



Polaris-Taku
886093

Focused on growth through

CANARC

the discovery and development

RESOURCE

of gold deposits worldwide

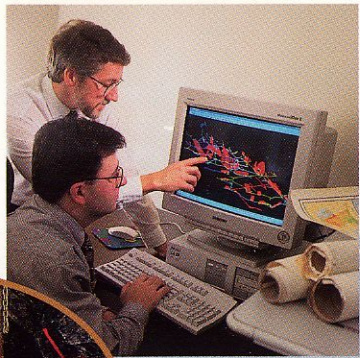
CORP.



CANARC
RESOURCE CORP.

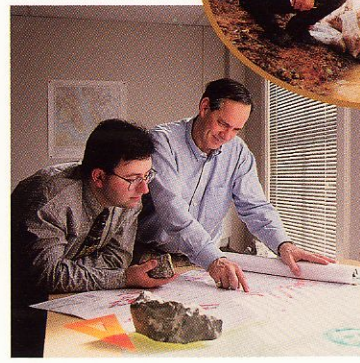
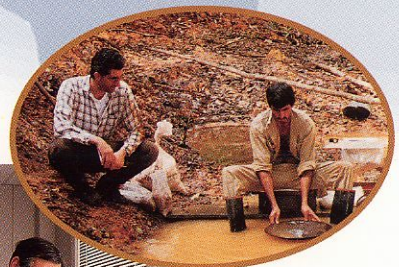


Canarc Resource Corp. has established a strong worldwide presence over the past five years. The Company's primary projects lie in British Columbia, Suriname and Indonesia. Secondary projects are located in four other countries, and Canarc's international team of engineers and geologists continue to search for new opportunities.



New Polaris, Canada (100%)

\$10 million, 200-hole drill program is currently underway as Canarc prepares to complete a full bankable feasibility study.

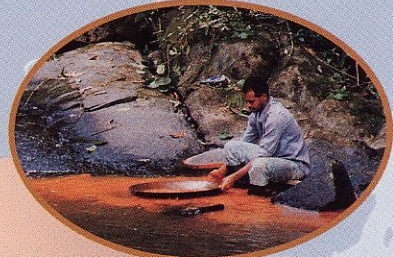


**Sara Kreek (225 sq. km.)
Benzdorp (1,400 sq. km.)
Suriname, South America (80%)**

Several large, gold soil anomalies outlined on both properties with drilling to commence in the first quarter of 1997.

Kalimantan, Indonesia (50%-100%)

Canarc's subsidiary ATEC has initiated a \$5.6 million, phase 1 exploration program on 13 properties that straddle the Kalimantan gold belt.



Bradford Cooke, President of Canarc, brings more than 20 years of mining and exploration experience to the Company.

Canarc Resource Corp. is an international gold exploration and mining company focused on growth through the discovery and development of large gold deposits worldwide. Our most recent success is the delineation of a 1.6 million ounce gold deposit at the New Polaris minesite in northwestern British Columbia. A major feasibility program is now underway to assess the viability of commercial production at this gold deposit, one of the largest in Western Canada.

The Company's greatest discovery potential, however, may lie in Suriname and Indonesia, where Canarc is one of the largest mineral landholders. Extensive exploration programs have identified multiple large gold prospects that are ready for drilling. Management has succeeded in attracting senior industry backing for Canarc. Barrick Gold, Echo Bay Mines and U.S. institutional funds are all major shareholders of the Company. With a healthy treasury and no debt, Canarc is well positioned for growth through the development of New Polaris and exploration activities worldwide.



Officers & Directors

Bradford Cooke,
M.Sc., P.Geo., F.G.A.C.
President, Director and CEO
 More than 20 years' experience in all aspects of mineral exploration and development.

Derrick Bullock, M.Sc., P.Eng.
Director
 Mine engineering consultant and former president and C.O.O. of IAMGOLD Ltd.

Chris Theodoropoulos, LL.B.
Director & General Counsel
 Years of experience in mining, corporate and securities law. Former partner with Smith Lyons.

Godfrey Walton, M.Sc.
Exploration Manager
 Formerly senior geologist with Hemlo Gold Mines and Chevron Minerals. Extensive background in mineral exploration and development.

David Watkinson, P.Eng.
Vice-President, Mine Development
 Formerly with Kinross Gold and Bhanti Engineering Associates. Extensive background in open pit and underground mining.

Pierre Massé, B.Eng. C.A., C.F.A.
Chief Financial Officer
 Over 22 years of industry experience. Has worked with Price Waterhouse and Arthur Anderson and as a Controller and/or CFO for several mining companies.

