AMARC RESOURCES LTD
Form 6-K
March 07, 2003

SECURITIES AND EXCHANC
Washington, DC 2

FORM 6-K

Report of Foreign Priv

Pursuant to Rule 13a-16
of the Securities Exchange

CIK #117559

As at February 26,

AMARC RESOURC

800 West Pender Street,
Vancouver, British C
Canada V6C 2

Indicate by check mark whether the registrant files or will file an

Form 20-F...X.... Form

Indicate by check mark if the registrant is submitting the Form 6-K in p

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Indicate by check mark if the registrant is submitting the Form 6-K in p

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishi

Yes ..... No ...

If "Yes" is marked, indicate below the file number assigned to the reg

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly cause

By: /s/ Jeffrey R. M
Director, Chief Financial Offi

Date: February 26,

* Print the name and title of the signing

CONSOLIDATED FINANCIAL STATEMENTS
NINE MONTHS ENDED DECEMBER 31, 2002
(Unaudited)

AMARC RESOURCES LTD.
Consolidated Balance Sheets
(Expressed in Canadian Dollars)
(Unaudited)

	December 31, 2002 (unaudited)	March 31, 2002 (audited)
ASSETS		
Current assets		
Cash and equivalents	$ 55,740	$ 1,028,274
Amounts receivable and prepaids	330,784	277,943
Advances to related parties (note 8)	-	1,242,216
	386,524	2,548,433
Equipment (note 4)	81,716	20,991
Reclamation deposit (note 9)	70,000	70,000
	$ 538,240	**$ 2,639,424**
LIABILITIES AND SHAREHOLDERS&#039 EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	$ 164,759	$ 302,326
Due to related parties (note 8)	95,983	-
	260,742	302,326
Shareholders&#039 equity		
Share capital (note 7)	8,635,675	8,360,752
Deficit	(8,358,177)	(6,023,654)
	277,498	2,337,098
Continuing operations (note 1)		
Subsequent event (note 13)		
	$ 538,240	**$ 2,639,424**

See accompanying notes to the consolidated financial statements

Approved by the Board of Directors

/s/ Ronald W. Thiessen *
/s/ Jeffrey R. Mason*

Ronald W. Thiessen
Director

Jeffrey R. Mason
Director

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

	Three months ended December 31		Nine months ended December 31	
	2002	**2001**	**2002**	**2001**
Expenses				
Accounting, audit and legal	$ 58,354	$ 101,312	$ 126,567	$ 113,744
Conference and travel	2,198	9,079	10,894	14,653
Depreciation	5,420	201	16,259	584
Exploration (note 6)	198,206	1,745,569	1,625,178	1,745,569
Management and consulting	15,642	118,985	55,679	137,115
Office and administration	17,124	35,144	90,974	43,663
Property investigations	-	(318)	-	6,836
Salaries and benefits	42,521	60,807	245,096	80,171
Shareholder communication	84,993	2,722	124,612	5,781
Trust and filing	2,817	6,963	7,768	9,027
	427,275	2,080,464	2,303,027	2,157,143
Other items				
Exchange gain (loss)	(11,218)	(1)	(36,430)	34
Interest	415	933	4,934	42,697
	(10,803)	932	(31,496)	42,731
Loss for the period	**$ (438,078)**	**$ (2,079,532)**	**$ (2,334,523)**	**$ (2,114,412)**
Loss per share	**$ (0.03)**	**$ (0.21)**	**$ (0.15)**	**$ (0.22)**
Weighted average number of common shares outstanding	**15,408,845**	**9,770,000**	**15,072,777**	**9,770,000**

Consolidated Statements of Deficit
(Expressed in Canadian Dollars)

	Nine months ended December 31 2002	2001
Deficit, beginning of period	$ (6,023,654)	$ (2,137,035)
Loss for the period	(2,334,523)	(2,114,412)
Deficit, end of period	**$ (8,358,177)**	**$ (4,251,447)**

