



NEW POLARIS, CANADA

Highlights

- ◆ Gold resources jumped 10% to 1.6 million oz.
- ◆ Feasibility program now underway
- ◆ Significant potential for reserve expansion

New Polaris, owned 100% by Canarc, is the Company's primary focus as it heads into feasibility in 1998. Covering 2,900 acres, the property is a high grade, underground gold mine that lies in the northwest corner of British Columbia, 60 miles northwest of Atlin, BC and 40 miles northeast of Juneau, Alaska.

Gold mineralization was first discovered at New Polaris in 1929. Subsequent exploration and development work resulted in a production decision in 1937. From 1938 to 1942 and again from 1946 to 1951, the Polaris Taku gold mine produced a total of 231,000 ounces of gold from 759,000 tons of ore at an average recovered grade of 0.30 opt gold.

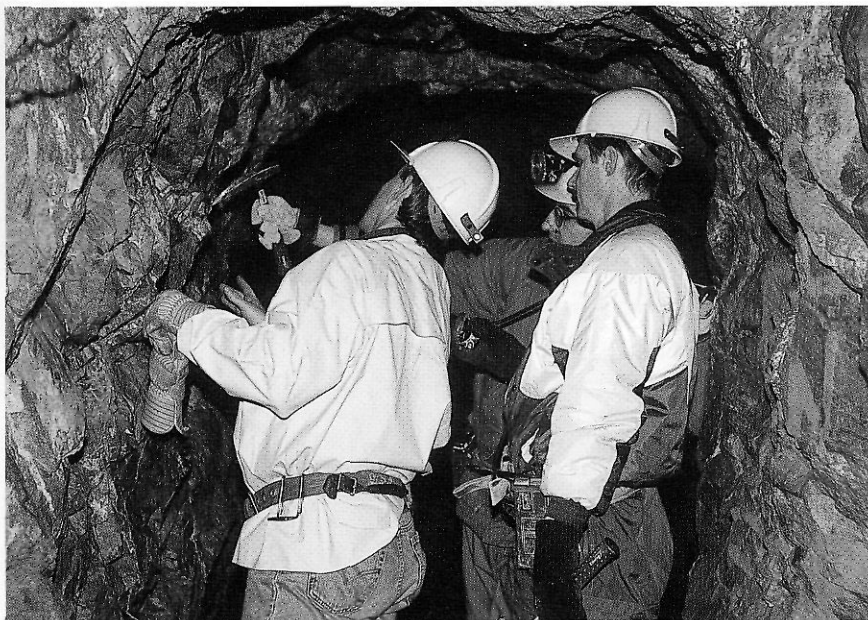
Canarc obtained an option on the property and commenced exploration work in 1988. Since that time, Canarc has invested approximately CDN \$15 million in acquisition

and exploration costs at New Polaris, including 135,000 feet of diamond drilling in 182 diamond drill holes, to significantly increase the geological resource below and beyond the old mine workings.

The New Polaris gold resource has increased 10% over last year to 1.6 million ounces, making it one of the largest gold deposits under development in Western Canada. Current geological resources, if converted into mineable reserves, should support production levels of 750 to 1,000 tons per day. Based on this estimate, the mineralized zones show a 50% increase to 3,000 tons per vertical foot. Work now underway includes up to 125,000 feet of drilling. Site geologists have already identified areas offering potential to advance new gold reserves.

Over the past year, efforts have been made to upgrade the facilities at New Polaris. The surface lodgings now include a fully winterized 35-man camp complete with more than \$1 million in capital equipment to support the mine exploration and development activities.

The Company's model for success at New Polaris is the geologically similar Campbell-Red Lake mine of Placer Dome. This large and profitable operation in Northern Ontario has yielded 6 million ounces over the past several decades. Canarc sees the opportunity to turn New Polaris into a similar top-ten gold producer in Canada. Project engineers have proposed an on-site autoclave resembling the efficient system in use at the Campbell-Red Lake mine. Autoclaving is favourable because it provides a marked increase in gold recovery and delivers an environmentally friendly product to the tailings.



New Polaris geologists have already identified areas offering potential to advance new gold reserves.

initiated joint venture discussions with a number of major mining companies who have expressed strong interest in certain properties, and (e) we remain confident that the Company's valuable assets will ultimately be reflected in a stronger share price.

Last but not least, significant progress was made on other projects in the Company: our partner on the Bellavista project in Costa Rica completed a positive feasibility study recommending commercial production, three properties in Chihuahua, Mexico hold promise for epithermal gold-silver deposits and new property acquisitions in Senegal moved closer to completion.

Some exploration disappointments were also recorded, specifically on the Baramita and Ianna properties in Guyana. As a result, Canarc and Echo Bay agreed to cease exploration on Baramita and look for another property on which to continue our strategic alliance.

On the financial front, Canarc recorded an 18% rise in total assets and shareholder equity to US\$25,967,000, cash and marketable securities increased 7% to US\$5,719,000, and G & A expenditures dropped 41% to US\$3,161,000, including a US\$1,592,000 writedown in resource properties and marketable securities.

In the stock market, Canarc's common shares jumped 100% to Cdn\$3.00 in the first half of 1996 but then tailed off 50% to close at Cdn\$2.00 by year end. Given that Cdn\$2.00 per share represents a market valuation of only US\$22 per resource oz. for Polaris and Bellavista, management feels that Canarc shares continue to offer investors solid value as well as growth.

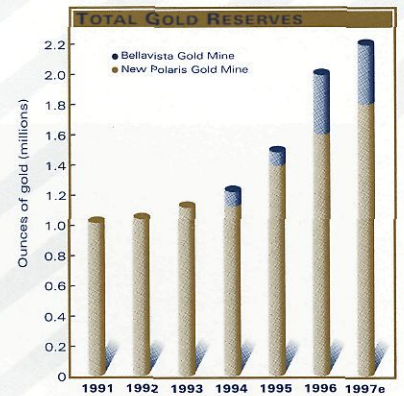
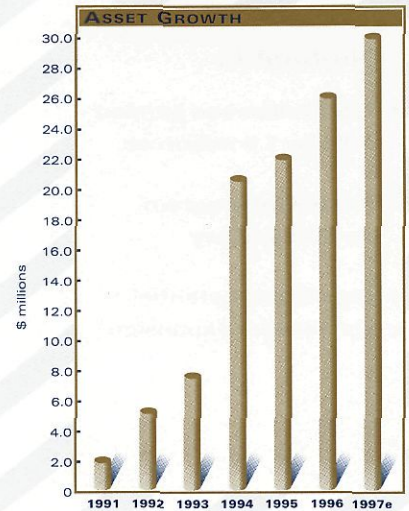
Canarc shareholders can look forward to a threshold year in 1997. We hope to complete the onsite feasibility work program at Polaris and drill for new gold discoveries in Suriname. Canarc management is also reviewing potential mine acquisitions as a means to enhance our growth. Given the depressed share prices of all gold stocks at this time, "Opportunities abound in times of distress".