Stewart Lockwood
Corporate Secretary

Bradley Aelicks
Director

Head Office

Suite 800
 850 West Hastings Street
 Vancouver, British Columbia
 Canada V6C 1E1
 Tel: (604) 685-9700
 Fax: (604) 685-9744
 E-Mail: 73704.3544@compuserv.comm
<http://www.mcomm/canarc>

Field Offices:

Whitehorse, Yukon
 Paramaribo, Suriname
 Jakarta, Indonesia

Corporate Legal Counsel:

Chris Theodoropoulos
 (604) 922-0412

Auditors:

KPMG Peat Marwick Thorne
 777 Dunsmuir Street
 Vancouver, British Columbia
 Canada V7Y 1K3
 Tel: (604) 691-3000

Registrar & Transfer Agent

Montreal Trust
 2nd Floor
 510 Burrard Street
 Vancouver, British Columbia
 Canada V6C 3B9
 Tel: (604) 661-5700

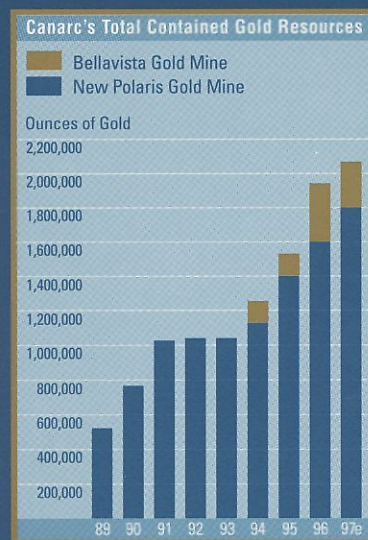
For More Information Contact:

Robert Carriere
Manager, Investor Relations

Exchange Listings:

TSE	CCM
VSE, Vista Board	CCM
NASDAQ, Electr. Bulletin Board	CRCUF
FRANKFURT, Third Market Segment	CAN
BERLIN, Over the Counter	CAN

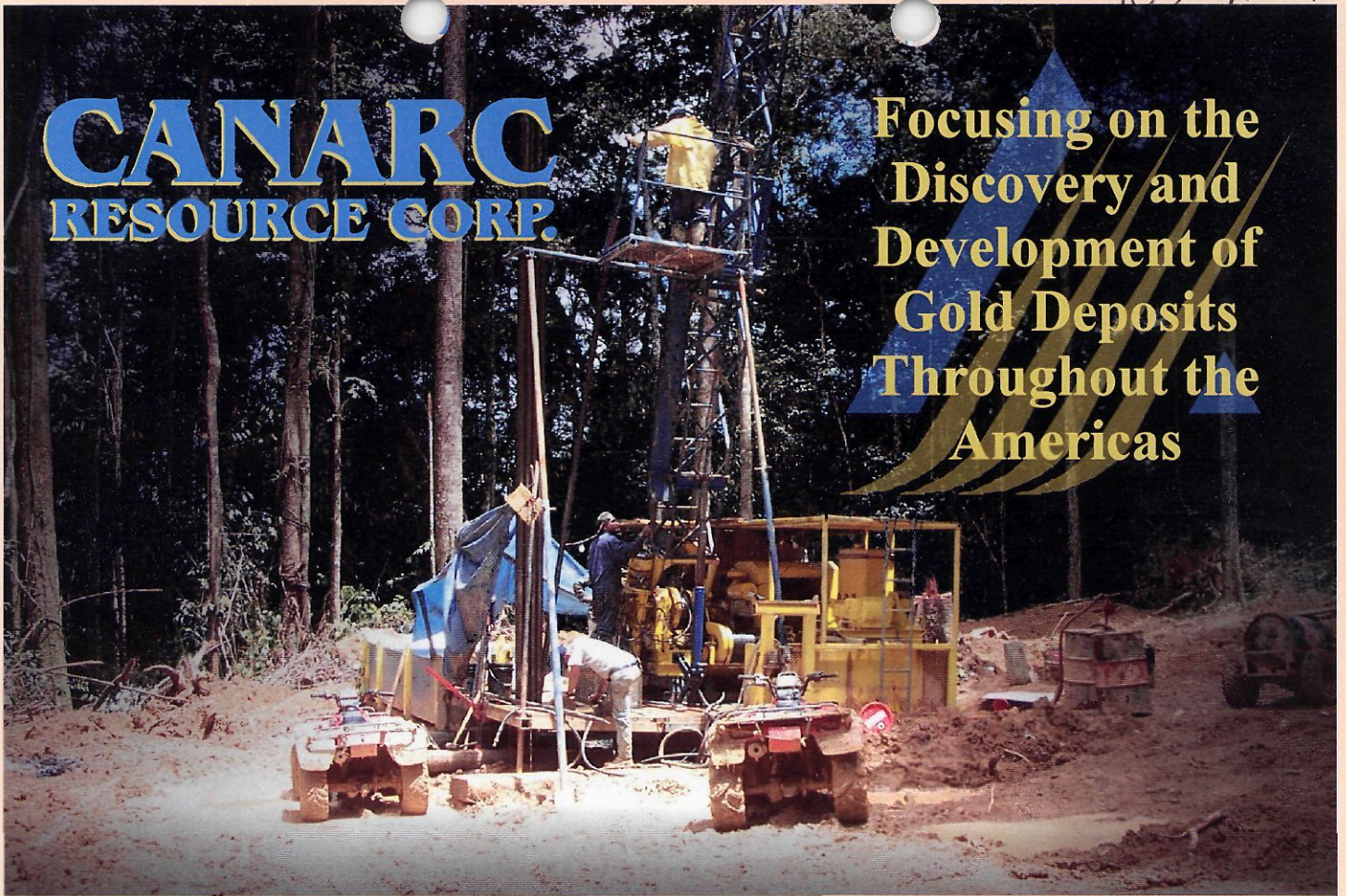
Shares Issued	33.5 million
Options & Warrants	5.3 million
Fully Diluted	38.8 million
Share Price	CDN \$1.80
Market Cap	CDN \$60 million
Cash	CDN \$7.1 million (1/1/97)
Debt	Nil