See accompanying notes to the consolidated financial statements

AMARC RESOURCES LTD.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Three months ended December 31		Nine months ended December 31	
Cash provided by (applied to):	**2002**	**2001**	**2002**	**2001**
Operating				
Loss for the period	$ (438,078)	$ (2,079,532)	$ (2,334,523)	$(2,114,412)
Items not involving cash:				
Depreciation	5,420	201	16,259	584
Common shares issued for property fees	53,699	-	53,699	-
Changes in non-cash working capital items:				
Amounts receivable and prepaids	57,802	(22,883)	(52,841)	(53,443)
Due from (to) related parties	242,726	1,258,772	1,338,199	(1,239,351)
Accounts payable and accrued liabilities	(14,732)	61,421	(137,567)	62,430
	(93,163)	(782,021)	(1,116,774)	(3,344,192)
Investing				
Purchase of equipment	-	-	(76,984)	-
Financing				
Subscriptions received	-	803,200	-	803,200
Issuance of share capital	-	-	221,224	-
	-	803,200	221,224	803,200
Increase (decrease) during the period	(93,163)	21,179	(972,534)	(2,540,992)
Cash and equivalents, beginning of period	148,903	1,475,002	1,028,274	4,037,173
Cash and equivalents, end of period	**$ 55,740**	**$ 1,496,181**	**$ 55,740**	**$ 1,496,181**

See accompanying notes to the consolidated financial statements

AMARC RESOURCES LTD.
Notes to the Consolidated Financial Statements
For the period ended December 31, 2002
(Expressed in Canadian Dollars)
(Unaudited)

1. Continuing operations

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

These consolidated financial statements have been prepared using Canadian generally accepted accounting principles assuming 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 develop profitable operations and to continue to raise adequate financing. These 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.

2. Basis of presentation and principles of consolidation

These financial statements are prepared in accordance with Canadian generally accepted accounting principles (GAAP).

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Compania Minera Amarc, S.A. de C.V. and Amarc Exploraciones Mineras, S.A. de C.V., which are incorporated in Mexico. Also included are the accounts of the Precious Exploration Limited Partnership, which is subject to the Company&#039s control and primary beneficial ownership (note 5).

3. Significant accounting policies

(a) Mineral property interests

The acquisition costs of mineral properties are deferred until the properties are placed into production, sold or abandoned. These deferred 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.

Mineral property acquisition costs include the cash consideration and the fair market value of common shares, based on the trading price of the shares, issued for mineral property interests, pursuant to the terms of the agreement. 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.

Administrative expenditures are expensed in the period incurred.

(b) Cash and equivalents

Cash and equivalents consist of cash and highly liquid investments, having maturity dates of three months or less from the date of purchase, that are readily convertible to known amounts of cash.

(c) Equipment

Equipment is recorded at cost and is depreciated over its estimated useful life using the declining balance method at various rates ranging from 20% to 30% per annum.

(d) Foreign currency translation

All of the Company&#039s foreign subsidiaries are considered integrated.

Monetary assets and liabilities of the Company&#039s integrated foreign operations are translated into Canadian dollars at exchange rates in effect at the balance sheet date. Non-monetary assets and liabilities are translated at historical estimated exchange rates unless such items are carried at market, in which case they are translated at the exchange rates in effect on the balance sheet date. Revenues and expenses, except depreciation, are translated at average exchange rates for the period. Depreciation is translated at the same exchange rate as the assets to which it relates. Foreign exchange gains or losses are expensed.

(e) Fair value of financial instruments

The carrying values of cash and equivalents, amounts receivable, and accounts payable and accrued liabilities approximate their fair value due to their short term nature. The Company is not exposed to significant credit risk or interest rate risk.

(f) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as at the balance sheet date, and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates include the determination of potential impairments of asset values, and rates for the depreciation of equipment. Actual results could differ from these estimates.

(g) Share capital

Common shares issued for mineral property interests are recorded at the fair market value based upon the trading price of the shares on the TSX Venture Exchange on the date of the agreement to issue the shares.

The proceeds from common shares issued pursuant to flow-through share financing agreements are credited to share capital as the tax benefits of the exploration expenditures incurred pursuant to these agreements are transferred to the purchaser of the flow-through shares.

(h) Loss per share

Basic loss per share is calculated by dividing the loss available to common shareholders by the weighted average number of common shares outstanding during the period. For all periods presented, loss available to common shareholders equals the reported loss.

Diluted loss per share is calculated using the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding used for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive stock options and warrants are used to repurchase common shares at the average market price during the period. This policy has been adopted in the current year and is applied retroactively. There was no impact from the retroactive application on diluted loss per share as the effect of the outstanding options and warrants would be anti-dilutive.

(i) Income taxes

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 carryforwards 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.

The Company&#039s accounting policy for future income taxes currently has no effect on the financial statements of any of the periods presented.