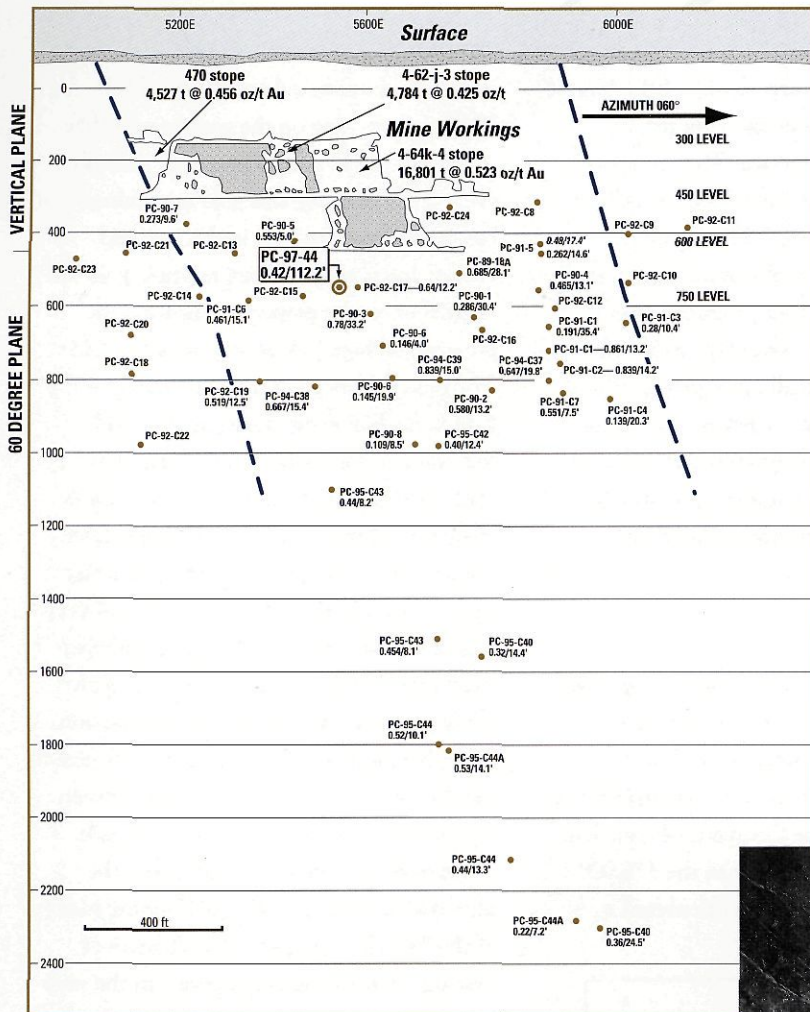
We thank our shareholders and employees for their support as we continue to focus on growth through the discovery and development of gold deposits worldwide.

On behalf of the Board of Directors

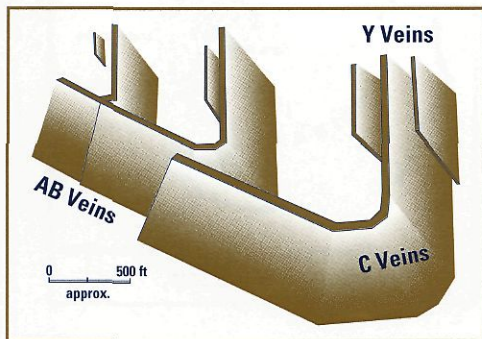


Bradford Cooke
 Chairman and Chief Executive Officer
 May 22, 1997

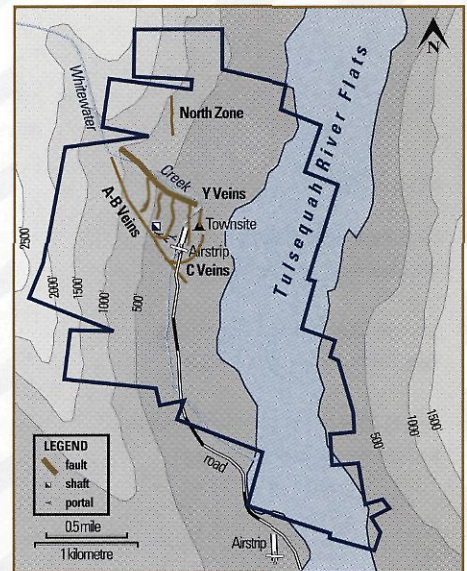




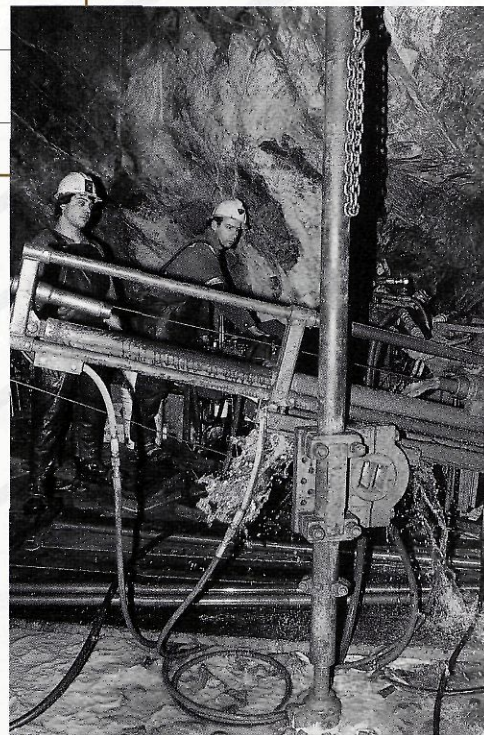
Longitudinal section of the C Vein, showing the high grade drill intercepts, including the early 1997 and 1995 deep drill results.



Schematic section of New Polaris showing the relationship of the AB, C and Y veins.



Property map shows the location of the New Polaris mine site on the west bank of the Tulsequah River.



Extensive underground drilling continues to define the New Polaris resource.