CANARC RESOURCE CORP.

R *TGS → New Polaris*

**Focusing on the
Discovery and
Development of
Gold Deposits
Throughout the
Americas**



Rounding '05

HIGHLIGHTS : Growth Through Discovery

- /// **Canarc is a growth oriented gold exploration and mining company with a successful record for discovering and developing gold deposits**
- /// **Diverse project portfolio offers compelling growth at reduced risk**
- /// **Core asset is 1.3 million oz high-grade New Polaris gold deposit now entering feasibility stage**
- /// **Recent bulk tonnage gold-copper discovery on Benzdorp property in Suriname has multi-million oz potential**
- /// **Experienced management team, strong shareholder base and healthy balance sheet, Barrick Gold and Kinross are stockholders**
- /// **Canarc shares appear to be undervalued compared to their peer group**

New Polaris - Overview

- Production 1938-1942, 1946-1951**
 Historic Production of 760,00 tons at a recovered grade of 0.30 oz/ton gold or 231,000 oz gold from the top 1000 feet of three main intersecting shear zones
- Resources 1988-1996,**
 Drill indicated gold resources (prior to NI43-101) total 3.6 million tons grading 0.36 tons grading 0.36 oz/ton gold, or, 1,300,000 oz gold in the top 2000 feet of this high-grade refractory sulfide vein deposit
- Potential**
 Geological potential is multi-million oz gold deposit over 5000 vertical feet, similar to the Red Lake Camp in Ontario (24 million oz produced, 5.0 million

Development - New Polaris (100%)



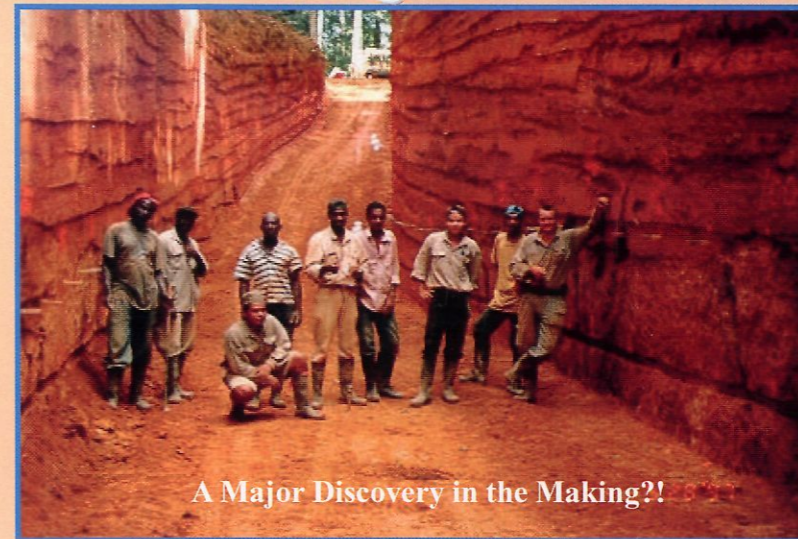
The 1.3 Million oz New Polaris Gold Deposit is Canarc's Principal Asset

New Polaris Property Location



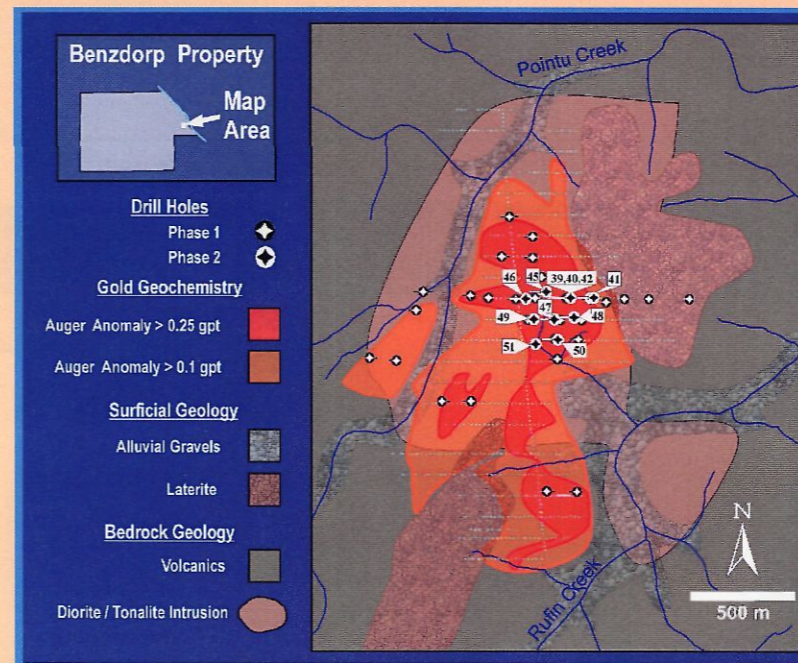
*2005, \$3M ~ 25,000 mddh
 Priority - in-fill to black out ~ 200,000 oz Au in 'upper' block - barge down Takli R. - met Frank Venereusa*

