CANARC RESOURCE CORP.

Canarc Resource Corp.

New Polaris Project

North West British Columbia

886114

→ NEW POLARIS

CONFIDENTIAL

Mar. 17/06

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NEW POLARIS - Location and Access

New Polaris is located in northwestern B.C., 60 km from Juneau, Alaska

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Project Scope

- Potential mid tier producer
  - 500 ton per day capacity mill
  - 50 to 70 tons per day of gold concentrate
  - Minimum 9 year mine life, potential for 20years
  - Estimated labour force 120
  - Capital cost Cnd $70m (estimated)
  - Production time line 3 years (estimated)

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Current Project Status

- Infill drilling beginning May 2006 to confirm initial 600,000 ounce resource.
- Continued environmental base line studies.
- Preliminary economic assessment and mine planning beginning fourth quarter 2006.
- Feasibility and permitting in 2007.

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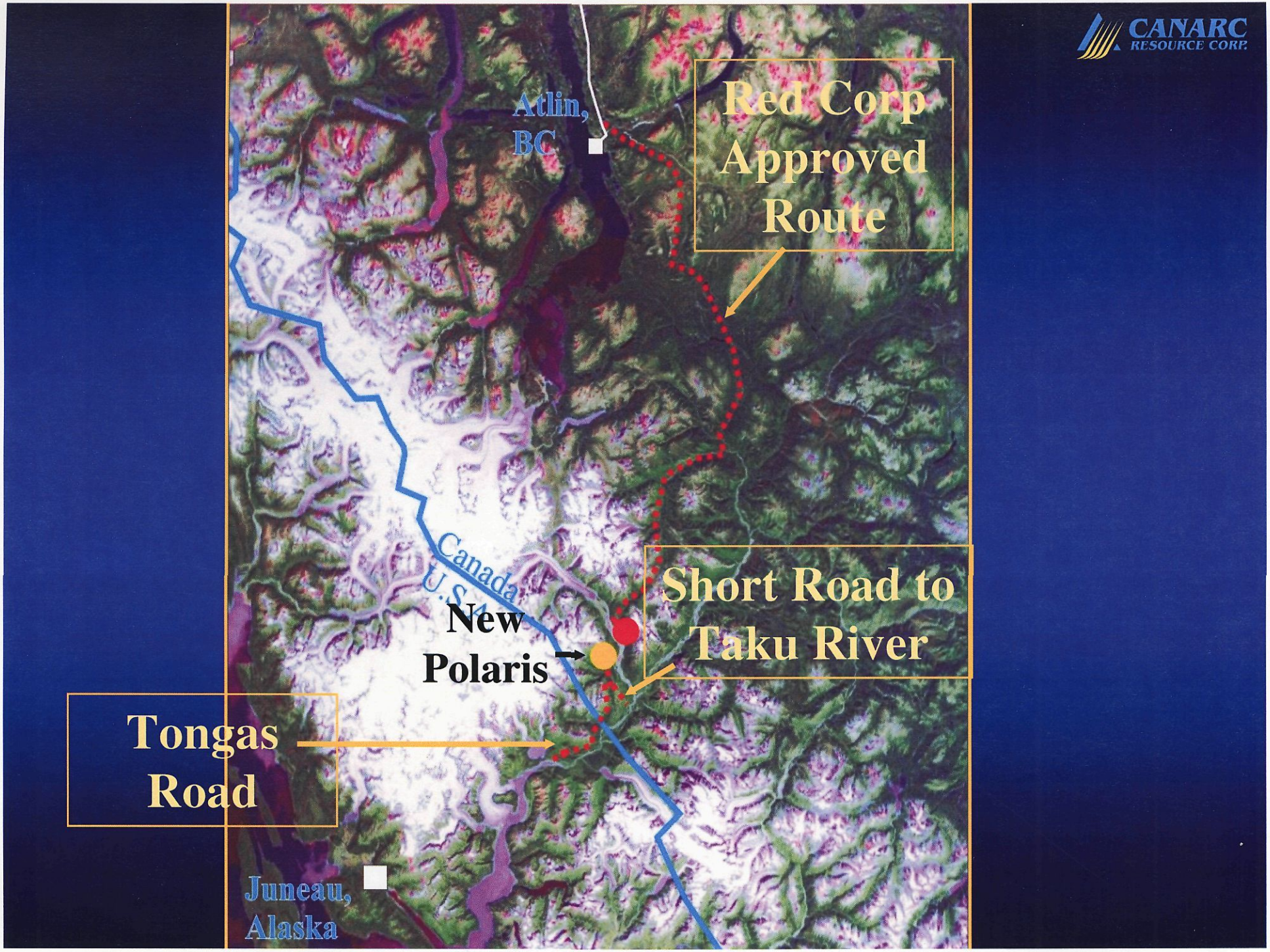
Access Alternatives