(j) Comparative figures

Certain of the prior periods&#039 comparative figures have been reclassified to conform to the financial statement presentation adopted for the current period.

4. Equipment

	Cost	Accumulated Depreciation	Net Book Value
December 31, 2002			
Automotive	$ 24,514	$ 8,388	$ 16,126
Site equipment	77,551	11,961	65,590
	$102,065	**$ 20,349**	**$ 81,716**
March 31, 2002			
Automotive	$ 24,514	$ 3,677	$ 20,837
Site equipment	567	413	154
	$ 25,081	**$ 4,090**	**$ 20,991**

5. Mineral property interests

Inde Property

The Inde Property covers about 279 hectares and consists of five claims - three are owned by the Company and two are held under option. The Company acquired the property in November 2001 from Hunter Dickinson Group Inc. ("HDG") for US$475,000, plus a purchase option requiring further payments aggregating US$3,775,000 to a third-party property vendor. These payments commenced on March 13, 2002, and consisted of US$125,000 every six months until December 2005, with a US$3,025,000 balloon payment in June 2006.

In September 2002, the Company received approval to pay US$25,000 of the scheduled option payment then due, and in November 2002, the Company and the third-party vendor agreed to a new schedule of payments of US$125,000 every six months commencing in December 2003 and a balloon payment of US$3,000,000 in June 2006. A 4% net smelter royalty, capped at US$2 million over the project life, is also payable on the two claims under the purchase option. The Company paid finder&#039s fees on the Inde Property of $43,393 and 265,680 common shares during the period.

Fox River Property

By an agreement dated November 15, 2001 (the "November 15, 2001 agreement"), the Company acquired the right to participate in the Fox River Project by investing in and becoming a general partner of the Precious Exploration Limited Partnership ("PELP"), which holds an option to acquire property interests comprising four Special Exploration Permits located near Thompson, Manitoba.

Specifically, the property comprises two permits covering 285,588 hectares owned 100% by Falconbridge Limited ("Falconbridge") and two permits covering 28,392 hectares which are subject to an option agreement between Falconbridge and W. Bruce Dunlop Limited NPL. The Fox River Project option rights held by PELP entitle it to earn a 60% interest in the Project by expending an aggregate of $12.5 million prior to December 31, 2005, subject to Falconbridge&#039s right to back-in to a 60% interest by completing and financing a bankable feasibility study and by arranging financing and completion guarantees for mine development. The expenditures are to be made at the rate of $2.5 million per year, with the completion date of the first year&#039s amount extended to September 30, 2002, which the Company has met.

Pursuant to the November 15, 2001 agreement, the Company agreed that it would fund PELP with $2.5 million in capital such that PELP could discharge accounts owing to Hunter Dickinson Group Inc. ("HDG"), a private company controlled by certain common directors, which aggregated this amount. HDG had initially funded part of these expenditures on behalf of PELP subsequent to HDG&#039s initial acquisition of the Fox River Option on March 31, 2001. By an amending agreement dated November 27, 2001, Expatriate Resources Ltd. ("Expatriate"), an unrelated public company, agreed to participate in PELP by becoming a general partner and contributing $1.3 million (paid) towards the first year&#039s expenditure commitment (an amount which was refunded to the Company, thereby reducing its initial contribution to $1.2 million) and to receive the option to earn a maximum 20% interest in PELP in consideration for agreeing to fund 50% of the first $5.0 million in PELP expenditures. Expatriate subsequently acknowledged that it would not be paying its share of future project expenditures, and accordingly surrendered its interest in PELP to HDG pursuant to the terms of an agreement between the two parties. The Company then recapitalized PELP to the extent of Expatriate&#039s previous $1.3 million contribution by a cash advance to PELP of this amount.

As the primary general partner of PELP as at December 31, 2002, the Company has accounted for this investment on the basis of its economic substance, which is that of mineral property exploration expenses. Accordingly, these financial statements reflect the Company&#039s pro-rata share (based on the Partners&#039 respective capital account balances) of PELP exploration expenses incurred to December 31, 2001, the date Expatriate effectively resigned its participation in the partnership, plus all PELP exploration expenses incurred subsequent to that date. The gross PELP expenditures incurred to date apply to the exploration requirements of the Fox River Property option and now accrue substantially to the benefit of the Company as the primary remaining general partner of PELP at December 31, 2002.

