

A report from the research department of
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CANARC RESOURCE CORP.

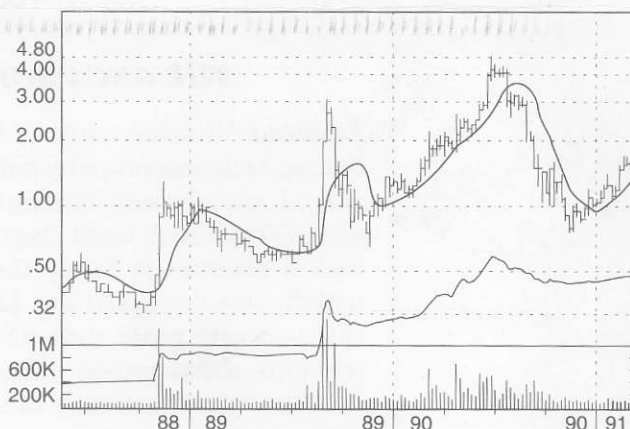
CCM.V; OTC (Pink Sheets)

A MEMBER OF THE "ARC RESOURCE GROUP"

STOCK: CCM

WEEKLY FROM: 18MAR88 TO: 15MAR91

Shares Authorized 25,000,000 common
Shares Issued
(Inc. 375,000 Escrow) 4,804,325
Fully Diluted 5,347,257
Moving Average Positive
On Balance Volume Up
Average Daily Volume 11,000
Current Price \$1.42
Year High-Low \$4.80 - \$0.76
SEC File No. 0 - 18860
Fully Registered Non - Designated Security
in the United States
Listed Standard & Poor's



INVESTMENT OPINION

Canarc Resource Corp. is a very well managed junior Canadian gold exploration company. Working capital is strong; currently at \$1.1 million. For the investor who wishes exposure to a possible mine discovery and minimum downside risk—but maximum upside potential this upcoming exploration season—Canarc Shares Are a Buy!

We believe the GNC property is the "key" and holds the greatest potential for Canarc.

Canarc owns interests in four different mining properties. Its shares are traded in Canada on the Vancouver Stock Exchange (VSE: symbol CCM.V) and in the United States on the over-the-counter (Pink Sheets) market.

We believe the GNC property is the "key" and holds the greatest potential for Canarc. Located in the Stikine Arch, it is adjacent to and virtually surrounds the Eskay Creek gold discovery of Prime/Stikine Resources. This is the largest deposit ever discovered in the area and is regarded as one of the single most important discoveries in Canadian mining. Eskay Creek has a reported 3 to 4 million ounces of gold. It is most encouraging that this is a volcanogenic stratabound deposit. Most simply put, this rich gold mineralization has been laid down just like layer cake.

Typically these deposits tend to be very large, covering an extensive area, and occurring in clusters. For example, the Eskay Creek property has, at last count, three zones with gold ore tonnage and they are still exploring for more!

As mentioned before, the GNC property almost completely surrounds this large gold deposit. What is really unique are the eight separate claim fractions which probe into the Eskay Creek property. (Please see map.) These eight fractions are strategic and greatly enhance the potential of the GNC property. Of further interest is the fact that management has stated its intent to acquire a more advanced gold project in 1991. Canarc management is currently reviewing potential acquisitions with significant gold reserves.



THE GNC PROPERTY

Located 50 miles north of Stewart, B.C. in the Stikine Arch, this property is the most strategically placed; virtually surrounding the very large world class Eskay Creek Gold Discovery. Current geological reserves at Eskay Creek stand at 3-to-4 million ounces of gold and 126 million ounces of silver—worth more than \$2.0 billion at today's precious metal prices. These figures exclude reserves which are also rich in zinc, lead and copper sulphides.

Canarc owns a 33.3% carried interest in the 4,400-acre GNC property, which includes eight separate claim fractions. Prime Resources (which owns 50% of the Eskay Creek discovery) is the project operator and is earning a 66.6% interest by spending \$2.3 million on exploration before the end of 1992. By agreement, Prime is also responsible for all further costs to place the GNC property into production.