- Use Red Corp proposed road to Atlin
- Short Road to Taku River, then use shallow draft barges to loading facility near Juneau for onward shipping to processing facility
- Build road to barge loading facility in Alaska near Twin Glaciers


CANARC
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Atlin,
BC
Red Corp
Approved
Route
Canada
U.S.A.
New
Polaris
Short Road to
Taku River
Tongas
Road
Juneau,
Alaska

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Red Corp Road to Atlin

Positive aspects

- Permits for road are in place.
- Year round access to Polaris site.

Negative aspects

- Only economically viable if Red Corp's Tulsequah project goes forward.
- No economic benefit to Alaska
- Higher transportation costs

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Short Road to Taku

Positive Aspects

- Viable option if Tulsequah project doesn't go ahead
- Was the previous access route used when mine was in operation
- No road construction in Alaska's Tongas National Forest
- Economic benefits for Alaska in jobs and sales of supplies

Negative Aspects

- Seasonal barging
- Requires use of smaller barges
- More frequent trips of barges on Taku River and Inlet
- Possible conflict with drift net fishery

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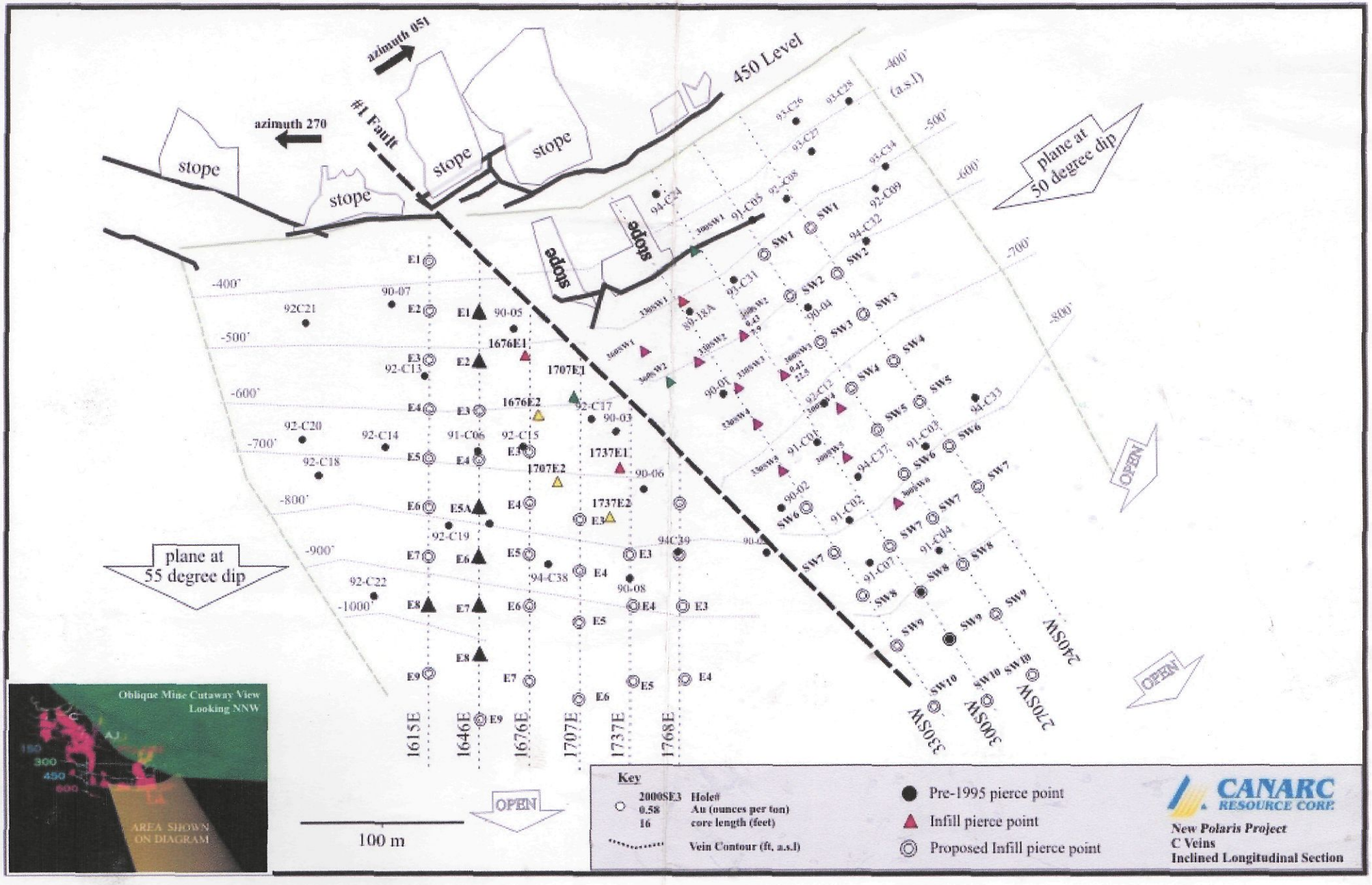
Road to Twin Glaciers