SURINAME

Highlights

- ◆ Several projects have excellent potential
- ◆ Large gold zones ready for drilling at Benzdorp
- ◆ Sara Kreek drill intersections indicate significant find

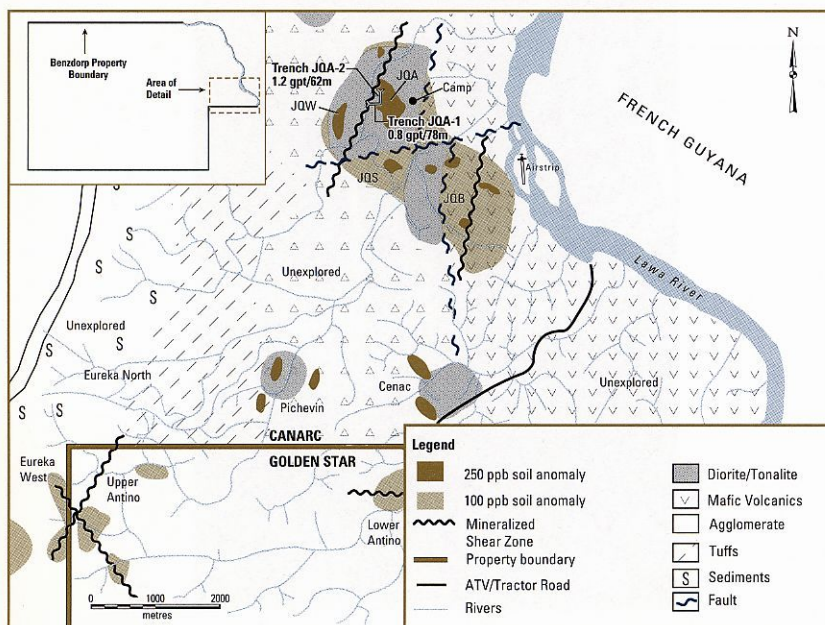
Canarc Resource Corp. is one of the largest mineral landholders in the country of Suriname, South America. The Company has interests ranging from 70% to 100% in 11 properties totalling 3,825 square kilometres. Each one of Canarc's properties is known to have either produced gold historically or to be currently producing gold as a result of small-scale placer mining activities. Canarc geo-scientists are using leading edge technology to search for gold, including remote sensing imagery available from satellites to determine the major geologic structures.

BENZDORP

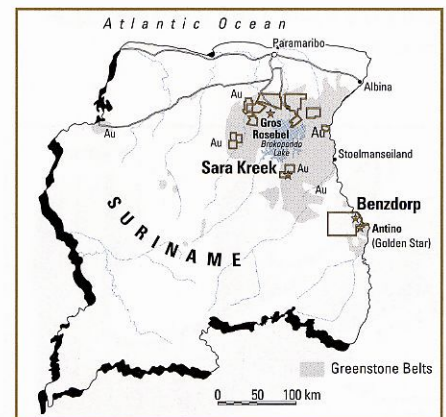
The Benzdorp area has historically been the most prolific gold region in Suriname with more than 500,000 ounces of recorded production. Canarc's property was acquired in April 1996, when the Company obtained an option to earn 80% interest in the 138,000 hectare project. Canarc has discovered a

semi-continuously, gold mineralized belt 20 kilometres long on the eastern-most five percent of the Benzdorp property. Virtually every creek draining this gold mineralized belt has been mined for gold in the past and Canarc has now confirmed multiple gold soil anomalies on the property indicating the presence of large lode source areas for gold. The most advanced of these anomalies is the JQA zone. Follow-up deep augering and trenching in four gold prospect areas has confirmed large gold mineralized zones now ready for drilling. The first drill target, JQA, averages almost 1 gpt gold over a 750 metre long by 250 metre wide area. Additional deep augering indicates that this zone is still open in all directions and could in fact extend to 1 kilometre by 1 kilometre. The exploration target here is a porphyry gold deposit of several hundred million tonnes containing between two million and 20 million ounces of gold.

Management believes that, given the immense size and prolific gold mining history of the Benzdorp property, the chances of finding a large scale gold deposit in the near term appears good.



Eastern block of Benzdorp property showing gold soil anomalies.



Previous release!
Polaris-Taku
 June 13 1997

The New Polaris project is currently one of the largest gold deposits under active development in western Canada. The following information has been released by Canarc Resource (operator of New Polaris) but has not been independently verified.

Canarc Resource has delineated additional gold mineralization at the New Polaris project in northwestern BC by underground drilling and sampling.

Drilling on the AJ level intersected ore grades over mineable widths in the AB and Y gold zones that were either neglected or not previously known by the old-time miners. Highlights include 0.40 oz/t over 7.3 ft and 0.34 oz/t over 16.0 ft in hole PT97-13, 0.23 oz/t over 10.0 ft and 0.23 oz/t over 15.0 ft in PT97-18 and 0.80 oz/t over 5.0 ft in PT97-30, as follows:

| Hole No. | From (ft) | To length (ft) | Au (oz/t) |
|----------|------------------|----------------|-----------|
| PT97-13 | 199.1-206.9 | 7.8 | 0.40 |
| | 228.7-244.7 | 16.0 | 0.34 |
| | 787.6-792.6 | 5.0 | 0.36 |
| | 837.6-842.9 | 5.3 | 0.24 |
| 16 | 34.6-44.6 | 10.0 | 0.23 |
| | 312.0-327.0 | 15.0 | 0.23 |
| | incl 322.0-327.0 | 5.0 | 0.37 |
| 18 | 17.8-27.8 | 10.0 | 0.28 |
| | incl 17.8-22.8 | 5.0 | 0.42 |
| 23A | 86.3-90.0 | 3.7 | 0.40 |
| 26 | 234.8-239.6 | 4.8 | 0.35 |
| 29A | 758.8-761.2 | 2.4 | 0.63 |
| | 982.6-993.5 | 10.9 | 0.20 |
| | incl 982.6-985.6 | 3.0 | 0.40 |
| 30 | 333.4-338.4 | 5.0 | 0.20 |
| | 891.4-896.4 | 5.0 | 0.80 |

All drill holes intersected additional, lower grade gold zones, typically five to 15 ft wide grading 0.10 to 0.20 oz/t gold. True widths average 70% of intersected core lengths.

Canarc has now completed 27,356 ft of diamond drilling in 56 holes underground at New Polaris since the commencement of the feasibility program late last year. These holes all targeted gold zones within the mine workings that were not part of the previous geological resource estimate. Canarc recently announced a 10% increase in contained gold resources to 1.6 million oz gold based on 37 of the new drill holes.

An additional 80,000 ft of infill drilling is planned in 1997 in order to delineate mineable reserves for the feasibility study.

Canarc has also completed underground sampling and mapping on the AJ level to support the ore reserve calculations. Continuous chip samples were collected at five ft intervals along the walls or ribs of the AJ level where gold mineralization was partially exposed. No true widths can be reported because the drifts were developed on the gold zones, which are typically wider than the drifts themselves. The results serve as additional confirmation that significant gold zones of economic grade remain within the mine workings, as follows:

| Mine level | Zone type | Drift length (ft) | Au (oz/t) |
|------------|-----------|-------------------|-----------|
| AJ | Y? | 26.0 | 0.24 |
| | | 62.0 | 0.29 |

| | | |
|----|------|------|
| | 32.0 | 0.46 |
| C? | 11.0 | 0.53 |
| | 10.0 | 0.37 |
| | 21.0 | 0.43 |
| A | 16.0 | 0.36 |
| | 71.0 | 0.41 |
| | 15.0 | 0.22 |

Mapping and sampling continues on the Polaris level and the 150, 300, 450 and 600 levels will also be completed this year.