Since entering into the earn-in agreement, Prime has spent \$1.4 million on exploration—a period covering the the field seasons of '89 and '90. Extensive surface exploration, consisting of prospecting, geological mapping, geochemical surveys and electromagnetic surveys have been conducted; along with 20,000 feet of drilling. So far, four mineralized zones have been discovered: the South zone, Tip Top zone, Central zone and the Porphyry zone. The Porphyry zone had a previous significant drill intersection (DDH 90-8), grading .128 ounces of gold per ton equivalent over a length of 42 feet. The work to date is encouraging, especially considering that no work prior to this had ever been completed.

There will be a large work program this summer...

The property's eight claim fractions are an unusual feature but not unheard of in the past. For instance, in the 1930's one fortunate exploration company owned a seven-acre claim fraction probing into a rich deposit owned by Hedley Mascot Gold Mines. (The mine produced 226,000 ounces of gold.) Canarc's fractions, *varying in size from 12 to 20 acres each*, probe directly into the Eskay Creek property. Due to these valuable claim fractions, and the property's size and its vital location, we believe the GNC property may provide the opportunity to participate in a very rich adjoining discovery.

To further support our belief, here are several additional important features:

- 1) Claim wedges appear to cut across other mineralized zones on Prime's property. Several impressive drill holes near one Canarc wedge included 96 feet grading .75 ounces of gold per ton and 60 feet grading .60 ounces of gold per ton.
- 2) Parallel structures have been located, supporting assays of up to .22 ounces of gold per ton, 10.4 ounces of silver per ton, 4.66% zinc and 24.8% copper.
- 3) A portion of the Eskay Creek ore body appears to dip toward and beneath the GNC property. This ore is only a few hundred yards away. Exploration has not yet uncovered an economic gold deposit on the GNC property, however, a large work program is planned for this summer.



ADDITIONAL STIKINE ARCH PROPERTIES

Canarc's additional Stikine Arch properties, all located in northwestern British Columbia immediately east of the Alaskan panhandle include the Best Bet and the Delta.

BEST BET PROPERTY - Canarc has retained a 50% interest and granted Carmac Resources Ltd. an option to earn a 50% interest in this property by making certain cash and share payments. Additionally, \$350,000 of exploration must be conducted over the next two years.

The Best Bet property is adjacent to and northwest of the world class Eskay Creek deposit. Favorable volcanic and sedimentary rocks similar to those hosting the Eskay Creek gold deposit underlie the Best Bet property.

DELTA PROPERTY - Canarc has an option agreement to earn an undivided 60% interest in this property from Teuton Resources Corp. The Delta property consists of four mineral claims and is approximately midway between the Eskay creek deposit (20 miles southeast) and the mining town of Stewart, B.C. (25 miles north).

Preliminary exploration identified five new gold zones. A grab sample from one zone assayed 2.92 ounces of gold per ton, 16 ounces of silver per ton and 10.27% copper. Further exploration of the new gold zones is planned in the upcoming season. The proposed program will include trenching and 2,000 feet of drilling.

CALIFORNIA PROPERTY

COLUMBO GOLD MINE - Canarc owns a 50% interest, and has an option to increase their ownership to 100%, in the Columbo Gold Mine situated in the Motherlode District of California. The property is 2.5 miles southeast of Sierra City and was first prospected following the discovery of placer deposits along the North Yuba river in 1849. During 1988, exploration identified four main zones of mineralization: Columbo, Cal Boy, Cal Girl and Copper Pit. Additionally, a number of new targets were located for future exploration.

Currently a small high grade ore reserve of 16,677 tons grading 1.22 ounces of gold per ton is in place. Canarc hopes to expand these reserves, with production to follow.

OTHER PROPERTIES/PROSPECTS -

Management recently revealed its objective of acquiring an advanced gold project with significant reserves. We understand that a few prospects of this calibre are presently under review by Canarc Management. We expect an announcement to this effect in the near future.

