

**Form 45-106F1**  
**Report of Exempt Distribution**

This is the form required under section 6.1 of National Instrument 45-106 for a report of exempt distribution.

**Issuer information**

**Item 1:** State the full name of the issuer of the security distributed and the address and telephone number of its head office. If the issuer of the security distributed is an investment fund, state the name of the fund as the issuer, and provide the full name of the manager of the investment fund and the address and telephone number of the head office of the manager. Include the former name of the issuer if its name has changed since last report. If an underwriter is completing this form, also state the full name of the underwriter and the address and telephone number of the head office of the underwriter.

**PACIFIC ARC RESOURCES LTD.**

1518 - 1030 West Georgia Street  
Vancouver, BC  
V6E 2Y3

Tel.: (604) 689-2646

**Item 2:** State whether the issuer is or is not a reporting issuer and, if reporting, each of the jurisdictions in which it is reporting.

Yes, the issuer is a reporting issuer in British Columbia and Alberta.

**Item 3:** Indicate the industry of the issuer by checking the appropriate box next to one of the industries listed below.

- |   |   |
|---|---|
| <input type="checkbox"/> Bio-tech                       | <b>Mining</b>   |
| <input type="checkbox"/> Financial Services             | <input checked="" type="checkbox"/> exploration/development |
| <input type="checkbox"/> investment companies and funds | <input type="checkbox"/> production                         |
| <input type="checkbox"/> mortgage investment companies  | <input type="checkbox"/> Oil and gas                        |
| <input type="checkbox"/> Forestry                       | <input type="checkbox"/> Real estate                        |
| <input type="checkbox"/> Hi-tech                        | <input type="checkbox"/> Utilities                          |
| <input type="checkbox"/> Industrial                     | <input type="checkbox"/> Other (describe)                   |
- 

**Details of distribution**

**Item 4:** Complete Schedule I to this report. Schedule I is designed to assist in completing the remainder of this report.

**Item 5:** State the distribution date. If the report is being filed for securities distributed on more than one distribution date, state all distribution dates.

**March 18, 2011**

**Item 6:** For each security distributed:

- (a) describe the type of security:

**One (1) option agreement wherein the Issuer may acquire mineral property interests known as the Seignelay Property, situated in Seignelay, Lauzon, Hiche, Chaumont and Frigon Townships, northern Quebec, for (amongst other**

consideration), the issuance of up to 4,500,000 common shares in instalments as described in 6(b) below.

- (b) state the total number of securities distributed. If the security is convertible or exchangeable, describe the type of underlying security, the terms of exercise or conversion and any expiry date:

The option is exercisable (*inter alia*) by the Issuer's issuance of up to 4,500,000 common shares in the following instalments:

- (i) 1,000,000 shares issued on March 18, 2011;
- (ii) 1,000,000 shares issued on or before February 28, 2012;
- (iii) 1,000,000 shares issued on or before February 28, 2013; and
- (iv) 1,500,000 shares issued on or before February 28, 2014.

- (c) state the exemption(s) relied on:

National Instrument 45-106, Part 2, Division 2, Section 2.13.

**Item 7:** Complete the following table for each Canadian and foreign jurisdiction where purchasers of the securities reside. Do not include in this table, securities issued as payment for commissions or finder's fees disclosed under item 8, below.

| Each jurisdiction where purchasers reside                                    | Number of purchasers | Price per security (Canadian \$) <sup>1</sup> | Total dollar value raised from purchasers in the jurisdiction (Canadian \$) |
|--|----------------------|---|---|
| British Columbia   | 2                    | \$0.48 (deemed)                               | \$2,160,000 (deemed)  |
| <b>Total number of Purchasers</b>  | <b>2</b>             |   |   |
| <b>Total dollar value of distribution in all jurisdictions (Canadian \$)</b> |                      |   | <b><u>\$2,160,000</u></b><br>(deemed)                                       |

**Note 1:** If securities are issued at different prices list the highest and lowest price the securities were sold for.

### Commissions and finder's fees

**Item 8:** Complete the following table by providing information for each person who has received or will receive compensation in connection with the distribution(s). Compensation includes commissions, discounts or other fees or payments of a similar nature. Do not include payments for services incidental to the distribution, such as clerical, printing, legal or accounting services.

If the securities being issued as compensation are or include convertible securities, such as warrants or options, please add a footnote describing the terms of the convertible securities, including the term and exercise price. Do not include the exercise price of any convertible security in the total dollar value of the compensation unless the securities have been converted.

| Full name and address of the person being compensated | Compensation paid or to be paid (cash and/or securities) |                                      |                    |  | Total dollar value of compensation (Canadian \$) |
|---|--|--------------------------------------|--------------------|--|--|
|   | Cash (Canadian \$)                                       | Securities                           |                    |  |  |
|   |  | Number and type of securities issued | Price per security | Exemption relied on and date of distribution |  |
| Not applicable  |  |                                      |                    |  |  |

**Item 9:** If a distribution is made in Ontario, please include the attached "Authorization of Indirect Collection of Personal Information for Distributions in Ontario". The "Authorization of Indirect Collection of Personal Information for Distributions in Ontario" is only required to be filed with the Ontario Securities Commission.

**Certificate**

On behalf of the issuer, I certify that the statements made in this report are true.

Date: March 21, 2011.

**Pacific Arc Resources Ltd.**

\_\_\_\_\_  
Name of issuer (please print)

**Harry Chew, President and CEO (Telephone No: 604-689-2646)**

\_\_\_\_\_  
Print name, title and telephone number of person signing

*s/ "Harry Chew"*

\_\_\_\_\_  
Signature

**Item 10:** State the name, title and telephone number of the person who may be contacted with respect to any questions regarding the contents of this report, if different than the person signing the certificate.

Not applicable

\_\_\_\_\_  
**IT IS AN OFFENCE TO MAKE A MISREPRESENTATION IN THIS REPORT.**

**Notice - Collection and use of personal information**

The personal information required under this form is collected on behalf of and used by the securities regulatory authorities or, where applicable, the regulators under the authority granted in securities legislation for the purposes of the administration and enforcement of the securities legislation.

If you have any questions about the collection and use of this information, contact the securities regulatory authority or, where applicable, the regulator in the jurisdiction(s) where the form is filed, at the address(es) listed at the end of this report.