Steffen, Robertson, and Kirsten (Vancouver) have been retained to complete a revised mineral resource/reserve estimate for New Polaris. A computer data base of all exploration diamond drilling (approximately 250,000 ft), assays, surveys, and lithologies has been completed by Canarc geologists using GEMCOM software. All existing underground development and production workings have been digitized using Autocad software and imported into GEMCOM. Steffen, Robertson, and Kirsten will complete the revised mineral resource/reserve estimate using geostatistical analysis with GEMCOM software.

Dewatering and rehabilitation of the mine workings at New Polaris is proceeding ahead of schedule. Dewatering is now completed to 110 ft below the 300 level. Dewatering of all the mine workings will be complete in June. Ground conditions encountered to date have been excellent, and the A.J. Polaris, 150 and 300 levels have all been re-accessed. Only the 450 and 600 levels remain to be rehabilitated once they are accessible after dewatering. A U-500 Alimak has been set up in one shaft compartment for man travel, and a winch system has been set up in the second shaft compartment for movement of material and equipment.

A wide range of technical and environmental scoping studies are being completed to evaluate various options for New Polaris Gold Mines. These activities include environmental analysis, deposit modelling, resource estimates, mine design mineralogy, metallurgy and site facilities and infrastructure planning.

Gartner Lee Ltd (Vancouver, Whitehorse) has been retained to provide continuing environmental and technical assistance for the project. Ground water monitoring wells and surface hydrology stations have been installed to characterize environmental conditions at the site and environmental baseline data acquisition is under way as part of the BC Environmental Assessment process. Acid base account sampling of waste rock at New Polaris indicates that waste material produced during mining activities will be non-acid generating.

Canarc is committed to cleanup and reclamation of the New Polaris site, which has been impacted by mining activities carried out by other mining companies at the site between the 1920s and 1950s. This cleanup has included removal of old mine buildings, removal of underground fuel tanks, cleanup of diesel fuel found dumped into underground workings, and disposal of old equipment and scrap at the site. Based on current environmental work, Canarc believes that New Polaris Gold Mines can be developed with no significant environmental impacts and no long term environmental liabilities.

An excellent relationship has been established between Canarc and the Taku River Tlingit with regard to advancing New Polaris. Canarc is committed to working closely with the Tlingit in protecting the envi-

ronment and minimizing any negative socio-economic impacts that the mine development may have on the First Nations people.

Rescan Engineering (Vancouver) has been retained to oversee detailed metallurgical test work on New Polaris ore. Planned test work will evaluate optimization of a flotation concentrate for direct marketing. Processing of the flotation concentrate using pressure oxidation techniques and bio-oxidation techniques will also be completed over the next several months to allow final selection of the metallurgical process for treating New Polaris ore. Current process test work indicates that production of a flotation concentrate, followed by pressure oxidation of the flotation concentrate and CIL treatment of the flotation tailings will recover 94% of the gold in New Polaris ore.

With regard to marketing of New Polaris concentrates, Neil S. Seldon & Associates (Vancouver) has been retained to evaluate the potential of marketing concentrates to various smelters around the world. Meetings with Asarco and Dow indicate that it may be feasible to directly market New Polaris concentrates, rather than build a pressure oxidation plant on site. This would reduce the initial capital expenditure for the project by approximately \$20 million.

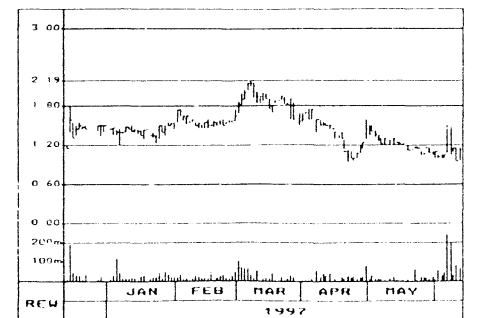
H.A. Simons (Vancouver) is also working on scoping studies for Canarc, specifically to analyze the viability and profitability of shipping raw ore offsite for processing at existing, under-used, permitted mill facilities within 300km of the minesite. Conceptually, this alternative mine development plan is attractive to Canarc because it could dramatically reduce capital costs and increase the rate of return on the New Polaris project.

Canarc recently entered into confidentiality agreements with six senior and intermediate gold mining companies, all of which have expressed interest in the New Polaris project. Data reviews and site visits are now under way with a view to bringing in a senior partner to develop New Polaris to production.

Reward Mining Corporation REW

Shares issued 5,138,514 12 Jun 97 close \$ 1.12

Directors
 Berka Dusan Crompton Robert G
 Lang Frank A McCrory Kevin Barry
 McCrory Terence



News Release . . . Corocoro drilling results

Also George Resource Co Ltd (GCP)

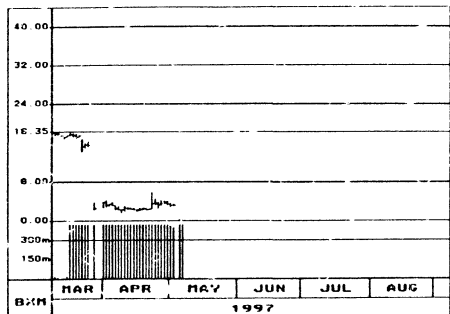
Mr Kevin McCrory reports

Bre-X Minerals Ltd **BXM**

Shares issued 219,103,330 7 May 97 close \$ 0.09

Directors

McAnulty Thomas Stephen Walsh David Gordon



In the News . . . Globe says investigators argue and blame each other over Felderhof

The Globe and Mail reports in its Friday, September 5, edition that a battle has erupted over efforts by private investigators to talk to John Felderhof, the former vice-chairman of Bre-X Minerals. The Globe's Paul Waldie writes that the battling has made any interview with Mr Felderhof unlikely, his lawyer says and has also raised questions about how much, if any, of the investigators' report will be made public. The fight started in late July when investigators with Forensic Investigative Associates (FIA) asked to interview Mr Felderhof. FIA was hired by Bre-X to investigate alleged fraud at Busang. Mr Felderhof agreed to an interview, and a meeting was scheduled for July 24 or 25. As the date was being finalized, Mr Felderhof's lawyers asked for a copy of the FIA report when it was completed. Bre-X lawyers said no, taking the position it was a privileged document and were not prepared to concede they were going to make it public. As a result Mr Felderhof's lawyer called the meeting off.