SHARE STRUCTURE - Insiders own about 18% of the outstanding shares. The balance of the shares are widely distributed among many shareholders and the stock is "well seasoned," providing excellent liquidity. During last year's "quiet season," Canarc traded an average of 350,000 shares per month. In the exploration season, the monthly average exceeded 1.2 million shares. Northern Canadian mining stocks have a tendency to trade in a lower price range during the dormant winter season and trade at much higher prices in the summer (*see stock chart, front page*) as the exploration programs have already begun and field activity heats up.

MANAGEMENT - Three of Canarc's key people, including President Bradford J. Cooke, are top-notch mining men and professional geologists. This accounts for the attractive mining properties that have been assembled for mine discovery and future development.

CONCLUSION

Based on the fundamentals of Canarc Resource Corp.—competent management, \$1.1 million in working capital, no long-term debt, promising mining properties (particularly the GNC property)—we recommend the purchase of Canarc's shares as a speculative investment in a junior gold exploration company that has an excellent chance of discovering a large economic gold deposit in the upcoming summer field season.

CORPORATE CONTACT

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**Northern
Canadian
Mining stocks
have a
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(see chart)

**Three of
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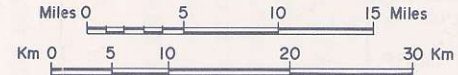


CANARC RESOURCE CORP.

(CCM - V.S.E.)

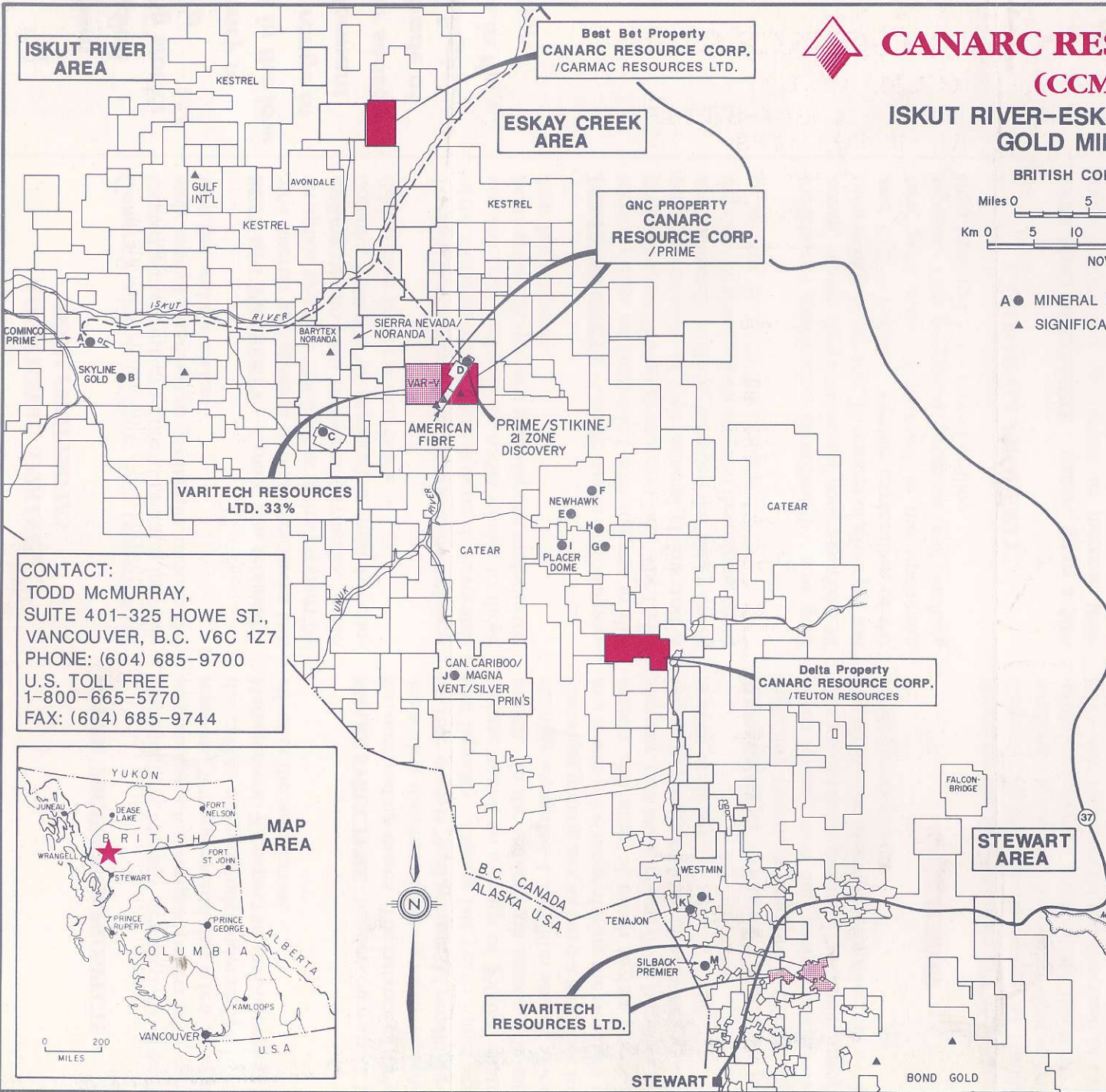
ISKUT RIVER-ESKAY CREEK-STEWART GOLD MINING CAMPS

