

located a stratabound, volcanogenic massive sulphide deposit that is similar in nature to the Eskay Creek deposit but with lower grades at this point. The North Zone has uncovered anomalous gold-silver values in Eskay Creek rock formations located within 200 yards of the present Eskay Creek mine workings. Indications are that the Eskay Creek horizon continues across and beneath the GNC claims. An exploration program is planned for the 1992 work season and should test both these zones as well as several other targets on the property.

Calpine (now Prime Resources) and Stikine Resources have an option to earn a 66.7% interest in this property by spending a further \$600,000 on exploration in 1992 and funding Canarc's 33.3% carried interest to production. The property is subject to a 2% NSR royalty.

As with any exploration project the odds are against a major discovery but with the favorable location and stratigraphy of the GNC claims and Corona financing Prime and Stikine's exploration program for 1992, this property offers excellent upside potential for Canarc with no risk.

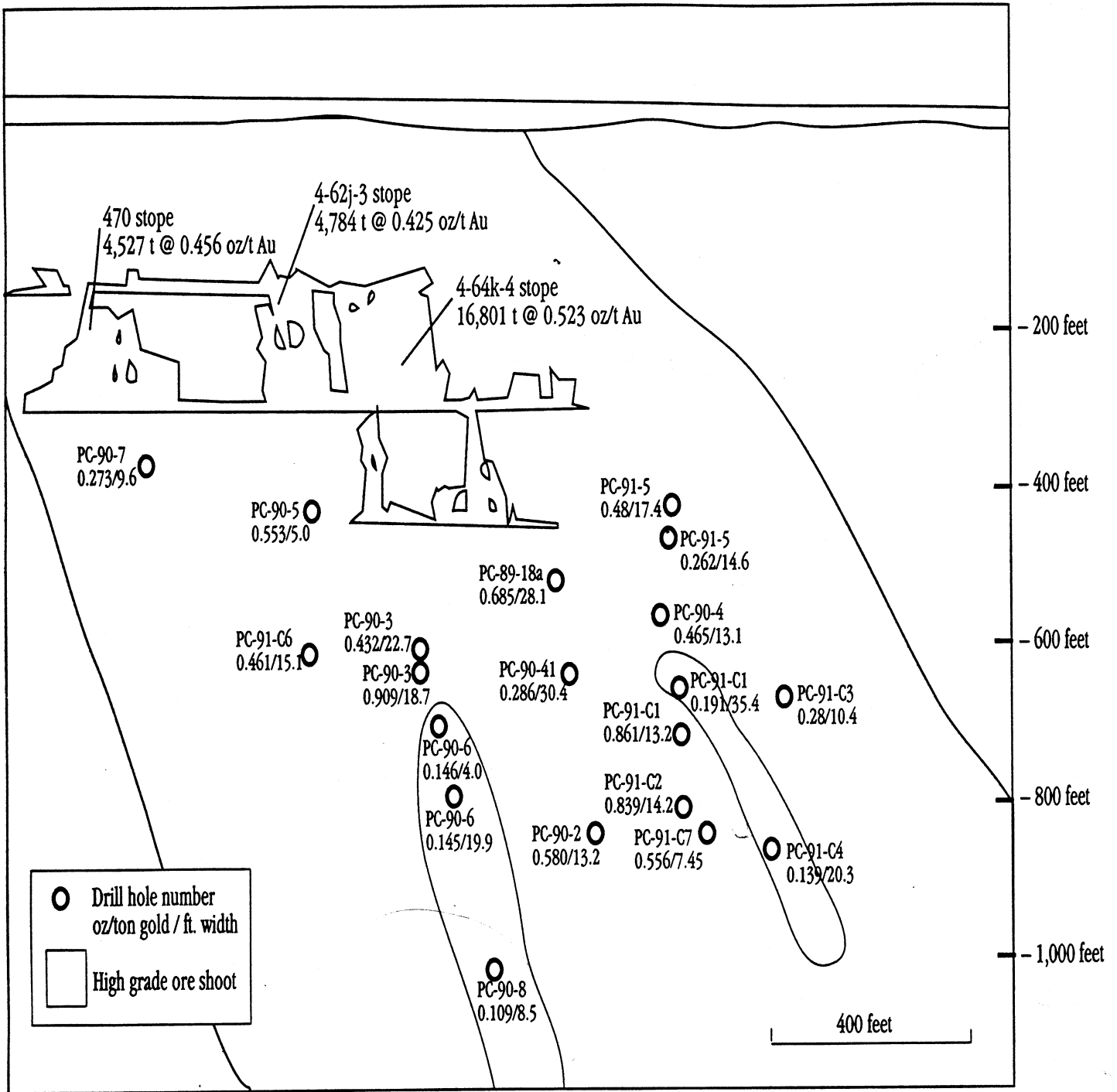
Polaris Taku Project

Through share exchange agreements and private placements, Canarc Resource Corp. has acquired approximately 3.8 million shares and warrants for a 43.6% equity interest in Suntac Minerals Corporation on a fully diluted basis. Suntac, in turn, has an option agreement to earn a 60% interest in the Polaris-Taku gold project from Rembrandt Gold Mines Ltd. by the expenditure of \$3 million, which has been completed, and the delivery of a feasibility study for production by 1994. Through open market purchases and negotiated deals, Canarc and its principals have been able to acquire more than 2 million shares and warrants for a 47.7% fully diluted

equity interest. Rembrandt Gold, the owner of the Polaris-Taku property. Consequently, Canarc has an effective 100% control over the Polaris-Taku property.

The Polaris-Taku property is located in northwestern B. C., adjacent to tidewater and very near the Alaska-B.C. boundary. The property was discovered in 1929 and brought to production in 1938. The mine opened in 1938 and continued until 1942. Following a four year closure during World War II, the mine reopened in 1946 and produced through to 1951. Production of up to 300 tons per day was maintained from one shaft and several adits. Eight separate levels were established for production from three main vein systems (the AB, C and Y veins). During the 10 years of mine life, the Polaris-Taku produced approximately 231,604 ounces of gold from a total of 759,600 tons of ore. The average recovered grade was 0.30 opt gold.





C VEIN LONGITUDINAL SECTION - POLARIS TAKU