In the News . . . Maclean's says two Bre-X books now delayed to fall 1998

Maclean's magazine reports in its September 8 issue that the Bre-X Minerals story unleashed the publishing equivalent of an old-fashioned gold rush, a mad rush to get Bre-X books in to print for the fall season. Writer D'Arcy Jenish says that Toronto-based McClelland & Stewart has won the race with "The Bre-X Fraud." The runner-up is Key Porter's "Bre-X: The Inside Story," written by Financial Post editor Diane Francis, with help from eight researchers, and scheduled to hit stores on September 8. Three more Bre-X books are in the works. Newspaper giant Southam plans to be out by November with an as yet-untitled work by Vivian Danielson, editor of the Northern Miner, and James Whyte, a senior writer with the Southam-owned mining journal. Canadian Business senior writer Brian Hutchison's "Fool's Gold" was set for release this November, but Knopf Canada last week delayed this until next fall. Penguin Books Canada will release "All that Glitters," by Maclean's senior writer Jennifer Wells, also in the fall of 1998.

Brett Resources Inc **BRN**

Shares issued 8,381,078 5 Sep 97 close \$ 0.50

Directors

Barclay John J Brett Charles Ingram
Montpellier Louis G Nagy Lawrence John
Netolitzky Ronald Kort Tucker Terry L

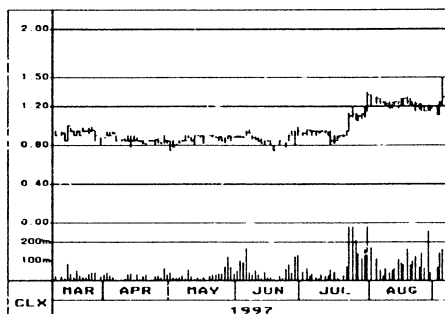
Private Placement . . . 625,000 flow through shares at \$0.40

The VSE has accepted for filing a non-brokered private placement of:

- No. of shares: 625,000 flow through
- Price: \$0.40
- Warrants: For 312,500 shares
- Wt exercise price: \$0.50 for 18 months
- Places: Bruce Chernoff 125,000; Ronald K. Netolitzky 100,000; Gernot Kostera 100,000; and eight others.

Calahoo Petroleum Ltd **CLX**

Shares issued 27,398,660 5 Sep 97 close \$ 1.32



News Release . . . Private placement of up to \$19,950,000

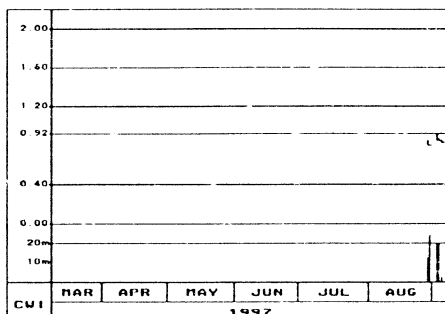
Mr Michael O'Hara reports

The company has entered into an agreement with Nesbitt Burns, as lead underwriter, First Energy Capital, CIBC Wood Gundy Securities, and Midland Walwyn Capital, to purchase from Calahoo 12,679,800 special warrants at \$1.05 per special warrant. Calahoo agrees to grant the underwriters an option to acquire an additional 6,320,200 special warrants for a total offering of 19,000,000 special warrants. Each special warrant will entitle the holder to acquire one common share of Calahoo for no additional consideration. The closing of the offering is scheduled for September 23 1997.

Calahoo intends to use the proceeds to partially finance the balance of the purchase price on its pending acquisition from Gulf Canada Resources Ltd of four gas properties in northwestern Alberta as previously reported in Stockwatch August 6 1997.

Can West Exploration Inc **CWI**

Shares issued 8,552,549 5 Sep 97 close \$ 0.85



News Release . . . Agreement to acquire interest in producing Alberta oil wells

Mr Chris Wright reports

An agreement has been reached for the closing of the company's acquisition of a 27% working interest in 12 producing oil wells and three undeveloped sections of land in the Czar area of eastern Alberta on or before September 30 1997. A partial payment of \$400,000 has been made to the current owners of the properties out of a total purchase price of \$1.7 million.

Funds to close the purchase are currently being raised through an equity private placement of up to \$3 million currently being undertaken by Canaccord Capital on a best efforts basis.

Production from the purchase will net to the company an average of 70 barrels of oil per day, based on current levels. The acquisition cost is \$6.20/boe on a proved case and \$1.70/boe on a proved plus probable case.

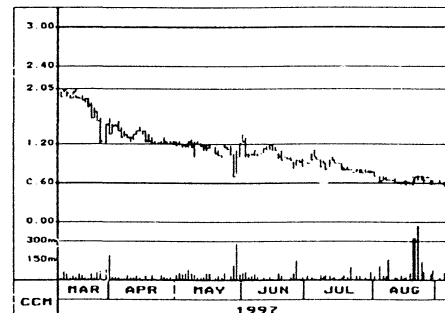
An independent engineering consultant has assigned recoverable proven and probable reserves of over one million barrels and 250 mmcf of capped gas net to the company. The reserves have an established reserve life of over 13 years. A drilling and recompletion program with secondary enhancements is planned to significantly increase production levels and test the extension of the pool. The independent engineer's development case estimates the company's net production to increase to 230 barrels of oil per day.

Canarc Resource Corp **CCM**

Shares issued 33,571,151 5 Sep 97 close \$ 0.60

Directors

Aelicks Bradley Thomas Bullock Derek
Cooke Bradford James Riva Walter
Theodoropoulos Chris



News Release . . . Second quarter report

Mr Bradford Cooke reports

Highlights

Underground drilling at New Polaris intersects best hole ever grading 0.42 oz/t gold over 112.2 feet in C1 zone.

Trenching and drilling at Sara Creek identify additional high grade gold mineralization at Breakfast prospect (7.0 g/t over 13.5 m and 13.6 g/t over 10.0 m).

Trenching at Benzodip confirms large, low grade gold JQA prospect (1.2 g/t over 62.0 m) and augering intersects high grade gold in JQB prospect (43 g/t over 4.0 m).

Mr Walter Riva is a newly appointed director to Canarc's board. Management has implemented measures to preserve working capital and to joint venture Canarc projects with senior partners.

Introduction

Canarc continued to generate excellent exploration results on several properties in the second quarter ending June 30 1997.

However, the Bre-X fiasco and other unfortunate scandals have depressed the junior mining sector to such an extent that management felt it important to change the company's strategy in order to reflect this new reality.

As a result, Canarc initiated joint venture discussions with major mining companies on several of the company's key projects. The company's first success is the joint venture of two of its Cows in Kalimantan with Rio Tinto, announced subsequent to the quarter end.

The company expects to attract senior partners into joint ventures on other key properties in coming months. That would expand Canarc's exposure to continued exploration success, while preserving Canarc's working capital.

