 706007, 706008, 706009, 706010, 706012, 706013, 706014, 706015, 706016, 706017, 706018, 706019, 706020, 706021, 706022, 706023, 706024, 706025, 706026, 706027, 706028, 706029, 706030, 706031, 706032, 706033, 706034, 706036, 706038, 706039, 706040, 706041, 706042, 706043, 706045,	

	706046, 706047, 706048, 706049, 706050, 706055, 706056, 706057, 706058, 706059, 706060, 706061, 706062, 706063, 706064, 706065, 706067, 706068, 706069, 706070, 706071, 706072, 706073, 706074, 706076, 706077, 706078, 706079, 706080, 706081, 706082, 706084, 706085, 706087, 706088, 706089, 706090, 706091, 706092, 706093, 706094, 706096, 706097, 706098, 706099, 706100, 706101, 706102, 706104, 706105, 706107, 706143, 706144, 706146, 706150, 706165, 730662, 730682, 730702, 730722, 730742, 730762, 730782, 742582, 742602, 742622, 742642, 742662, 742682, 760682, 760702, 760722, 760762, 760782, 760802, 760822, 760842, 760882, 760902, 760922, 760942, 760962, 760982, 761002, 761022, 761042, 761062, 761082, 761102, 761122, 761142, 761162, 761182, 762342, 762362, 762382, 762402, 762422, 762442, 762462, 762482, 762502, 762522, 762542, 762562, 762582, 762602, 762622, 762642, 762662, 762682, 762702, 762722, 762742, 762762, 762782, 762802, 762822, 762842, 762862, 763162, 763202, 763222, 763242, 763262, 763282, 763302, 763322, 763342, 763362, 763382, 763402, 763422, 763442, 763462, 763482, 763502, 763522, 763542, 763562, 763582, 763602, 763622, 763642, 763662, 763682, 763702, 763722, 763742, 763762, 763782, 763802, 763822, 763842, 763862, 763882, 763902, 763922, 763942, 763962, 763982, 764002, 764022, 764042, 764062, 764082, 764102, 764122, 764142, 764162, 764182, 765302, 765322, 765342, 765362, 765402, 765422, 765442, 765462, 765482, 765502, 765522	
Sitlika	542768, 542769, 544623, 544646, 544648, 544649, 545669, 545670, 545672, 546157, 546160, 574571	16
Tulox Others	519088, 519090, 519420, 519421, 524206, 524207, 530948, 542443, 542488, 542489, 542490 516565, 545760, 545762, 556348, 560228, 560236, 560238, 580114, 580119, 580181, 580182, 580314, 639323, 639397, 704852	54 33

ITEM 4A UNRESOLVED STAFF COMMENTS

None

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

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

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

The following discussion should be read in conjunction with the audited annual consolidated financial statements for the years ended March 31, 2010, 2009 and 2008 and the related notes accompanying this Annual Report. The Company prepares its consolidated financial statements in accordance with Canadian generally accepted principles ("GAAP"). Refer to note 13 to the audited annual consolidated financial statements which provides a reconciliation of material measurement differences between Canadian GAAP and US GAAP and their effect on the consolidated financial statements.

Critical Accounting Policies and Estimates

The Company's accounting policies are presented in note 3 of the accompanying audited consolidated annual financial statements for the years ended March 31, 2010, 2009 and 2008, and a reconciliation of material measurement differences between these principles and US GAAP principles is presented in note 13.

The preparation of consolidated financial statements in accordance with Canadian GAAP requires management to select accounting policies and make estimates. Such estimates may have a significant impact on the financial statements. These include:

- the carrying values of mineral properties,
- the carrying values of future income tax assets and liabilities, and
- the measurement of stock-based compensation expense.

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

Mineral property interests and related asset retirement obligations

The acquisition costs of mineral properties are deferred until the properties are placed into production, sold or abandoned. These costs are amortized on a unit-of-production basis over the estimated useful life of the related properties following the commencement of production, or written off if the properties are sold, allowed to lapse or abandoned, or when impairment has been determined to have occurred. If the deferred mineral property costs are determined not to be recoverable over the estimated useful life or are greater than

the estimated fair market value, the unrecoverable portion is charged to operations in that period.

Mineral property acquisition costs include the cash consideration and the fair market value of common shares, based on the trading price of the shares, on the date of issue or as otherwise provided under the agreement terms for the mineral property interest. Costs for properties for which the Company does not possess unrestricted ownership and exploration rights, such as option agreements, are expensed in the period incurred or until a feasibility study has determined that the property is capable of commercial production.

Exploration costs and option payments are expensed in the period incurred. Option payments which are solely at the Company's discretion are recorded as they are made.

Administrative expenditures are expensed in the period incurred.

The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected from the asset. If the carrying amount of the long-lived asset exceeds its estimated future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the fair value of the asset.

The Company records the fair value of an asset retirement obligation as a liability in the period in which it incurs a legal obligation associated with the retirement of tangible long-lived assets that result from the acquisition, construction, development and/or normal use of the assets. The Company also records a corresponding asset value which is amortized over the same basis as the asset being retired. Subsequent to the initial measurement of the asset retirement obligation, the obligation is adjusted at the end of each period to reflect the passage of time (accretion expense) and changes in the estimated future cash flows underlying the obligation (asset retirement cost).

The Company has no material asset retirement obligations as the disturbance at the exploration sites as at March 31, 2010 has been minimal.

Future income tax assets and liabilities

The Company uses the asset and liability method of accounting for income taxes. Under this method, future income tax assets and liabilities are computed based on differences between the carrying amount of assets and liabilities on the balance sheet and their corresponding tax values, generally using the enacted or substantively enacted income tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Future income tax assets also result from unused loss carry-forwards and other deductions. Future tax assets are recognized to the extent that they are considered more likely than not to be realized. The valuation of future income tax assets is adjusted, if necessary, by the use of a valuation allowance to reflect the estimated realizable amount.

Under the Canadian Income Tax Act, a company may issue securities referred to as flow-through shares whereby the investor may claim the tax deductions arising from the qualifying expenditure of the proceeds by the company. When resource expenditures are renounced to the investors and the Company has reasonable assurance that the expenditures will be completed, future income tax liabilities are recognized (renounced expenditures multiplied by the effective corporate tax rate), thereby reducing share capital. Previously unrecognized tax assets may then offset or eliminate the liability recorded.

Stock-based compensation expense

The Company accounts for all non-cash stock-based payments to non-employees, and employee awards that are direct awards of shares that call for settlement in cash or other assets, or that are share appreciation rights which call for settlement by the issuance of equity instruments, using the fair value method.