In a related arrangement, Rockwell Ventures Inc. ("Rockwell"), which had originally acquired the Fox River Project option from HDG and which is a public company also related by certain common directors, was unable to complete on the option and quitclaimed its interest in PELP and the Fox River Project in favour of the Company. In consideration, the Company has agreed to issue to Rockwell up to 1,000,000 share purchase warrants, issuable as to 200,000 per year. On December 31, 2001 the Company issued 200,000 first year warrants, exercisable at $1.00 for two years, to keep the November 15, 2001 agreement in good standing.

The Company sought an extension to earn an interest in the Fox River property, but it was not agreed to by Falconbridge. Subsequent to the quarter end, on January 10, 2003, the Company terminated its option to earn a 60% participating joint venture interest from Falconbridge Limited on the Fox River project. Accordingly, there were no further warrants issued or to be issued by Amarc to Rockwell relating to this property.

Canadian Properties, Yukon Territory and Saskatchewan

The Company has a 5% net profits interest (NPI) in the 46 mineral claims comprising the Ana Property in the Yukon, and a 2.5% NPI in a mineral lease comprising the Mann Lake Property in Saskatchewan. The Company has neither active exploration programs nor plans to undertake any new programs on these properties at the present time.

6. Exploration Expenses

	Fox River Property	Inde Property	Nine months ended Dec. 31 2002	2001
Assays and analysis	$ 15,582	$ 50,941	$ 66,523	$ -
Drilling	164,793	478,516	643,309	-
Engineering	1,140	3,940	5,080	-
Equipment rental	5,756	24,372	30,128	-
Freight	663	13,071	13,734	-
Geological	197,993	293,029	491,022	-
Government grants	(97,438)	-	(97,438)	-
Graphics	1,633	29,519	31,152	-
Helicopter	70,097	3,733	73,830	-
Option payments	-	45,078	45,078	-
Property fees/assessment	(5,128)	97,093	91,965	-
Site activities	22,312	170,004	192,316	-
Travel and accommodation	7,431	31,048	38,479	-
Incurred during the period	384,834	1,240,344	1,625,178	-
Cumulative exploration expenses, beginning of period	2,718,814	1,009,592	3,728,406	-
Cumulative exploration expenses, end of period	**$ 3,103,648**	**$ 2,249,936**	**$ 5,353,584**	**$ -**

7. Share capital

(a) Authorized

Authorized 100,000,000 common shares, without par value

(b) Issued

Common shares issued:	Number of Shares	Amount
Balance March 31, 2001	9,770,000	$ 6,541,359
Private placement (net of issue costs)	2,500,000	913,649
Private placement (net of issue costs)	2,500,000	905,744
Balance March 31, 2002	14,770,000	8,360,752
Warrants exercised	87,500	35,000
Option payment	265,680	53,699
Private placement (net of issue costs)(i)	345,710	186,224
Balance December 31, 2002	**15,468,890**	**$ 8,635,675**

(i) On August 27, 2002, the Company closed a private placement of 345,710 units at a price of $0.60 per unit. Each unit was comprised of one common share and one share purchase warrant (note 7(d)).

(c) Share purchase options

The continuity of share purchase options for the nine months ending December 31, 2002 is:

Expiry date	Exercise Price	Mar. 31 2002	Granted	Exercised	Expired/ Cancelled	Dec. 31 2002
April 5, 2003	$ 0.56	1,200,000	-	-	-	1,200,000
January 30, 2004	$ 0.48	688,000	-	-	(21,000)	667,000
December 20, 2004	$ 0.18	-	97,000	-	-	97,000
		1,888,000	97,000	-	(21,000)	1,964,000
Weighted average exercise price		**$ 0.53**	**$ 0.18**	**$ -**	**$ 0.48**	**$ 0.51**

The contractual remaining life of share purchase options is 0.62 years.

(d) Share purchase warrants

The continuity of share purchase warrants (each warrant exercisable into one common share) for the nine months ending December 31, 2002 is:

Expiry date	Exercise Price	Mar. 31 2002	Issued	Exercised	Expired/ Cancelled	Dec. 31 2002
January 7, 2003 (i)	$ 0.40	87,500	-	(87,500)	-	-
September 8, 2003	$ 0.50	2,500,000	-	-	-	2,500,000
December 27, 2003 (ii)	$ 0.73	-	345,710	-	-	345,710

December 31, 2003	$ 0.50	200,000	-	-	-	200,000
January 7, 2004 [(i)]	$ 0.40	2,412,500	-	-	-	2,412,500
		5,200,000	345,710	(87,500)	-	5,458,210
Weighted average exercise price		**$ 0.45**	**$ 0.73**	**$ 0.40**	**$ -**	**$ 0.47**

(i) In December 2002, the TSX Venture Exchange gave approval for 2,412,500 warrants to have their original expiry dates of January 7, 2003 and July 7, 2003 extended to January 7, 2004.