New Polaris, BC (100% Canarc)

The company announced its best drill intersection ever at New Polaris in early July. Drill hole PT97-44 returned 0.42 oz/t gold over a 112.2 foot core length. Several other high grade intercepts from infill drilling were also reported.

Subsequent to the end of the second quarter, onsite drilling took a break to allow the latest drill and underground sample results to be compiled and added to the computerized resource model.

Joint venture discussions accelerated in July so management has elected not to aggressively continue the infill drilling at this time in keeping with the company's new strategy to conserve cash and finance exploration through joint ventures. Confidentiality agreements have been signed by several large companies. Management is optimistic that a suitable partner will be selected to continue the feasibility program shortly.

Sara Kreek, Suriname (80% Canarc)

Additional trenching and drilling returned significant new high grade gold assays in the Breakfast and Parbo prospects, including 7.0 g/t over 13.5 m and 13.6 g/t over 10.0 m. Confidentiality agreements have been signed by several major companies and due diligence is now under way.

Benzdorp, Suriname (80% Canarc)

New trenching confirmed the large low grade nature of the JQA prospect (1.7 g/t over 62.0 m). As well, new augering in the JQB prospect located additional high grade gold mineralization (43 g/t over 4.0 m). Confidentiality agreements have been signed by a number of major companies and due diligence is now under way.

Management

In order to enhance Canarc's cash position, management initiated several cost-saving measures during and subsequent to the quarter end. Employee layoffs reduced head office costs, a consulting fee was converted in part to 208,000 shares at \$2.00 per share and some marketable securities were sold for cash. The company anticipates adding significantly to its working capital through additional joint ventures on its key projects.

Financial

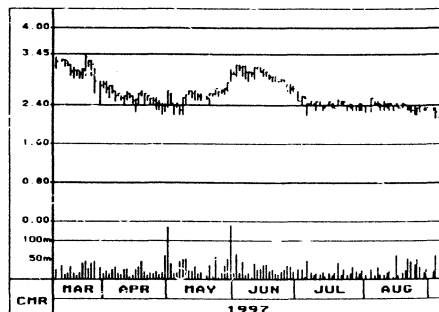
On June 30 1997, Canarc had cash and equivalents of US\$1.25 million. The three month loss of US\$1.2 million includes a write down of US\$600,000 on the company's Indonesian properties.

Canmine Resources Corp **CMR**

Shares issued 23,970,414 5 Sep 97 close \$ 2.30

Directors

Ellwood Edward L Ferreira William S
Manning Luard J Plexman Eric J
Teodorovici Paul Wozny John

**News Release . . . Priority drill targets identified on Binco project**

Mr Edward Ellwood reports

Canmine Resources has identified several high priority diamond drill targets on the Binco project, northeast and west of Thompson, Manitoba. These targets have been identified as the result of an extensive program conducted this year to define the potential for new discoveries of nickel. The Binco project comprises 2000 sq km of mineral rights in a 50% joint venture with Red Engine Exploration, and with Canmine acting as operator.

On the Binco project Canmine is exploring for an extension of the Thompson nickel belt, and the potential for large nickel orebodies that could be hosted along such an extension. In 1996 a new aeromagnetic map of Manitoba, published by the Geological Survey of Canada, revealed a major magnetic lineament extending northeast of Thompson, Manitoba that could represent a previously unknown extension of the belt. The Canmine-Red Engine joint venture immediately acquired the mineral rights to 2,000 sq km over this trend, and one competing major mining company acquired approximately 100 sq km. The Thompson nickel belt is one of the largest nickel producing regions in the world with at least 18 significant nickel deposits known along a 200km trend immediately south of the Binco project.

Approximately \$750,000 has now been spent by the joint venture in acquisition, line-cutting, prospecting, surface and airborne geophysics. Canmine's senior geologist is presently on the Binco project to further inspect ultramafic rocks identified in glacial till that have been traced to the possible source by surface prospecting. Whole rock analysis indicates these rocks are high in magnesium content (30-37%) and low in iron content (4-6%), which is a positive indicator for the presence of nickel. Strong geophysical conductors are in the vicinity of the apparent source of the ultramafic rocks. Petrographic analysis is pending and a

statement will be made upon the return of the company's senior geologist.

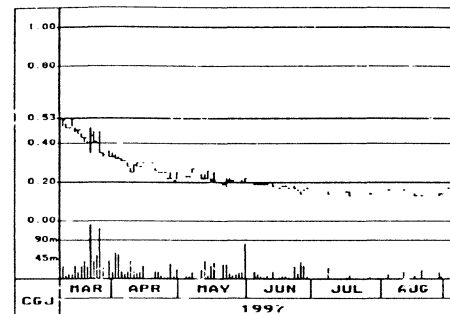
On other projects, diamond drilling of deep cobalt targets has recently commenced at the Werner Lake cobalt project, Ontario. Underground cobalt mining on this project is also continuing with approximately 10,000 tonnes of cobalt bearing material at surface. This material is now being hauled to the mill site in preparation for the completion of pilot mill construction. On the Maskwa nickel deposit a pre-feasibility study has been started (2.5 million tons) and a diamond drilling program is scheduled to commence in October.

Challenger Minerals Ltd **CGJ**

Shares issued 6,099,788 2 Sep 97 close \$ 0.17

Directors

Bailey David G Harvey John Dennis
Oakley Gary Frederick Pether Raymond R

**News Release . . . Director appointed**

Mr Robert Paterson reports

Guay Keow Lee has been appointed as a director and assistant secretary of the company. The appointment was effective as of August 22 1997.

Champion Resources Inc **CHL**

Shares issued 13,950,440 5 Sep 97 close \$ 0.83

Directors

Bailes Richard J Foreman James H
McInnis Michael Douglas Tocher James Douglas

Private Placement . . . 900,000 shares at \$0.50

The VSE has accepted for filing a non-brokered private placement of:

No. of shares: 900,000
Price: \$0.50
Warrants: For 450,000 shares
Wt exercise price: \$0.50 in year one; \$0.60 in year two
Places: Michael D. McInnis 200,000; James D. Tocher 200,000; Contract Bahamas Inc (J. Richard Evans) 200,000; and two others