Under the fair value method, stock-based payments are measured at the fair value of the consideration received, or the fair value of the equity instruments issued, or liabilities incurred, whichever is more reliably measurable. The fair value of non-cash stock-based payments is periodically re-measured until counterparty performance is complete, and any change therein is recognized in the same manner as if the Company had paid cash instead of paying with or using equity instruments. The cost of non-cash stock-based payments to service providers that are fully vested and non-forfeitable at the grant date is measured and recognized at that date. For awards that vest at the end of a vesting period, compensation cost is recognized on a straight-line

basis; for awards that vest on a graded basis, compensation cost is recognized on a pro-rata basis over the vesting period.

Consideration received by the Company upon the exercise of share purchase options and warrants, and the stock-based compensation previously credited to contributed surplus related to such options and warrants, is credited to share capital.

A. RESULTS OF OPERATIONS

Year Ended March 31, 2010 ("2010") versus Year Ended March 31, 2009 ("2009")

The net loss for the year ended March 31, 2010 decreased to \$4,102,000 compared to a net loss of \$5,109,000 for the previous year. The decrease in loss was mainly due to a decrease in exploration expenditures in the current year compared to the previous year.

During the year ended March 31, 2010, the Company received BC mineral exploration tax credits ("METC BC") in the amount of \$252,000, compared to receipts totaling \$1,435,000 in the previous year. These amounts were credited to "exploration expenses" in the statement of operations.

Exploration expenses, excluding METC BC, decreased to \$3,447,000 in the 2010 fiscal year, compared to \$6,054,000 in the previous year. The major exploration expenditures during the year were geological (2010 \$1,755,000; 2009 \$2,536,000), drilling (2010 \$670,000; 2009 \$807,000), assay and analysis (2010 \$252,000; 2009 \$596,000), transportation (2010 \$118,000; 2009 \$600,000), site activities (2010 \$255,000; 2009 \$490,000) and environmental (2010 \$108,000; 2009 \$15,000).

The major administrative costs during the year were salaries and benefits (2010 \$312,000; 2009 \$209,000), office and administration (2010 \$154,000; 2009 \$178,000), conference and travel (2010 \$48,000; 2009 \$54,000), management and consulting (2010 \$23,000; 2009 \$58,000), and shareholder communication (2010 \$104,000; 2009 \$123,000).

Stock-based compensation expense of \$138,000 was charged to operations during fiscal 2010, compared to \$244,000 for fiscal 2009. This is mainly due to the amortization of a greater number of options granted in fiscal 2009.

A foreign exchange loss of \$40,000 was recorded during the year ended March 31, 2010, compared to a gain of \$219,000 in the previous year. The loss during the current year is primarily attributable to the Company's US dollar denominated financial assets mainly held in cash and cash equivalents and due to appreciation of Canadian dollar against the US dollar. At March 31, 2010 the Company held approximately US\$100,000 (2009 US\$100,000).

During the current year, interest income decreased to \$24,000, compared to \$309,000 in the previous year. Interest income in the previous year was substantially higher than the current year mainly due to interest on the mineral exploration tax credit received in the previous year.

Year Ended March 31, 2009 ("2009") versus Year Ended March 31, 2008 ("2008")

The net loss for the year ended March 31, 2009 increased to \$5,109,000 compared to a net loss of \$3,566,000 for the previous year. The increase in loss was mainly due to an increase in exploration activities in current year compared to the previous year.

During the year ended March 31, 2009, the Company received \$ 1,435,000 in respect of Mineral Exploration Tax Credit ("METC BC"), which amount was credited to exploration expense. The METC initiative was introduced by the BC Government to stimulate new economic activity in the province and includes an enhanced credit for mineral exploration in areas affected by the mountain pine beetle infestation. There was no such credit received in the prior year.

Exploration expenses, excluding METC BC, for the year ended March 31, 2009 increased to \$6,054,000, compared to \$3,067,000 for the previous year. This increase was due to a greater number of exploration programs being carried out in British Columbia. The major exploration expenditures during the year were geological (2009 \$2,536,000; 2008 \$1,721,000), drilling (2009 \$807,000; 2008 \$nil), transportation (2009 \$600,000; 2008 \$392,000), assay and analysis (2009 \$596,000; 2008 \$283,000), site activities (2009 \$490,000; 2008 \$372,000) and engineering (2009 \$371,000; 2008 \$8,000).

The major administrative costs during the year were salaries and benefits (2009 \$209,000; 2008 \$257,000), office and administration (2009 \$178,000; 2008 \$184,000), conference and travel (2009 \$54,000; 2008 \$96,000), management and consulting (2009 \$58,000; 2008 \$49,000), and shareholder communication (2009 \$123,000; 2008 \$73,000).

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Stock-based compensation expense of \$244,000 was charged to operations during fiscal 2009, compared to \$nil for fiscal 2008. This is mainly due to the amortization of a greater number of options granted in fiscal 2009.

Interest and other income decreased to \$309,000 for fiscal 2009 compared to \$316,000 for the previous year. Interest and other income in 2009 and 2008 mainly consisted of interest on METC-BC and input tax credit, and interest earned on a \$5,500,000 loan to Rockwell Diamonds Inc., respectively.

During the year ended March 31, 2009, the Company paid \$81,000 on account of tax related to the 2008 flow-through financing. There was no such tax recorded during the prior year.

There was a gain of \$14,000 on sale of equipment to a related party during the fiscal year of 2009. There was no gain on the sale of equipment during the prior year.

A foreign exchange gain of \$219,000 was recorded during the year ended March 31, 2009, compared with a loss of \$138,000 in the previous year. The gain was due primarily to appreciation in value of the Company's US dollar assets, mainly held in cash and cash equivalents, against the Canadian dollar.

B. LIQUIDITY AND CAPITAL RESOURCES

The Company had cash and cash equivalents of \$4,310,000 and working capital of \$4,617,000 at March 31, 2010, compared to cash and cash equivalents of \$2,972,000 and working capital of \$3,339,000 at March 31, 2009.

The Company did not have any long term liabilities at March 31, 2010 or 2009 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 22, 2010, the Company had cash of approximately \$2.2 million.

The Company anticipates that its cash and working capital will be sufficient to enable it to carry out the Company's currently planned exploration activities as well as for property maintenance requirements and administrative overhead for the twelve months without obtaining additional financing.

Cash Used in Operating Activities

Cash used in operating activities was \$3,895,000 in fiscal 2010, compared to \$5,181,000 in 2009 and \$3,555,000 in 2008. Cash used in operating activities was attributable primarily to exploration programs 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 \$34,000 in 2010, compared to cash used in investing activities of \$74,000 in 2009, and cash provided by investing activities of \$5,815,000 in 2008. Cash provided by investing activities during the current year represents proceeds from sale of equipment. Cash used in investing activities in 2009 represents purchase of equipment. Cash provided by investing activities in 2008 related to repayment of a loan of \$5,500,000 by a related party pursuant to a 90-day promissory note and proceeds from sale of marketable securities of a related party representing payment of interest on the 90-day promissory note.