Exploration - Benzdorp (100%)



Extensive Exploration Indicates a Multi-million oz Porphyry type Gold Prospect

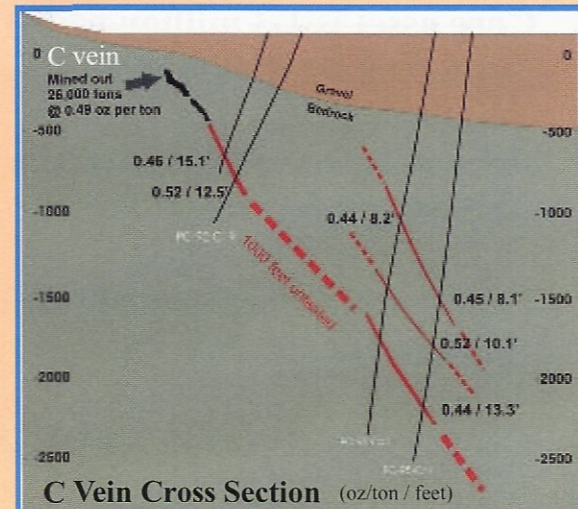
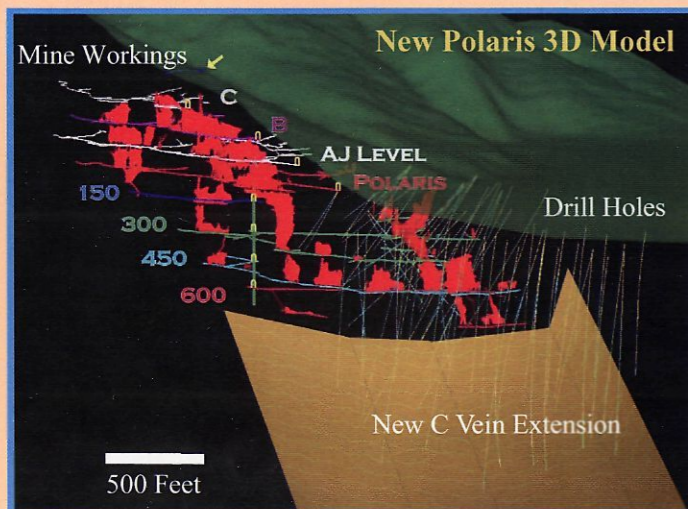
Benzdorp -JQ Prospect



Benzdorp - Overview

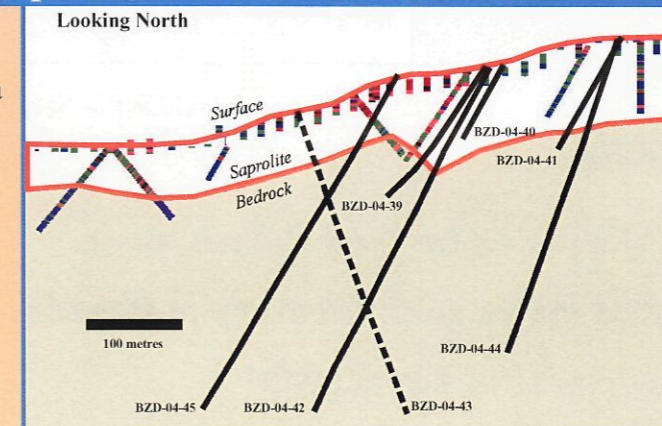
- Production History**
 Over 1 million oz historical gold production from mining of alluvial deposits - every creek over 10 km strike length has been mined for gold.
- Exploration Results**
 Twelve gold prospects identified on just 5% of the property from soil sampling. Twelve drill holes in JQA discovery area averaged 0.6 gpt + grades top to bottom.
- Target Potential**
 Multi-million oz+ bulk tonnage gold porphyry-style deposits similar to 10 million oz Boddington deposit in Australia

New Polaris: Significant Potential to Expand Resource Below -1000 ft



Benzdorp - JQA Section 20400 North

All 12 drill holes in a 500m X 500m area averaged 0.6 gpt gold to 75 m depths



New Results (05/2004)