Chase Resource Corporation **CQS**

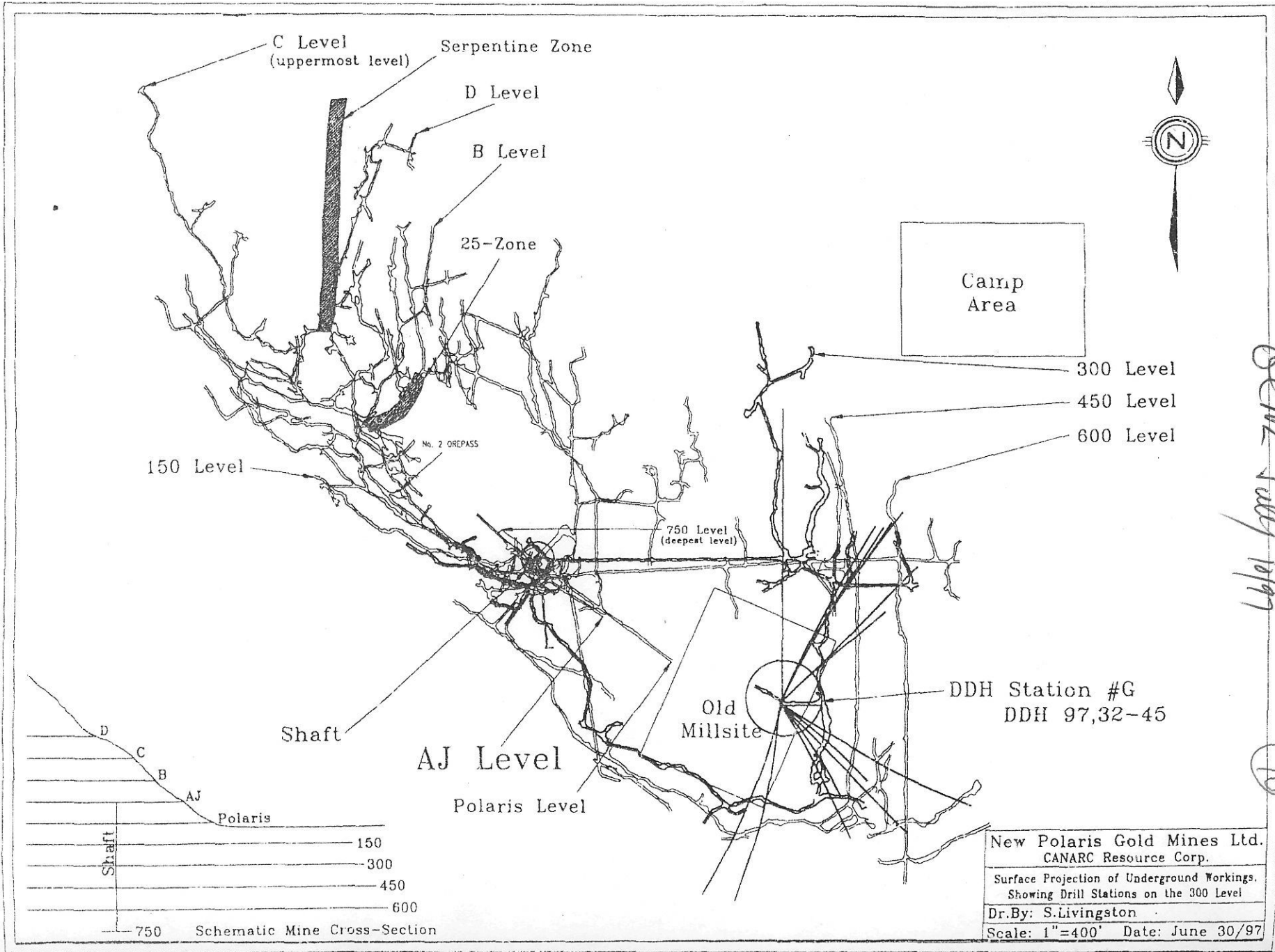
Shares issued 23,248,931 5 Sep 97 close \$ 0.53

Directors

Browne Kenneth Lee Callahan Michael Patrick
Ray Paul Allan Rozier Ian Terrence
Thomas David Grenville

CANARC RESOURCE CORP.

NEW POLARIS PROPERTY
NORTHWESTERN BC

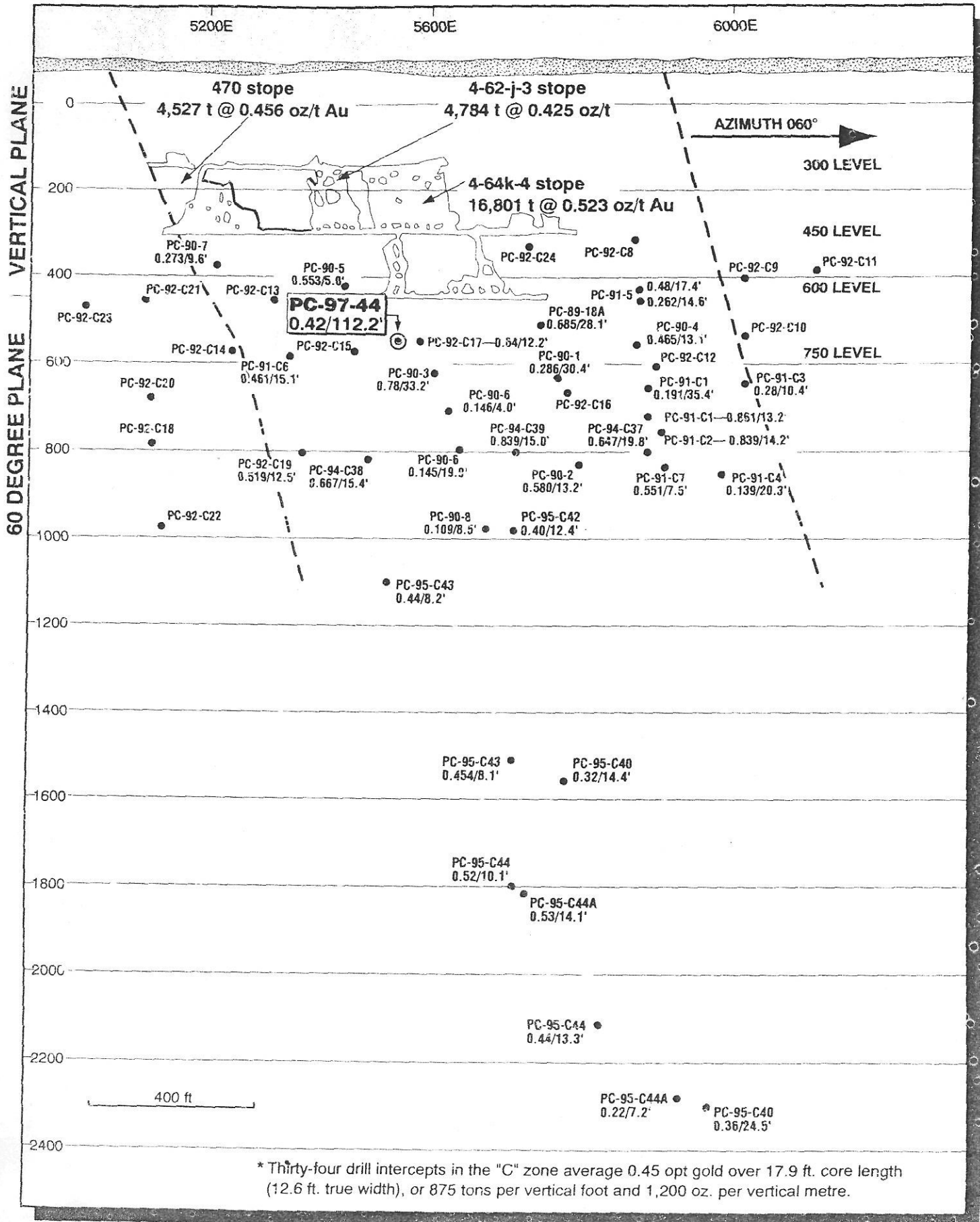


SEM July 1997

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New Polaris Gold Mines Ltd.
CANARC Resource Corp.
Surface Projection of Underground Workings.
Showing Drill Stations on the 300 Level
Dr. By: S. Livingston
Scale: 1"=400' Date: June 30/97

"C" Zones Longitudinal Section



CANARC RESOURCE CORP.