Cash Flows from Financing Activities

Cash provided by financing activities in 2010 was \$5,210,000, compared to \$500,000 in 2009, and \$2,634,500 in 2008. Cash provided by financing activities in the current year represents receipts from issuance of 11,000,000 common shares at a price of \$0.50 per share pursuant to a private placement, comprising 4,800,000 flow-through shares and 6,200,000 non-flow-through shares (refer to [Item 5.F](#)). Cash provided by financing activities in 2009 represents cash received from issuance of 5,000,000 common shares at \$0.10 per share pursuant to a private placement. Cash provided by financing activities in 2008 was attributable to issuance of 4,790,000 common shares at \$0.55 per share pursuant to exercise of share warrants.

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. 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 and short-term investments, 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 a 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 US dollars. The Company does not engage in any hedging operations with respect to currency or in-situ minerals. Funds which are excess to Amarc's current needs are invested in short term near-cash investments.

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

C. Research Expenditures

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

D. Trend Information

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

Although there has been periodic volatility in the gold market, the average annual price has increased for the past four years. The average gold price in 2008 was approximately US\$872/oz. In response to the global economic uncertainty that began in mid 2008, gold prices were strong in 2009, with prices ranging from US\$802/oz in early January to US\$1,200/oz in early December and averaging US\$974/oz for the year.

Gold prices remain strong in 2010. The average price to the end of July 2010 is US\$1,160/oz.

Copper prices increased significantly between late 2003 and mid 2008, and then declined in late 2008. The average price in 2008 was approximately US\$3.16/lb. Prices in 2009 ranged from US\$1.39/lb in early January to US\$3.33/lb at year end, and averaged US\$2.34/lb for the year.

Copper prices generally remain strong in 2010, with a slight weakening to range between US\$2.80/lb and US\$3.05/lb since mid-May. The average price the end of July 2010 is US\$3.21/lb.

E. Off-Balance Sheet Arrangements

Amarc has no off-balance sheet arrangements.

As used in this [Item 5E](#), the term "off-balance sheet arrangement" means any transaction, agreement or other contractual arrangement to which an entity, unconsolidated with the Company, is a party, under which the Company has:

- (a) any obligation under a guarantee contract that has any of the characteristics identified in paragraph 3 of FASB Interpretation No. 45, Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others (November 2002) ("FIN 45"), as may be modified or supplemented, excluding the types of guarantee contracts described in paragraphs 6 and 7 of FIN 45;
- (b)

a retained or contingent interest in assets transferred to an unconsolidated entity or similar arrangement that serves as credit, liquidity or market risk support to such entity for such assets;

- (c) any obligation under a derivative instrument that is both indexed to the company's own stock and classified in stockholders' equity, or not reflected, in the company's statement of financial position; or
 - (d) any obligation, including a contingent obligation, arising out of a variable interest (as referenced in FASB Interpretation No. 46, Consolidation of Variable Interest Entities (January 2003), as may be modified or supplemented) in an unconsolidated entity that is held by, and material to, the company, where such entity provides financing, liquidity, market risk or credit risk support to, or engages in leasing, hedging or research and development services with, the company.
-

F. Tabular Disclosure of Contractual Obligations

As at fiscal year end March 31, 2010, 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 Canadian GAAP					
Total					

During the year ended March 31, 2010, the Company arranged a private placement of 11,000,000 of its common shares at a price of \$0.50 per share, consisting of 4,800,000 flow-through shares and 6,200,000 non-flow-through shares for aggregate gross proceed of \$5,500,000. In accordance with the terms of flow-through share agreements, the Company is obligated to spend the proceeds from the flow-through shares issuance on Canadian Exploration Expenses ("CEE") by December 31, 2010. At March 31, 2010, approximately \$1,659,000 remained to be spent on eligible exploration activities.

G. Safe Harbor

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

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

Name (1)	Year born	Position	Director or Officer Since
Rene G. Carrier	1944	Director	May 2008
David J. Copeland	1948	Director	September 1995
Scott D. Cousens	1964	Director	September 1995
T. Barry Coughlan	1945	Director	February 2009
Robert A. Dickinson	1948	Chairman of the Board and Director	April 1993
Paul Mann	1964	Chief Financial Officer	July 2008
Jeffrey R. Mason	1957	Director	September 1995
Diane Nicolson	1965	Vice President Corporate Development	February 2008
Ronald W. Thiessen	1952	President, Chief Executive Officer and Director	September 1995
Trevor Thomas	1967	Secretary	February 2008

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

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

Rene Carrier Director

Rene Carrier is a past Vice-President of Pacific International Securities Inc. where he worked for ten years, until 1991. Since that time he has been President of Euro-American Capital Corporation, a private company which specializes in restructuring, administration, and raising venture capital funds for junior companies.

Mr. Carrier currently 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	May 2008	Present
Chartwell Technology Inc.	Director	June 1991	April 2007
Continental Minerals Corporation	Director	February 2001	Present
Frontera Copper Corporation	Director	February 2009	June 2009
Heatherdale Resources Inc.	Director	November 2009	Present

International Royalty Corporation	Lead Director	June 2003	February 2010
Quartz Mountain Resources Ltd.	Director	January 2000	Present
	President	June 2005	Present
Rockwell Diamonds Inc.	Director	April 1993	November 2008

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 companies for which Hunter Dickinson Services Inc. provides services. He is also a director of Hunter Dickinson Services Inc.

Mr. Copeland 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
Continental Minerals Corporation	Director	November 1995	Present
	President & CEO	January 2008	Present

Company	Positions Held	From	To
Farallon Mining Ltd.	Director	December 1995	April 2009
Great Basin Gold Ltd.	Director	February 1994	March 2008
Heatherdale Resources Inc.	CEO, President & Director	November 2009	Present
Northern Dynasty Minerals Ltd.	Director	June 1996	June 2010
Rockwell Diamonds Inc.	Director	September 2006	Present
	Chief Executive Officer	September 2006	September 2007
	Chairman	September 2007	Present
Taseko Mines Limited	Director	March 1994	June 2010

Barry Coughlan, B.A. Director

Barry Coughlan is a self-employed businessman and financier who over the past 23 years has been involved in the financing of publicly traded companies. His principal occupation is President and Director of TBC Investments Ltd., a private investment company.