Hole	Length (m)	Au (gpt)
04-39	169.0	0.60
04-42	400.8	0.48 (uncut)
04-43	45.7	0.52
04-45	315.5	0.45
04-46	125.3	0.41
04-47	237.7	0.52
04-48	47.2	0.40
04-50	169.2	0.40
04-51	117.0	0.71

Experienced Management Team

Bradford Cooke, M.Sc, P.Geo. - President and CEO

Godfrey Walton, M.Sc, P.Geo. - V. P. and Director

Philip Yee, C.A. - Comptroller

James Moors, B.Sc., P.Geo. - Exploration Manager

Bruce Bried, B.Sc., P.Eng. - Consultant, Mining

Stewart Lockwood, M.B.A., L.L.B. - Secretary

Leonard Harris, B.Sc., P.Eng. - Director

Derek Bullock, B.Sc., P.Eng. - Director

Chris Theodoropoulos, L.L.B. - Director

Legal: Chris Theodoropoulos and Stewart Lockwood

Auditors: KPMG

Transfer Agent: Computershare

Bankers: Royal Bank of Canada

Management and Directors have almost 200 years experience in the Mining Sector

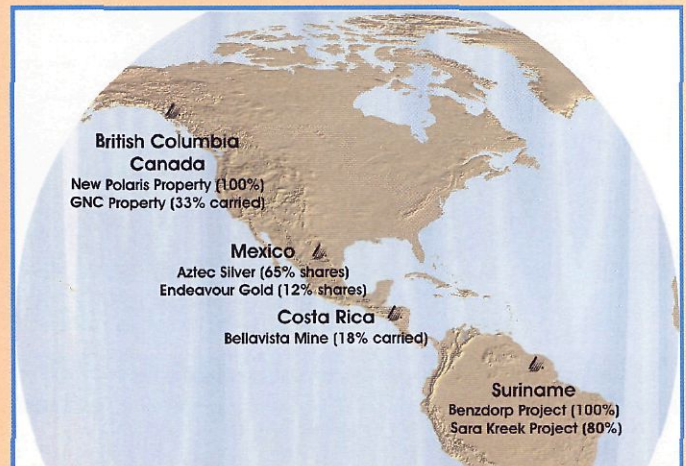
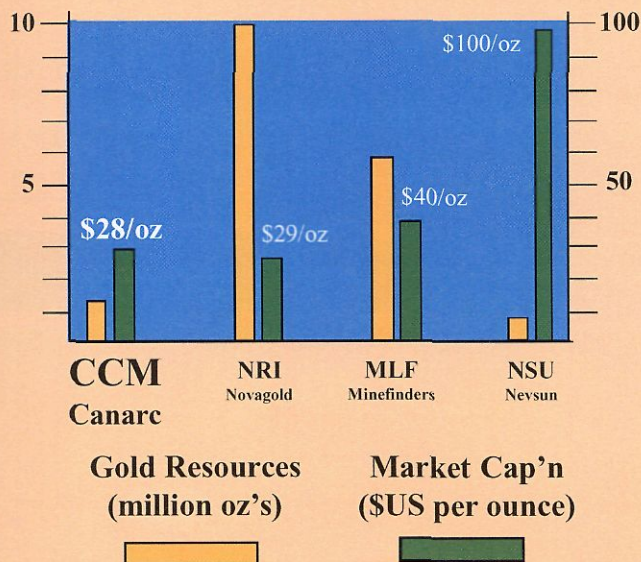
Investment Information

Stock Symbol	CCM:TSX-V CRCUF:OTCBB
Shares Outstanding	52.7 million
Fully Diluted	61.0 million
Trading Range	\$0.90 CDN
Current Market Cap	\$35 million US
Adj. Market Cap per Resource Oz	\$25 US per oz
Working Capital	\$1.2 million US
Debt	\$0

Canarc Resource Corp.
#800-850 West Hastings Street
Vancouver, B.C., Canada
ph: (604) 685 9700
fx: (604) 685 9744
toll-free: 877 685 9700

www.canarc.net
email: invest@canarc.net

Attractive Share Valuation



Key Assets include the New Polaris Gold Mine and the Benzdorp Gold Discovery

- /// Target market cap US \$50 per oz for New Polaris alone
- /// Free exposure to potential major gold discovery at Benzdorp
- /// We welcome you to participate in our growth!

TGS → Polaris
-Taku

New Polaris Gold Mines Ltd.

By Julie Domville

Canarc Resource Corp. (CCM-TSE) is steadily progressing with its time-line to reopen the historic Polaris-Taku Gold Mine and commence production within 3 years. The company's goal is to transform the old site into a 1,000 ton per day gold mine that produces 120,000 ounces of gold per year. To aptly reflect the evolution from an old, small mine into a large development project, the name was changed to New Polaris Gold Mines Ltd.