BRITISH COLUMBIA, CANADA



NOV. 1990

- MINERAL DEPOSIT
- ▲ SIGNIFICANT GOLD SHOWING



- A Snip Deposits
1.57 million tons of 0.64 oz/ton Au
(Proven and Probable)
- B Johnny Mountain Gold Mine
686,000 tons of 0.57 oz/ton Au
(Proven, Probable and Possible)
- C E & L Deposit
3.2 million tons of 0.08% Ni
and 0.6% Cu (Drill indicated)
- D 21 Zone Discovery
3 - 5 million ounces of Au
(Indicated potential)
- E Sulphurets Gold Zone
20 million tons of 0.08 oz/ton Au
(Indicated potential)
- F Snowfield Gold Zone
25 million tons 0.08 oz/ton Au
(Indicated potential)
- G Brucejack Gold Deposit
854,072 tons of 0.354 oz/tons Au &
22.94 oz/ton Ag (Drill indic. & infer.)
- H Gold Wedge Deposit
375,000 tons of 0.75 oz/ton Au &
1.0 oz/ton Ag (Proven & Probable)
- I Kerr Deposit
66 million tons of 0.86% Cu &
0.01 oz/ton Au (Drill indicated)
- J Q22/17 Gold Zone
470,000 tons of 0.27 oz/ton Au &
1.31 oz/ton Ag (Probable)
- K S B Deposit
308,000 tons of 0.505 oz/ton Au &
1.07 oz/ton Ag (Drill indic. & infer.)
- L Big Missouri Deposit
1.86 million tons of 0.091 oz/ton Au &
0.67 oz/ton Ag (Drill indic. & infer.)

ISKUT RIVER AREA

Best Bet Property
CANARC RESOURCE CORP.
/CARMAC RESOURCES LTD.

ESKAY CREEK AREA

GNC PROPERTY
CANARC
RESOURCE CORP.
/PRIME

VARITECH RESOURCES
LTD. 33%

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VARITECH RESOURCES LTD.

Delta Property
CANARC RESOURCE CORP.
/TEUTON RESOURCES

STEWART AREA

STEWART

BOND GOLD

APR 22 1991



ARC
RESOURCE
GROUP

CANARC
RESOURCE CORP.

Trading Symbol VSE: CCM

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NEWS RELEASE

April 4, 1991

Two Significant Mineralized Zones Found Last Year by Drilling on the GNC Property, Eskay Creek, B.C.

VANCOUVER, B.C. - Canarc Resource Corp. has received a full report on the 1990 exploration program carried out by Prime Resource Group Inc. and Stikine Resources Ltd. on the GNC Property, Eskay Creek area, northwestern British Columbia.