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

Company	Positions Held	From	To
Amarc Resources Ltd.	Director	February 2009	Present
Continental Minerals Corporation	Director	May 2006	December 2006
Creso Exploration Inc.	Director	June 2010	Present
Farallon Mining Ltd.	Director	March 1998	Present
Great Basin Gold Ltd.	Director	February 1998	Present
ICN Resources Ltd. (formerly Icon Industries Ltd.)	President, CEO and Director	September 1991	February 2010
Quartz Mountain Resources Ltd.	Director	January 2005	Present
Taseko Mines Limited	Director	February 2001	Present
Quadro Resources Ltd.	President and Director	June 1986	Present

Scott Cousens Director

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

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

Company	Positions Held	From	To
Amarc Resources Ltd.	Director	September 1995	Present
Anooraq Resources Corporation	Director	September 1996	June 2009
Continental Minerals Corporation	Director	June 1994	Present
Farallon Mining Ltd.	Director	December 1995	April 2007
Great Basin Gold Ltd.	Director	March 1993	November 2006
Heatherdale Resources Inc.	Chairman and Director	November 2009	Present
Northern Dynasty Minerals Ltd.	Director	June 1996	Present
Rockwell Diamonds Inc.	Director	November 2000	November 2008
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 Services Inc. provides services. He holds a Bachelor of Science degree (Hons. Geology) and a Master of Science degree (Business Administration - Finance) from the University of British Columbia. Mr. Dickinson has also been active in mineral exploration over 40 years. He is a director of Hunter Dickinson Services Inc. He is also President and Director of United Mineral Services Ltd., a private resource company.

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

Company	Positions Held	From	To
Amarc Resources Ltd.	Director	April 1993	Present
	Chairman	April 2004	Present
Anooraq Resources Corporation	Director	October 2004	June 2009
	Co-Chairman	October 2004	June 2009
Continental Minerals Corporation	Director	June 2004	Present
	Chairman	June 2004	January 2006
	Co-Chairman	January 2006	December 2006
Detour Gold Corporation	Director	August 2006	February 2009
Farallon Mining Ltd.	Director	July 1991	April 2007
	Co-Chairman	September 2004	April 2006
Great Basin Gold Ltd.	Director	May 1986	November 2006
	Chairman	April 2004	December 2005
	Co-Chairman	December 2005	November 2006
Heatherdale Resources Ltd.	Director	November 2009	Present
Northern Dynasty Minerals Ltd.	Director	June 1994	Present
	Chairman	April 2004	Present
Rockwell Diamonds Inc.	Director	November 2000	September 2006
	Chairman	November 2000	September 2006
Taseko Mines Limited	Director	January 1991	Present
	Chairman	April 2004	July 2005
	Co-Chairman	July 2005	May 2006

Paul Mann, CA Chief Financial Officer

Paul Mann has over 15 years of progressive experience in the mining sector, as Controller of Dayton Mining and De Beers Canada Mining Ltd., Corporate Controller at Eldorado Gold Corporation and at Hunter Dickinson, as Vice President Finance for Crew Gold Corporation, and as Chief Financial Officer of North Pacific Geopower.

Since 2007 he has served as Executive Manager of Finance and Reporting for the Hunter Dickinson group of companies, overseeing all accounting, regulatory and securities compliance and reporting, as well as treasury and taxation for the group.

Jeffrey Mason, B.Comm., CA Director

Jeffrey Mason holds a Bachelor of Commerce degree from the University of British Columbia and obtained his Chartered Accountant designation while specializing in the mining, forestry and transportation sectors at the international accounting firm of Deloitte & Touche. Following comptrollership positions at an

international commodity mercantilist and Homestake Mining Group of companies including responsibility for North American Metals Corp. and the Eskay Creek Project, Mr. Mason has spent the last several years as a corporate officer and director to a number of publicly-traded mineral exploration companies. Until early 2008, Mr. Mason was employed as Chief Financial Officer of Hunter Dickinson Inc. and his principal occupation was the financial administration of the public companies to which Hunter Dickinson Inc. provided services.

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

Company	Positions Held	From	To
Amarc Resources Ltd.	Director	September 1995	Present
	Secretary	September 1995	February 2008
	Chief Financial Officer	September 1998	July 2008
Anooraq Resources Corporation	Director	April 1996	September 2004
	Secretary	September 1996	September 2007
	Chief Financial Officer	February 1999	June 2007
Coastal Contacts Inc.	Director	October 2006	Present
Continental Minerals Corporation	Director	June 1995	February 2008
	Secretary	November 1995	February 2008
	Chief Financial Officer	June 1998	February 2008

Company	Positions Held	From	To
Detour Gold Corporation	Chief Financial Officer and Secretary	July 2006	December 2007
Farallon Mining Ltd.	Director	August 1994	February 2008
	Secretary	December 1995	December 2007
	Chief Financial Officer	December 1997	December 2007
Great Basin Gold Ltd.	Director	February 1994	November 2006
	Secretary	February 1994	November 2006
	Chief Financial Officer	June 1998	November 2006
Northern Dynasty Minerals Ltd.	Director	June 1996	July 2008
	Secretary	June 1996	July 2008
	Chief Financial Officer	June 1998	July 2008
Quartz Mountain Resources Ltd.	Principal Accounting Officer	January 2005	February 2008
Rockwell Diamonds Inc.	Director	November 2000	September 2007
	Chief Financial Officer	November 2000	April 2007
Slater Mining Limited	Director	July 2008	Present
Taseko Mines Limited	Director	February 1994	July 2008
	Secretary	February 1994	June 2008
	Chief Financial Officer	November 1998	June 2008

Diane Nicolson, PhD Executive Vice President

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

Dr. Nicolson joined Hunter Dickinson in 2007 as a member of the global business development team; her broad international experience has significantly assisted the advancement of the company's efforts.

Dr. Nicolson was appointed Executive Vice President in February 2008 and is responsible for management, strategic planning and new project development for Amarc Resources Ltd.

Ronald Thiessen, CA President, Chief Executive Officer and Director

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

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

Company	Positions Held	From	To
Amarc Resources Ltd.	Director	September 1995	Present
	President and Chief Executive Officer	September 2000	Present
Anooraq Resources Corporation	Director	April 1996	Present
	President and Chief Executive Officer	September 2000	August 2007
Continental Minerals Corporation	Director	November 1995	Present
	President and Chief Executive Officer	September 2000	January 2006
	Co-Chairman	January 2006	Present
Detour Gold Corporation	Director	July 2006	Present
	Chairman	July 2006	March 2009
Farallon Mining Ltd.	Director	August 1994	Present
	Co-Chairman	September 2004	December 2005
	Chairman	December 2005	Present
Great Basin Gold Ltd.	Director	October 1993	Present

Company	Positions Held	From	To
	President and Chief Executive Officer	September 2000	December 2005
	Co-Chairman	December 2005	November 2006
	Chairman	November 2006	Present
Northern Dynasty Minerals Ltd.	Director	November 1995	Present
	President and Chief Executive Officer	November 2001	Present
Rockwell Diamonds Inc.	Director	November 2000	September 2007
	President and Chief Executive Officer	November 2000	September 2006
	Chairman	September 2006	September 2007
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
Quadro Resources Ltd.	Director	July 1992	December 2006

Trevor Thomas, LLB Secretary

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

B. Compensation

During the Company's financial year ended March 31, 2010, the aggregate cash compensation paid or payable by the Company or its subsidiaries to its directors and senior officers, all of whose financial statements are consolidated with those of the Company, was \$164,250.