The Polaris-Taku operated from 1937-1942 then was closed due to wartime labour restrictions. It reopened in 1946 and produced until 1951 when it was once again closed. The second closure was caused by a combination of events: rising post war labour costs, low gold prices and the loss of an entire barge load of concentrate in a storm.

By 1951, when production ceased, 51,815 feet of level development (on ten levels) and 12,292 feet raise development had been completed. An 821 foot internal winze had also been developed for material handling. Historical data on the mine shows that the grades of recovered gold rose with depth.

Canarc Resource acquired the mine in 1992. A 100,000 foot diamond drill, underground dewatering, and site rehabilitation program have since been completed and additional work is planned. Baseline environmental data acquisition has commenced to advance the project in the B.C. Environmental Assessment Process.

The New Polaris Project is a classic high-grade underground refractory

gold deposit, similar to Placer Dome's Campbell Red Lake Mine in Ontario. "Gold values in the stockworks show excellent continuity and uniformity, with very little nugget effect. The individual zones pinch, swell, and overlap in an echelon style. Individual ore blocks range from less than 1,000 tons to more than 70,000 tons in size. Widths range from 1 to 45 feet in thickness, averaging about 10 feet" reports a recent technical overview.

Mr. Bradford J. Cooke, Canarc's President and CEO says, "Most of our work this last year has been to get the new resource calculation up to speed. There is now a rigorous new ore reserve/resource model that generally

confirms the previous resource estimate is 3.9 million tons at 0.41 ounce per ton gold."

Mr. Cooke says Canarc is currently in the middle of due diligence with a number of companies interested in forming a joint venture to develop the New Polaris. He did go on to say that "B.C. is still the toughest province in Canada in which to permit. That means more red tape, more time and more money. Canarc is prepared, obviously, to go through the process, but it is frustrating as it impacts directly on our ability to finance. Just having the project in B.C. instead of the Yukon has chased several potential partners away." ✕



Polaris-Taku

Photo courtesy of Canarc Resource Corp.



Midwest -
We're ready
when you are!

- Contract
Diamond Drilling
- Overburden
Sampling
and Coring
- Deep Hole
Drilling

MIDWEST DRILLING

Head Office:

180 Cree Cres.
Winnipeg, Manitoba
R3J 3W1
(204) 885-7532
Fax (204) 888-4767

Branches at:

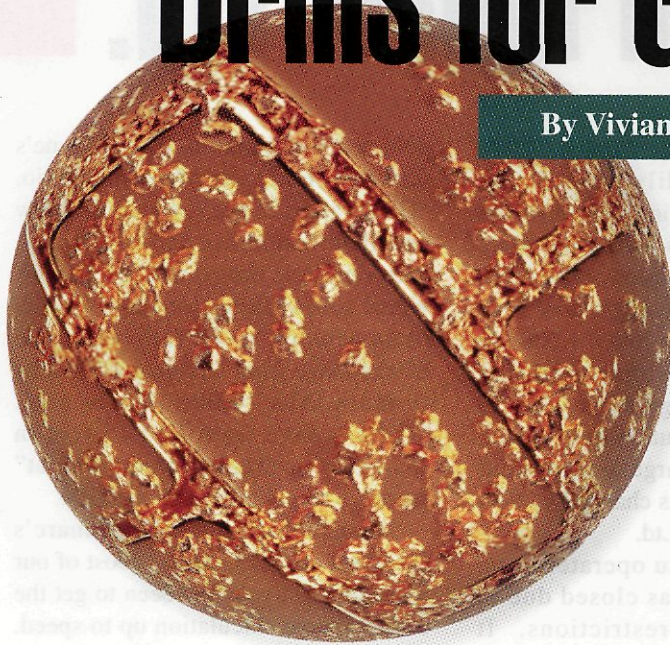
Flin Flon, Manitoba
(204) 687-3483

Thompson, Manitoba
(204) 677-2930

Yellowknife, Northwest
Territories
(867) 873-3358

Western Keltic Drills for Gold

By Vivian J. Hartnett



Western Keltic Mines Inc. undertook a phase two drilling program in September 1998, funded by Cascadia International Resources Inc., on the Fawn epithermal gold property in British Columbia.