(ii) Each share purchase warrant entitles the holder to purchase an additional common share at a price of $0.73 until December 27, 2003. The share purchase warrants are subject to a 45-day accelerated expiry if the closing price of the common shares of the Company as traded on the TSX Venture Exchange is at least $1.10 for ten consecutive trading days.

The contractual remaining life of share purchase warrants is 0.86 years.

8. Related party transactions and balances

Transactions	Nine months ended December 31, 2002	Year ended March 31, 2002
Hunter Dickinson Inc. (a)	$ 946,778	$ 375,964
Hunter Dickinson Group Inc. (b)	19,375	745,238
C.E.C. Engineering Ltd. (e)	10,042	7,888

Net balances receivable (payable)	As at December 31, 2002	As at March 31, 2002
Hunter Dickinson Inc. (a)	$ (84,254)	$ 1,120,377
Hunter Dickinson Group Inc. (b)	(11,729)	160,976
Anooraq Resources Corporation (c)	-	48,652
Farallon Resources Ltd. (d)	-	(87,789)
Total	**$ (95,983)**	**$ 1,242,216**

(a) Hunter Dickinson Inc. and its wholly-owned subsidiaries are private companies with certain directors in common that provide geological, corporate development, administrative and management services to, and incur third party costs on behalf of, the Company on a full cost recovery basis pursuant to an Agreement dated December 31, 1996. Exploration advances to Hunter Dickinson Inc. have arisen, in the normal course, due to in-progress and near-term planned exploration work primarily on the Company&#039s exploration properties (note 5).

(b) Hunter Dickinson Group Inc. ("HDG") is a private company with certain directors in common. The balances receivable from HDG arose from the funding of costs related to the Fox River Property, and have been fully paid to the Company.

(c) Anooraq Resources Corporation ("Anooraq") is a public company with certain directors in. Balances receivable from Anooraq have arisen primarily in the normal course of business with common suppliers by one company on behalf common of the other.

(d) Farallon Resources Ltd. ("Farallon") is a public company with certain directors in common. The balances payable to Farallon have arisen primarily in the normal course of business with common suppliers by one company on behalf of the other, as well as the purchase, from Farallon, of capital assets.

(e) C.E.C. Engineering Ltd. is a private company controlled by a director, which provides engineering management services to the Company based on the fair market value of those services.

9. Reclamation deposit

In March 2002, the Company deposited $70,000 in trust with Gordon J. Fretwell Law Corporation as a reclamation deposit related to the Fox River Property (note 5). Subsequent to the quarter end, the Company terminated the option with Falconbridge on the Fox River property. The release of the reclamation deposit is dependant upon satisfactory completion of reclamation activities by the Company in accordance with Falconbridge policies.

10. Government grants

During the period, the Company received $97,438 (nine months ended December 31, 2001 - $nil) from the Manitoba Mineral Exploration Assistance Program, a program which provides financial assistance for non-fuel mineral exploration in Manitoba, in respect of its work on the Fox River Property. Under the terms of this program, the Company is eligible for a rebate of 35% of qualifying expenditures. As each grant application is subject to government review and approval, the Company records the proceeds of these grants upon receipt, as a reduction of exploration expenses.

11. Future income taxes

As of March 31, 2002, the Company had non-capital losses for Canadian tax purposes of approximately $3.0 million available to reduce taxable income in future years. These losses expire in various periods ranging from 2003 to 2009. Future tax benefits, if any, resulting from the application of these losses have not been reflected in these financial statements, as it cannot be considered more likely than not that they will be realized.

12. Commitment

At December 31, 2002, the Company completed its commitment to incur $821,600 in qualifying expenditures relating to a flow-through private placement on January 7, 2002. The tax benefits of this financing were fully renounced to investors.

13. Subsequent event

On January 10, 2003, the Company terminated its option to earn a 60% participating joint venture interest from Falconbridge Limited on the Fox River Property (note 5).