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

The compensation paid to the NEOs during the Company's most recently completed financial year of March 31, 2010 is as set out below and expressed in Canadian dollars unless otherwise noted:

Name and	Salary	Share-based awards	Option-based awards(1)	Non-equity incentive plan compensation (\$)	Pension value	All other compensation	Total compensation

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principal position	(\$)	(\$)	(\$)	Annual incentive plans	Long-term incentive plans	(\$)	(\$)	(\$)
Ronald Thiessen Chief Executive Officer	36,250	Nil	Nil	Nil	Nil	Nil	Nil	36,250
Paul Mann Chief Financial Officer	20,000	Nil	Nil	Nil	Nil	Nil	Nil	20,000

During the fiscal year ended March 31, 2010, Messrs. Thiessen and Mann did not serve the Company solely on a full-time basis, and their compensation from the Company is allocated based on the estimated amount of time spent providing services to the Company.

Pension Plan Benefits

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

Termination and Change of Control Benefits

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

Director Compensation

The compensation provided to the directors, excluding a director who is already set out in disclosure for a NEO for the Company's most recently completed financial year of March 31, 2010 is as set out below:

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards ⁽³⁾ (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Rene G. Carrier ⁽¹⁾	15,000	Nil	Nil	Nil	Nil	Nil	15,000
David Copeland	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Barry Coughlan ⁽¹⁾	15,000	Nil	3,360	Nil	Nil	Nil	18,360
Scott Cousens ⁽²⁾	31,250	Nil	Nil	Nil	Nil	Nil	31,250
Robert Dickinson ⁽²⁾	46,750	Nil	Nil	Nil	Nil	Nil	46,750
Jeffrey Mason	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

1. Independent directors receive an annual fee of \$15,000 for their services.
2. Pursuant to the Corporate Services Agreement with Hunter Dickinson Services Inc., compensation for Messrs. Cousens and Dickinson are allocated to the Company on the basis of time spent in respect of the Company's business.
3. The options granted in fiscal 2010 were granted pursuant to the Share Option Plan. For compensation purposes, the Black-Scholes option valuation model has been used to estimate the fair value on the date of grant. The Black-Scholes option valuation is calculated using the expected life of the share option, expected volatility of the Company's Common Share price, expected dividend yield, and the risk-free interest rate. The weighted average Black-Scholes grant date fair value for awards granted on April 28, 2009 was \$0.05, which was 7% of the option exercise price.

C. Board Practices

All of the Company's directors were elected at the annual general meeting of shareholders held on September 15, 2010. All directors have a term of office expiring at the next annual general meeting of the Company's shareholders. All officers have a term of office lasting until their removal or replacement by the board of directors (the "Board").

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

General

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

1. Board of Directors

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

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

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

2. Other Directorships

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

3. Orientation and Continuing Education

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

4. Ethical Business Conduct

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

5. Nomination of Directors

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

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

6. Compensation

The Board determines the compensation for independent directors and executives.

7. Other Board Committees

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

8. Assessments

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

AUDIT COMMITTEE

The Audit Committee's Charter

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

Composition of the Audit Committee

The members of the audit committee are Rene Carrier, Barry Coughlan and Robert Dickinson. All members are financially literate. Mr. Carrier and Mr. Coughlan are independent.

Relevant Education and Experience

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

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

Audit Committee Oversight

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

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

Pre-Approval Policies and Procedures

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

Exemptions From Certain Canadian Audit Committee Requirements

Pursuant to section 6.1 of National Instrument 52-110 *Audit Committees* ("NI 52-110"), as adopted by the Canadian Securities Administrators (including the British Columbia and Alberta Securities Commissions which have jurisdiction over the Company, the "CSA"), the Company is exempt from the requirements of Parts 3 and 5 of NI 52-110 for the year ended March 31, 2010, by virtue of the Company being a "venture issuer" (as defined in NI 52-110).

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

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

D. Employees

At March 31, 2010, Amarc had no direct employees. Amarc's administrative and exploration functions are primarily administered through Hunter Dickinson Services Inc. (See [Item 7- Major Shareholders and Related Party Transactions](#)).

E. Share Ownership

Security Holdings of Directors and Senior Management

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As at September 22, 2010, the directors and officers of Amarc, and their respective affiliates, directly and indirectly, own or control as a group an aggregate of 18,867,217 common shares (22.5%), or 23,757,217 (20.8%) on a diluted basis.

As at September 22, 2010, the Company's directors and senior management beneficially own the following number of the Company's common shares, options and warrants:

Name of Insider	Securities Beneficially Owned or Controlled	As a % of the outstanding Common Shares
Rene G. Carrier ⁽⁵⁾	75,000 Common shares 70,000 Options ⁽³⁾	0.09%
David J. Copeland	1,049,500 Common shares 70,000 Options ⁽³⁾	1.25%
Barry Coughlan ⁽⁴⁾⁽⁵⁾	50,000 Common shares 70,000 Options ⁽³⁾	0.06%

	Securities Beneficially Owned or	As a % of the outstanding
Name of Insider	Controlled	Common Shares
Scott D. Cousens	148,300 Common shares 70,000 Options	0.18%
Robert A. Dickinson ⁽³⁾⁽⁵⁾	10,196,409 Common shares ⁽²⁾ 70,000 Options 4,250,000 Warrants ⁽³⁾	12.16%
Paul Mann	50,000 Common shares 50,000 Options	0.06%
Jeffrey R. Mason	4,246,000 Common shares 70,000 Options	5.06%
Diane Nicolson	563,000 Common Shares 50,000 Options	0.67%
Ronald W. Thiessen	2,369,008 Common shares 70,000	2.82%
Trevor Thomas	120,000 Common Shares 50,000 Options	0.14%
Total	18,867,217 Common Shares 640,000 Options 4,250,000 Warrants	22.5%

Notes:

1. The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective individuals as filed on SEDI.
2. Certain of these shares are beneficially owned through a private company controlled by Mr. Dickinson, and a Registered Retirement Saving Plan (RRSP) owned by Mr. Dickinson.
3. Mr. Dickinson holds 4,250,000 share warrants that expire on February 9, 2011. Each warrant entitles Mr. Dickinson to purchase one Common Share at \$0.10 per share.
4. Member of the Audit Committee.

Share Option Plan

At September 22, 2010, 1,725,200 options were outstanding pursuant to the Company's share option plan (the "Plan"), described below, and an aggregate of 6,658,747 common shares were available for issuance pursuant to the Plan, described below.