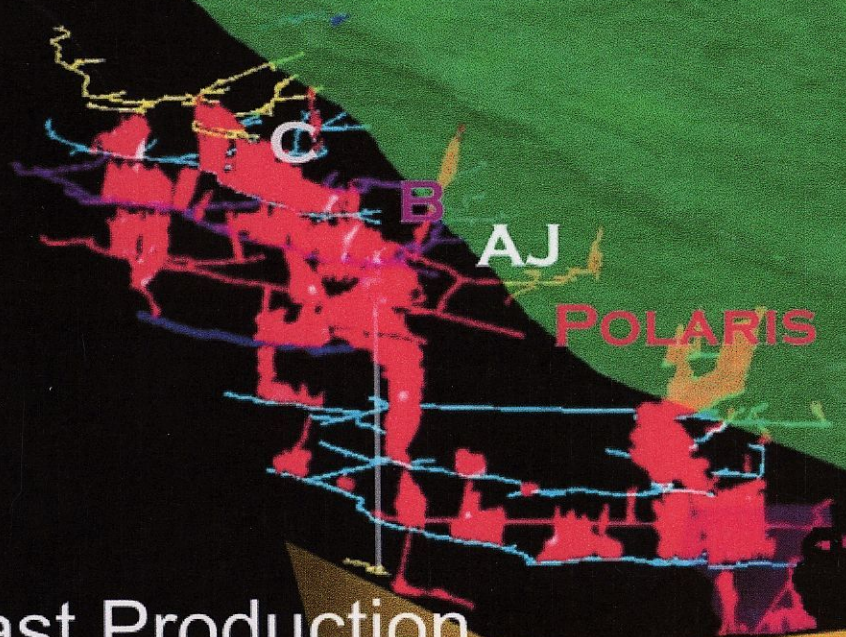
Previous drilling by Western Keltic at the Giver and Givermore zones had intersected up to 8 m of 2.2 g/t gold. The company reported in May 1998, that the best Cascadia drilling intersection was 10.2 m grading 1.08 g/t.

Donald McInnes, President of Western Keltic, says the company will acquire a 100% interest in the Fawn claims, subject to a 11/2% net smelter royalty, pursuant to an option agreement in November 1992, when the

company agreed to issue stock and spend \$500,000 on exploration.

"Cascadia was called for trading on the Vancouver Stock Exchange and completed its financing in the summer of 1998. Funds have been advanced to Western Keltic for a follow-up \$140,000 drill program on the Fawn Property. The phase two program was scheduled for August this year," McInnes says.

In August 1996, Western Keltic granted Cascadia International Resources Ltd. (formerly Craven Ventures Inc. (Cascadia)) an option to acquire a 50% interest in the Fawn claims. Under the terms of the agreement, Craven can earn a 50% interest in the Fawn Property through cash payments totaling \$175,000, exploration expenditures of \$1,250,000 over



Past Production
230,000 ounces

New Resources
1,300,000 ounces

NEW POLARIS



CANARC
RESOURCE CORP.

*From: James Morris
Feb. 8/03
Polaris Take*

1995
Ann. Rpt.

POLARIS-TAKU, CANADA

Highlights

- ◆ Gold resources jumped 25% to 1.44 million oz.
- ◆ Deep drilling extended C-vein to 1/2 mile deep.
- ◆ Feasibility program now underway.

Polaris-Taku is located in the northwest corner of British Columbia, 60 miles from Atlin, B.C., 40 miles northeast of Juneau, Alaska and some 600 miles northwest of Vancouver, B.C. This 2,300 acre, 100%-owned property lies 60 feet above sea level along the west bank of the Tulsequah River. Drill indicated geological resources currently stand at 3.5 million tons grading 0.41 ounces per ton, or in excess of 1.44 million ounces within the top 2,000 feet of the three main vein systems. Management believes Polaris-Taku has the potential to

be a 2 million+ ounce gold deposit, similar geologically to the Campbell Red Lake mine operated by Placer Dome in Ontario where 6 million ounces have already been produced and Placer still holds 4 million ounces in mineable reserves.

The three main vein systems at Polaris-Taku are the AB veins, the C veins and the Y veins. All three systems link up in the vicinity of the C veins, where approximately half of the historic gold production and half of the gold reserves are located.

A deep drilling program in the C vein late in the year intersected the C vein almost three times deeper than previously tested by drilling. As a result the deposit could be significantly longer than currently indicated.

Canarc has undertaken rigorous metallurgical testing to achieve 88% to 95% gold recoveries, assuming a simple crushing, grinding and floatation circuit, followed by pressure-oxidation in an autoclave and cyanidation in a gold plant, to deliver stable ferric arsenate to the tailings and produce gold doré bars for shipment.

Polaris-Taku is Canarc's largest single asset. Management believes the project is now ripe for development in 1996 in order to complete a bankable feasibility study and arrange project financing for production in 1997. Management anticipates mine permitting and a production decision in 1997-1998 so mine finance, construction and the commencement of production can take place in 1998-1999.



Polaris-Taku circa 1950, looking out over town site and Tulsequah River.