Work last year included approximately 59 kilometres of linecutting, 14.2 kilometres of IP-resistivity surveying, 2378 soil samples, 282 rock samples and twenty-two drill holes totalling 10,886 feet.

Canarc/Prime/Stikine drilled two surface gold prospects, Porphyry Zone and Tiptop Zone, and four other geophysical anomalies, MacKay Gap, Central Zone, South Zone and Graphite Lake. Significant gold-silver (lead-zinc) mineralization was located by drilling in the Porphyry Zone and the South Zone.

Porphyry Zone Drilling Returned Large Widths of Sulfide Mineralization

The Porphyry Zone is located less than one kilometre from the high grade 21-B gold zone at Eskay Creek. Large widths of low grade, polymetallic, semi-massive, sulfide mineralization were intersected by six drill holes in the Porphyry Zone, including the following, previously unannounced drill hole GNC 90-7A, which assayed 0.004 oz/ton gold, 0.15 oz/ton silver, 0.64% lead and 3.22% zinc over a 19.7 foot width.

Historical research has uncovered old hole #36 drilled by Premier Mines in 1936 into the Porphyry Zone. It is located 330 feet along strike to the east of the 1990 drilling and assayed 0.28 oz/ton gold and 0.76 oz/ton silver over 3.7 feet, indicating that the Porphyry Zone has significant strike potential to develop higher grades.

The Porphyry Zone is at least 1600 feet long, open along strike, and 300 feet deep, open at depth, as indicated by coincident geophysical IP and geochemical soil anomalies, surface trenching and diamond drilling. Surface grab samples assay up to 0.20 oz/ton gold, 2.0 oz/ton silver, 5% lead and 10% zinc.

South Zone Drill Holes Anomalous in Silver over Large Widths

Drilling in the South Zone intersected large widths of anomalous silver and spotty gold values in three drill holes, assaying up to 0.055 oz/ton gold over 6.6 feet and 0.32 oz/ton silver over 237 feet, the entire length of drill hole GNC 90-1B.

Coincident geophysical IP and geochemical soil anomalies indicated a minimum strike length of 800 metres, only a small part of which has been drilled. Gold values run up to 280 ppb in soils and 0.14 oz/ton in grab

Drill holes in the Tiptop Zone and at Graphite Lake failed to locate significant mineralization. Drill hole MK90-3 in the MacKay Gap intersected large widths of low grade gold and silver and drilling in the Central Zone did not test the anomaly.

**Several New Gold Prospects Identified from 1990
Exploration Data on the GNC Property**

Canarc/Prime/Stikine have identified several attractive new gold prospects with strong geochemical and geophysical anomalies lying adjacent to and southeast of the TOK-KAY claims of Prime Resources and Stikine Resources at Eskay Creek.

Valdez Lake prospect is one of the more attractive targets, with a 700 metre long soil anomaly and gold values up to 5300 ppb gold. It may be a south extension of the South Zone, offset slightly to the east.

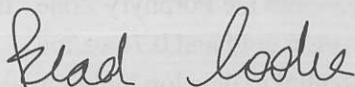
The Central Zone is another prospective target traceable for at least 400 metres by a broad IP anomaly and elevated gold-silver-lead-zinc-copper-arsenic soil values. Two drill holes intended to test the Central Zone last year were peripheral to this target and did not test it.

Many other top priority gold prospects were found last year, including IP-resistivity and multi-element soil anomalies that run up to 800 metres in length and grab samples assaying up to 0.79 oz/ton gold. Ground follow-up and diamond drilling is planned to test the top priority gold prospects on the GNC property in 1991.

Canarc/Prime/Stikine are currently completing a comprehensive compilation and interpretation of GNC exploration data in preparation for a proposed work program and budget in 1991.

ON BEHALF OF THE BOARD OF DIRECTORS

CANARC RESOURCE CORP.



Bradford J. Cooke

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