(a) Incentive Options

1. Share Incentive Plan

In order to provide incentive to directors, officers, employees, management and others who provide services to the Company to act in the best interests of the Company, the Company has adopted a Share Incentive Plan (the "Plan").

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

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

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

Eligible Optionees

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

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

Insider Limitations

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

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

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

Other Limitations

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

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

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

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

Disinterested Shareholder Approval

In accordance with the requirements of the TSX Venture and the terms of the Plan, disinterested shareholder approval was received at the Meeting.

"Disinterested Shareholder Approval" means the approval by a majority of the votes cast by all shareholders of the Company at the Meeting excluding votes attached to listed shares beneficially owned by insiders of the Company to whom the options have been granted under the existing plan and associates of those insiders.

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

Amarc is a publicly-held corporation, with its shares held by residents of Canada, the United States of America and other countries. To the best of Amarc's knowledge, other than as noted below, no person, corporation or other entity beneficially owns, directly or indirectly, or controls more than 5% of the common shares of Amarc, the only class of securities with voting rights. For these purposes, "beneficial ownership" means the sole or shared power to vote or direct the voting or to dispose or direct the disposition of any security.

As of September 22, 2010, Amarc had authorized unlimited common shares without par value, of which 83,839,473 were issued and outstanding. Amarc's authorized share structure also includes a class of preferred shares without par value and without a maximum number. The preferred shares may be issued in series on such terms as determined by the Company's directors in accordance with the class rights and restrictions. No series of preferred shares has been designated by the board of directors, and no preferred shares are outstanding.

As at September 22, 2010, Robert Dickinson, together with companies controlled by him, held 10,196,409 common shares of Amarc, representing 12.16% of the common shares outstanding.

As at September 22, 2010, Jeffrey Mason held 4,246,000 common shares of Amarc, representing 5.06% of the common shares outstanding.

All of the common shares have the same voting rights.

Geographic Breakdown of Shareholders

As of September 22, 2010, Amarc's register of shareholders indicates that Amarc's common shares are held as follows:

Location	Number of registered shareholders of record (note 1)	Number of shares	Percentage of total shares
Canada	17	79,184,167	94.45%
United States	8	2,955,306	3.52%
Other	1	1,700,000	2.03%
TOTALS	28	83,839,473	100.00%

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

Note 1 Amarc's securities are recorded on the books of its transfer agent, Computershare Trust Company of Canada located at 510 Burrard Street, Vancouver, Canada (604) 661-0271 in registered form. However, the majority of such shares are registered in the name of intermediaries such as brokerage houses and clearing houses (on behalf of their respective brokerage clients). Amarc does not have knowledge or access to the identities of the beneficial owners of such shares registered through intermediaries.

Control

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

Insider Reports under the Securities Acts of British Columbia and Alberta

Since the Company a reporting issuer under the Securities Acts of British Columbia and Alberta, certain "insiders" of the Company (including its directors, certain executive officers, and persons who directly or indirectly beneficially own, control or direct more than 10% of its common shares) are generally required to file insider reports of changes in their ownership of Amarc's common shares within ten days following the trade (to be reduced to five days for all trades occurring after October 31, 2010) under National Instrument 55-104 *Insider Reporting Requirements and Exemptions*, as adopted by the CSA. Copies of such reports are available for public inspection at the offices of the British Columbia Securities

Commission, 9th Floor, 701 West Georgia Street, Vancouver, British Columbia V7Y 1L2, (604) 899-6500 or at the British Columbia Securities Commission web site, www.bcsc.bc.ca. In British Columbia, all insider reports must be filed electronically 10 days following the date of the trade at www.sedi.ca. The public is able to access these reports at www.sedi.ca.

B. Related Party Transactions

Except as disclosed below, Amarc has not, since April 1, 2009, and does not at this time 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 of 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.

Hunter Dickinson Services Inc. ("HDSI"), formerly Hunter Dickinson Inc.

The Company does not have full-time management or employees. Pursuant to a Corporate Services Agreement dated July 2, 2010 with Hunter Dickinson Services Inc. ("HDSI"), HDSI provides services, including geological, corporate development, administrative and management services (collectively the "Services") to the Company. HDSI is a private company with certain directors in common with the Company, namely Messrs. Copeland, Cousens, Dickinson and Thiessen. HDSI provides the Services to several publicly traded companies (one of which is the Company), and is managed by persons who are directors in common with the Company.

HDSI has supervised or conducted mineral exploration projects in Canada (British Columbia, Manitoba, Ontario, Quebec and the Yukon) and internationally in Brazil, Chile, China, the United States (Nevada and Alaska), Mexico, and South Africa. HDSI allocates the costs of staff input into projects based on time records of involved personnel. Costs of such personnel and third party contractors are billed to the participating public companies (inclusive of HDSI staff costs and overhead) for amounts that are considered by the Company's management to be competitive with arm's-length suppliers. During the fiscal year ended March 31, 2010, Amarc paid approximately \$1.5 million (2009 \$2.6 million; 2008 -\$1.6 million), to HDSI

for services pursuant to the management and administrative services agreement. Advances pursuant to this agreement were non-interest bearing and due on demand.

Management / Insiders

During the year ended March 31, 2010, the Company arranged a private placement of 11,000,000 of its common shares at a price of \$0.50 per share, consisting of 4,800,000 flow-through shares and 6,200,000 non-flow-through shares for aggregate gross proceed of \$5,500,000 [\(see Item 5.F\)](#).

The numbers of shares acquired by the informed persons of the Company were as follow:

Informed Person Participation	Amount	Units
Rene G. Carrier	\$ 25,000	50,000
David J. Copeland	90,000	180,000
Barry Coughlan	25,000	50,000
Scott D. Cousens	100,000	200,000
Paul Mann	25,000	50,000

Informed Person Participation	Amount	Units
Jeffrey R. Mason	25,000	50,000
Diane Nicolson	25,000	50,000
Ronald W. Thiessen	200,000	400,000
Trevor Thomas	25,000	50,000
Total	\$ 540,000	1,080,000

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 consolidated annual financial statements as at March 31, 2010 and 2009 and for each of the years ended March 31, 2010, 2009 and 2008.

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, 2010, except as disclosed in this Annual Report on Form 20-F.