◆ **Sara Kreek, Suriname**

Phase 1 drilling located multiple mineralized zones, some of the better results include:

Parbo Zone - Hole No. DP95-03, width 10.67 m., grade 5.94 gpt.;

Breakfast Zone - Hole No. EB95-04, width 9.14 m., grade 4.98 gpt. and
Hole No. EB95-05, width 7.34 m., grade 5.00 gpt.;

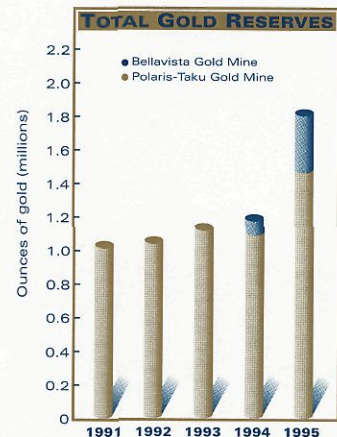
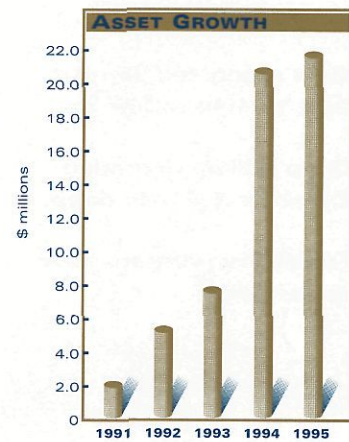
◆ **Oteros, Mexico**

intriguing surface gold-silver values led Canarc to option several properties, surface trenching and sampling results now being compiled.

Subsequent to year-end, Canarc launched a world wide property acquisition strategy that landed new projects in Canada, Senegal, Suriname and Indonesia. Although these projects are mostly large land holdings at an early stage of exploration, their potential for large scale gold deposits is considered excellent.

A new focus for the Company in 1996 will be moving the Polaris Taku and Bellavista properties from exploration to feasibility and mine development. Management is also seeking opportunities for Canarc to grow through the acquisition of more advanced projects. We intend to seek production growth to augment our exploration growth in an aggressive fashion, so as to benefit from the continuing rise in gold prices.

All in all, 1996 looks to be bigger and better in all respects for Canarc and its shareholders. We wish to thank all of our employees and stock holders for their continued support of our efforts to expand the Company.



Brad Cooke

Bradford J. Cooke
President and CEO



BELLAVISTA, COSTA RICA

Highlights

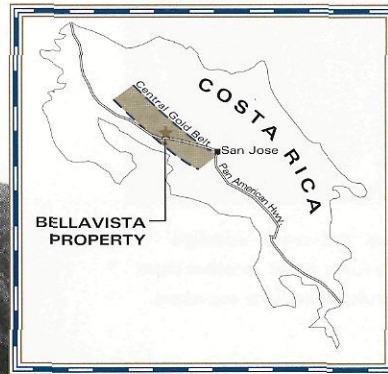
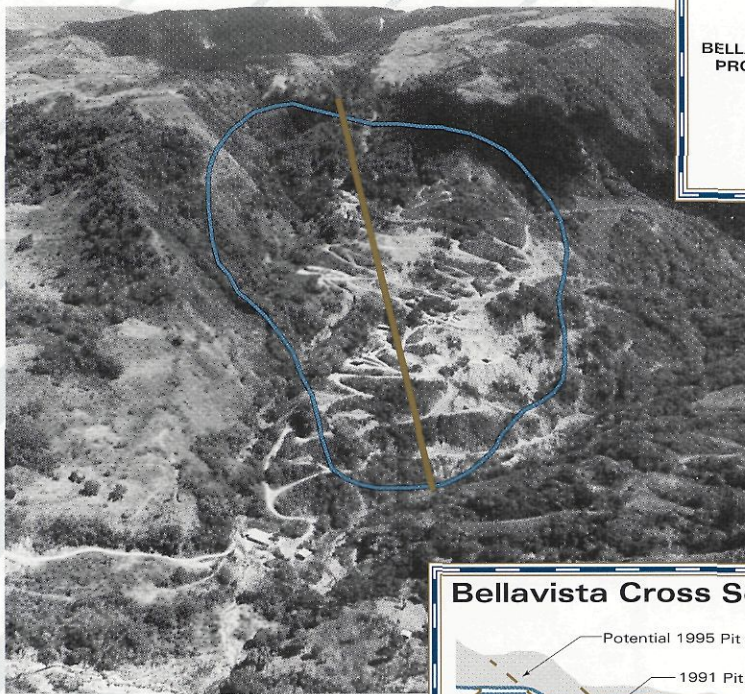
- ◆ Gold resources doubled to 1.95 million oz.
- ◆ Feasibility study nearing completion.
- ◆ Project economics appear favorable for a production decision by Rayrock in 1996.

The Bellavista property is located in the central mineral belt of Costa Rica, adjacent to the Pan American Highway, some 100 miles west of the capital city of San Jose. Canarc acquired its 18.3% net profits interest in 1994 and the Company is carried to production by the operating partner, Minera Rayrock.

Late in 1995, Rayrock reported a doubling of the drill-indicated geological reserves to 1.95 million ounces contained

in 37.4 million tonnes grading 1.63 grams per tonne gold. Rayrock also confirmed a significant increase in the mineable reserves. Two-thirds of the mineable reserves can be mined by open pit, and the remainder from bulk underground mining methods. Rayrock announced they intend to complete a full and final feasibility study and make a production decision in 1996.

Photo of Bellavista deposit shows area of proposed open pit.



Location map

Cross Section showing Bellavista gold deposit and possible open pit outlines.