NEW POLARIS PROPERTY
NORTHWESTERN BC

| Hole (no.) | From (ft.) | To (ft.) | Core Length (ft.) | Gold Grade (oz./ton) |
|--|----------------------------------|-------------------------------|------------------------------|----------------------|
| PT-97-44 | 819.8 | 821.7 | 1.9 | 0.867 |
| | 821.7 | 825.1 | 3.4 | 0.612 |
| | 843.6 | 845.7 | 2.1 | 0.132 |
| | 845.7 | 850.9 | 5.2 | 0.205 |
| | 850.9 | 855.6 | 4.7 | 0.581 |
| | 855.6 | 860.2 | 4.6 | 0.022 |
| | 860.2 | 864.2 | 4.0 | 0.463 |
| | 864.2 | 869.1 | 4.9 | 0.051 |
| | 869.1 | 873.6 | 4.5 | 0.645 |
| | 873.6 | 874.7 | 1.1 | 0.038 |
| | 874.7 | 879.6 | 4.9 | 0.737 |
| | 879.6 | 881.4 | 1.8 | 0.217 |
| | 881.4 | 883.6 | 2.2 | 0.007 |
| | 883.6 | 887.3 | 3.7 | 0.501 |
| | 887.3 | 892 | 4.7 | 0.841 |
| | 892 | 896.8 | 4.8 | 0.300 |
| | 896.8 | 902 | 5.2 | 0.713 |
| | 902 | 907 | 5.0 | 0.869 |
| | 907 | 912 | 5.0 | 0.506 |
| | 912 | 915.7 | 3.7 | 0.590 |
| 915.7 | 919 | 3.3 | 0.242 | |
| 919 | 922 | 3.0 | 0.621 | |
| 922.2 | 927.9 | 5.7 | 1.264 | |
| 927.9 | 932 | 4.1 | 0.165 | |
| incl.819.8 and 869.1 and 883.6 or 819.8 | 855.6 881.4 927.9 932.0 | 17.3 12.3 44.1 112.2 | 0.45 0.57 0.68 0.42 | |
| 32 | 401.6 | 429.8 | 28.2 | 0.14 |
| | incl.424.8 | 429.8 | 5.0 | 0.20 |
| | 697.3 | 702.3 | 5.0 | 0.30 |
| 33 | 2.5 | 7.5 | 5.0 | 0.34 |
| | 845.9 | 850.9 | 5.0 | 0.26 |
| 34 | incl.0.0 | 5.0 | 5.0 | 0.33 |
| | and 9.6 | 13.8 | 4.2 | 0.49 |
| | 308.7 | 313.7 | 5.0 | 0.70 |
| 35 | 4.2 | 10.3 | 6.1 | 0.33 |
| | 417.5 | 438.0 | 20.5 | 0.20 |
| | incl.417.5 | 423.0 | 5.5 | 0.54 |
| 36 | 744.3 | 749.3 | 5.0 | 0.21 |
| 37 | 5.0 | 10.0 | 5.0 | 0.18 |
| 39 | 413.8 | 417.0 | 3.2 | 0.39 |
| | 449.5 | 454.5 | 5.0 | 0.22 |
| | 475.4 | 480.4 | 5.0 | 0.23 |
| | 550.6 | 560.6 | 10.0 | 0.34 |
| | 652.0 | 657.0 | 5.0 | 0.30 |
| 43 | 23.2 | 31.2 | 8.0 | 0.38 |
| | 529.1 | 547.5 | 18.4 | 0.24 |
| | incl.529.1 | 533.3 | 4.2 | 0.52 |

Atlin

*Atlin placer mines visited on July 28-30; J. Zogas (Wright Ck), L. Zogas (McKee Ck), D. Johnson (Spruce Ck) and W. Klippert (Ruby Ck). Johnson holds 2.4 km on Spruce Creek with an estimated 15 million yards of paygravel (projected 20 year mine life). Paygravel is permeated with old underground drifts which are backfilled with hand stacked boulders, little gold is found beyond old workings. Johnson has the largest operation (20 employees) in the Atlin camp and uses a recirculating radial jig system to recover fine gold. He plans to begin operating 12 months of the year. All placer miners are concerned about low gold prices and government regulations but under stable conditions it appears that placer mining will continue for many years.

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*New Polaris site visited on July 31. Canarc's program has been suspended after dewatering down to 600 level and completing about 40,000 ft of drilling out of a planned 100,000 ft. (Canarc are out of money, having mistimed a \$5 million share underwriting one week after Bre-X.) The best hole was 0.42 opt gold over true width of 60 ft in C-zone, 100 ft below 600 level (lowest mine level), and about 550 ft below sea level. The project is for sale; Dennison Mining has emerged as a possible buyer. Canarc were about to drive a 750 m decline to extract a 10,000 tonne bulk sample and anticipated EA study of a 750 tonne per day mine.

MINESITE NEWS

*Premier Gold mine has been placed on long term care and maintenance. Potential sale collapsed due to weak gold price. Serious contenders were Tremincó, BYG, Canarc and Hunter Dickinson Group.

EXPLORATION ACTIVITY

*Homestake is doing grass roots exploration for another Eskay Creek deposit around the margin of the Bowser sedimentary basin. This has led to concerns about two park proposals in prospective areas; Illiance River in the Kitsault area and Upper Thumb near Sustut River.

*Proposed sale of Manalta Coal has led to reduction of exploration at Telkwa Coal from \$2 million to \$1 million.

crude

*Misty Mountain plan to extract a 4 tonne sample from the Specogna (103F 034) deposit to test gold recovery by biological oxidation.

*Hudson Bay Exploration & Development has begun work on approximately 290 units of new claims in the Babine camp staked as a result of its proprietary airborne survey flown earlier this year.

OFFICE ACTIVITIES- Maintain exploration database

Wendell AB 4/17