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

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

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

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

<u>Fiscal Year</u> <u>Ended</u>	<u>TSX Venture Exchange</u>		<u>OTCBB</u>	
	<u>High</u> <u>(Cdn\$)</u>	<u>Low</u> <u>(Cdn\$)</u>	<u>High</u> <u>(US\$)</u>	<u>Low</u> <u>(US\$)</u>
March 31,				
2010	0.72	0.16	0.75	0.12
2009	0.77	0.07	0.76	0.05
2008	0.78	0.45	0.76	0.40
2007	0.60	0.30	0.51	0.20
2006	0.47	0.22	0.38	0.20

<u>Fiscal Quarter</u>	<u>TSX Venture Exchange</u>		<u>OTCBB</u>	
	<u>High</u> <u>(Cdn\$)</u>	<u>Low</u> <u>(Cdn\$)</u>	<u>High</u> <u>(US\$)</u>	<u>Low</u> <u>(US\$)</u>
Q4, 2010	0.72	0.47	0.70	0.47
Q3, 2010	0.68	0.23	0.75	0.23
Q2, 2010	0.27	0.17	0.24	0.14
Q1, 2010	0.25	0.16	0.24	0.12
Q4, 2009	0.30	0.10	0.24	0.06
Q3, 2009	0.31	0.07	0.37	0.05
Q2, 2009	0.71	0.31	0.68	0.26
Q1, 2009	0.77	0.58	0.76	0.57

<u>Month</u>	<u>TSX Venture Exchange</u>		<u>OTCBB</u>	
	<u>High</u> <u>(Cdn\$)</u>	<u>Low</u> <u>(Cdn\$)</u>	<u>High</u> <u>(US\$)</u>	<u>Low</u> <u>(US\$)</u>
September 2010 (to September 22, 2010)	0.65	0.44	0.62	0.41
August 2010	0.49	0.42	0.49	0.40
July 2010	0.51	0.36	0.49	0.34
June 2010	0.49	0.40	0.47	0.30
May 2010	0.50	0.40	0.49	0.37
April 2010	0.55	0.49	0.58	0.48

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

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

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

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

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

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

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

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

Borrowing Powers

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

Share Certificates

Under the original Articles of Association, a shareholder was entitled to a share certificate representing the number of shares of the Company held. Under the BCA, a shareholder is entitled to a share certificate representing the number of shares of the Company held or a written acknowledgement of the

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

Indemnity Provisions

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

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

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

Alternate Directors

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

Amendment of Articles and Notice of Articles

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

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

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

Shareholders' Meetings

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

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

Officers

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

Disclosure of Interest of Directors

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

Creation of Preferred Shares

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

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

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

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

C. Material Contracts

Amarc's only material contract as of September 9, 2010 is:

- (a) Corporate Services Agreement between Amarc and Hunter Dickinson Services Inc. dated June 1, 2008. [See Item 7B](#) and Exhibit 4.1.

Other agreements are in the normal course of business.

D. Exchange Controls

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

There is no limitation imposed by Canadian law or by the charter or other constituent documents of the Company on the right of a non-resident to hold or vote common shares of the Company, other than as provided in the *Investment Canada Act* (Canada) ("Investment Act").

The following discussion summarizes the principal features of the Investment Act for a non-resident who proposes to acquire common shares of the Company. It is general only, it is not a substitute for independent legal advice from an investor's own advisor, and it does not anticipate statutory or regulatory amendments.

The Investment Act is a federal statute of broad application regulating the establishment and acquisition of Canadian businesses by non-Canadians, including individuals, governments or agencies thereof, corporations, partnerships, trusts or joint ventures (each an "entity"). Non-Canadians proposing to establish a new Canadian business or acquire control of an existing Canadian business must file either an application for review (before completing the investment) or a post-closing notification (within 30 days of implementation of the investment) to the Director of Investments, who is appointed by the Minister of Industry. Whether a post-closing notification or a full application for review will be required will depend on the type of Canadian business involved and the value of the business. If an investment is reviewable under the Investment Act, the Investment Act prohibits implementation of the investment unless the Minister of Industry is satisfied that the investment is likely to be of net benefit to Canada.

A non-Canadian would acquire control of the Company for the purposes of the Investment Act through the acquisition of common shares if the non-Canadian acquired a majority of the common shares of the Company. Further, the acquisition of less than a majority but one third or more of the common shares of the Company would be presumed to be an acquisition of control of the Company unless it could be established that, on the acquisition, the Company was not controlled in fact by the acquirer through the ownership of common shares.

For a direct acquisition that would result in an acquisition of control of the Company, subject to the exception for "WTO-investors" that are controlled by persons who are resident in World Trade Organization ("WTO") member nations, a proposed investment would be reviewable where the value of the acquired assets is CAD \$5 million or more, 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 the Company.

For a proposed indirect acquisition that would result in an acquisition of control of the Company through the acquisition of a non-Canadian parent entity, the investment would be reviewable where (a) the value of the Canadian assets acquired in the transaction is CAD \$50 million or more, or (b) the value of the Canadian assets is greater than 50% of the value of all of the assets acquired in the transaction and the value of the Canadian assets is CAD \$5 million or more.

In the case of a direct acquisition by or from a "WTO investor", the threshold is significantly higher, and is adjusted for inflation each year. The 2010 threshold is CAD\$299 million. Other than the exception noted below, an indirect acquisition involving a WTO investor is not reviewable under the Investment Act.

The higher WTO threshold for direct investments and the exemption for indirect investments do not apply where the relevant Canadian business is carrying on the following businesses that have been deemed to be sensitive: (i) the production of uranium and the ownership of an interest in a producing uranium property in Canada; (ii) the provision of any "financial service"; (iii) the provision of any "transportation service"; or (iv) a "cultural business".

Certain transactions relating to common shares of the Company are exempt from the Investment Act, including

- (a) acquisition of common shares of the Company by a person in the ordinary course of that person's business as a trader or dealer in securities,
- (b) acquisition of control of the Company in connection with the realization of security granted for a loan or other financial assistance and not for a purpose related to the provisions on the Investment Act, and
- (c) acquisition of control of the Company by reason of an amalgamation, merger, consolidation or corporate reorganization following which the ultimate direct or indirect control in fact of the Company, through the ownership of common shares, remained unchanged.

E. Taxation

The following, in management's understanding, 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 thereunder, 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 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. This summary does not take into account provincial, U.S., 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.

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.

United States Tax Consequences

United States Federal Income Tax Consequences

The following is, in management's understanding, a discussion of 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, holders and prospective holders of common shares of Amarc should 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 entity created or organized in or under the laws of the United States or any political subdivision thereof which has elected to be treated as a corporation for United States income tax purposes (under Treasury Regulation section 301.7701 -3), 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 who own (directly and indirectly, pursuant to applicable rules of constructive ownership) no more than 5% of the value of the total outstanding stock of Amarc. This 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 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 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 28% 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 two specific classes of income: "passive income, and "general income". Dividends distributed by Amarc will generally constitute "passive income" for these purposes. Prior to January 1, 2007, there were nine specific classes of income rather than the two stated here. 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 plus 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:

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. In the event that Amarc qualifies as a PFIC for the fiscal year ending March 31, 2010, or 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 by definition 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 as ordinary income 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 dilution 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 or the lower tier PFIC). 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 on EDGAR, or 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.

I. Subsidiary Information

Not applicable.

ITEM 11 QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

(a) Transaction Risk and Currency Risk Management

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

(b) Exchange Rate Sensitivity

Amarc's administrative operations are in Canada. The Company typically holds most of its funds in Canadian dollars and typically acquires foreign currency on an as-needed basis and hence it is not significantly affected by exchange rate risk. The Company does however, from time to time, invest in US\$ denominated short term investments. The Company is exposed to foreign currency exchange risk on such investments.

The Company currently does not engage in foreign currency hedging.

(c) Interest Rate Risk and Equity Price Risk

Amarc is equity financed and does not have any debt, other than routine accounts payable. As such, the Company is not 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 operational risks respecting its business activities.

ITEM 12 DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

Not applicable.

ITEM 13 DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

Not applicable.

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

Not applicable.

ITEM 15 CONTROLS AND PROCEDURES

Internal Controls over Financial Reporting Procedures

The management of the Company is responsible for establishing and maintaining adequate internal controls over financial reporting. The Company's internal control system was designed to provide reasonable assurance to the Company's management and the board of directors regarding the preparation and fair presentation of published financial statements. Internal control over financial reporting 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 Company (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

The Company's management, with the participation of the Chief Executive Officer and the Chief Financial Officer, has evaluated the effectiveness of internal control over financial reporting based on the framework and criteria established in Internal Control – Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, our management has concluded that internal control over financial reporting was effective as of March 31, 2010, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with GAAP.

There have been no changes in the Company's internal control over financial reporting during the period covered by this report that could have materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting.

Disclosure Controls and Procedures

As of the end of the period covered by this report, our management carried out an evaluation, with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the *Securities Exchange Act of 1934*, as amended (the "Exchange Act")). Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective in recording, processing, summarizing and reporting, on a timely basis, information required to be disclosed in reports that we file or submit under the Exchange Act 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.

While our Chief Executive Officer and our Chief Financial Officer believe that our disclosure controls and procedures provide a reasonable level of assurance of effectiveness, they do not expect that our disclosure controls and procedures or internal control over financial reporting will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system will be met.

**ITEM 16 AUDIT COMMITTEE, CODE OF ETHICS, ACCOUNTANT FEES AND
EXEMPTIONS**

ITEM 16A AUDIT COMMITTEE FINANCIAL EXPERT

A. Audit Committee Financial Expert

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

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

ITEM 16B CODE OF ETHICS

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

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

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

The Company's Code of Ethics was filed as Exhibit 11.1 of the Company's Form 20-F filed on October 7, 2008. The Company's Code of Ethics can be viewed at the Company's website. The Company will also provide a copy of the Code of Ethics to any person without charge, upon request. Requests can be sent by mail to: Suite 1020 - 800 West Pender Street, Vancouver, British Columbia V6C 2V6 or on request of the Company at 604-684-6365, attention: Investor Relations Department.

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

ITEM 16C PRINCIPAL ACCOUNTANT FEES AND SERVICES

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

Services:	Year ended March 31, 2010	Year ended March 31, 2009
Audit Fees ⁽¹⁾	\$ 25,000 (estimated)	\$ 20,000
Audit-Related Fees ⁽²⁾		
Tax Fees ⁽³⁾		
All Other Fees ⁽⁴⁾		
	\$ 25,000 (estimated)	\$ 20,000

Notes:

- "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.
- "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.
- "Tax Fees" include fees billed for professional services rendered by the principal accountant for tax compliance, tax advice, and tax planning. The specific services received included a review of the annual corporate tax return for tax compliance, together with a review of the tax structure related to the Company's Chinese operations.
- "All Other Fees" include fees billed for products and services provided by the principal accountant, other than the services reported in (1), (2) or (3) above.

From time to time, management of the Company recommends to and requests approval from the audit committee for non-audit services to be provided by the Company's auditors. The audit committee routinely considers such requests at committee meetings, and if acceptable to a majority of the audit committee members, pre-approves such non-audit services by a resolution authorizing management to engage the Company's auditors for such non-audit services, with set maximum dollar amounts for each itemized service. During such deliberations, the audit committee assesses, among other factors, whether the services requested would be considered "prohibited services" as contemplated by the SEC, and whether the services requested and the fees related to such services could impair the independence of the auditors. No material non-audit services were provided by the Company's auditors during the year ended March 31, 2010.

ITEM 16D EXEMPTIONS FROM LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

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

In the year ended March 31, 2010, the Company did not purchase any of its issued and outstanding common shares pursuant to any repurchase program or otherwise.

ITEM 16F CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

None.

ITEM 16G CORPORATE GOVERNANCE

Not applicable.

ITEM 17 FINANCIAL STATEMENTS

The following attached financial statements are incorporated herein:

- (1) Report of Independent Registered Public Accounting Firm on the consolidated balance sheets as at March 31, 2010 and 2009, and the consolidated statements of operations and comprehensive loss, shareholders' equity and cash flows for each of the years ended March 31, 2010, 2009 and 2008;
 - (2) Consolidated balance sheets as at March 31, 2010, and 2009;
 - (3) Consolidated statements of operations and comprehensive loss for each of the years ended March 31, 2010, 2009 and 2008;
 - (4) Consolidated statements of shareholders' equity for each of the years ended March 31, 2010, 2009 and 2008;
 - (5) Consolidated statements of cash flows for each of the years ended March 31, 2010, 2009 and 2008; and
 - (6) Notes to the consolidated financial statements mentioned above.
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ITEM 18 FINANCIAL STATEMENTS

Not applicable. See [Item 17](#).

ITEM 19 EXHIBITS

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

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
4.1	Amended Share Option Plan of Amarc Resources Ltd. dated for reference September 21, 2004 ⁽¹⁾
11.1	Code of Ethics ⁽¹⁾
4.5	Corporate Services Agreement between Amarc Resources Ltd. and Hunter Dickinson Services Inc. dated June 1, 2008

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

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

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
<u>1.2</u>	<u>Articles of Amarc Resources Ltd., as amended</u>
<u>12.1</u>	<u>Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
<u>12.2</u>	<u>Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
<u>13.1</u>	<u>Certification of Chief Executive Officer pursuant to Rule 13a-14(b) of the Exchange Act and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>
<u>13.2</u>	<u>Certification of Chief Financial Officer pursuant to Rule 13a-14(b) of the Exchange Act and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>
<u>99.1</u>	<u>Consolidated balance sheets as at March 31, 2010 and 2009; consolidated statements of operations and comprehensive loss, shareholders' equity and cash flows, and notes thereto, for the years ended March 31, 2010, 2009, and 2008, together with the Report of Independent Public Accounting Firm</u>

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/ Paul Mann

PAUL MANN, CA
Chief Financial Officer

DATED: September 22, 2010