Positive aspects

- Allows for year round barging of concentrates
- Lower costs for project
- Greater economic benefit for Alaska (concentrate loading in Alaska, trucking etc.)
- Fewer, larger barges

Negative Aspects

- Road through Tongas National Forest
- Possible impact on private land owners
- Possible negative impact on tourism


azimuth 051
azimuth 270
#1 Fault
450 Level
stope
stope
stope
stope
stope
stope
plane at
55 degree dip
plane at
50 degree dip
OPEN
OPEN
OPEN
-400'
-500'
-600'
-700'
-800'
-900'
-1000'
(a.s.l)
1615E
1646E
1676E
1707E
1737E
1768E
330SW
300SW
270SW
240SW
Oblique Mine Cutaway View
Looking NNW
AREA SHOWN
ON DIAGRAM
100 m
Key
2000SE3 Hole#
0.58 Au (ounces per ton)
16 core length (feet)
Vein Contour (ft. a.s.l)
Pre-1995 pierce point
Infill pierce point
Proposed Infill pierce point
CANARC
RESOURCE CORP.
New Polaris Project
C Veins
Inclined Longitudinal Section

Aug. 9/06

Hole	From		length		Grade Au		Zone
	(ft)	(m)	ft	m	opt	gpt	
C vein (east)							
PC9001	677	206.35	24.4	7.44	0.343	11.8	C vein (east)
PC9004	725.9	221.254	13.1	3.99	0.470	16.1	C vein (east)
P8918A	637.9	194.432	16.6	5.06	1.100	37.7	C vein (east)
P91C01	902	274.93	21.5	6.55	0.59	20.2	C vein (east)
P91C02	864	263.347	15.6	4.75	0.749	25.7	C vein (east)
P91C03	869.4	264.993	15	4.57	0.019	0.7	C vein (east)
P91C04	927	282.55	20.3	6.19	0.139	4.8	C vein (east)
P91C05	514.2	156.728	40.6	12.37	0.301	10.3	C vein (east)
P91C07	958.2	292.059	7.5	2.29	0.548	18.8	C vein (east)
P92C08	407	124.054	10.8	3.29	0.260	8.9	C vein (east)
P92C09	531	161.849	7	2.13	0.122	4.2	C vein (east)
P92C12	848	258.47	22.3	6.80	0.442	15.2	C vein (east)
P92C24	447.9	136.52	9.4	2.87	0.691	23.7	C vein (east)
P93C26	354.4	108.021	9.6	2.93	0.777	26.6	C vein (east)
P93C27	488.5	148.895	8.5	2.59	0.365	12.5	C vein (east)
P93C31	606.3	184.8	7.2	2.19	0.234	8.0	C vein (east)
P94C32	699.9	213.33	8.6	2.62	0.002	0.1	C vein (east)
P94C33	874.1	266.426	10.2	3.11	0.202	6.9	C vein (east)
P94C36	857	261.214	3.5	1.07	0.187	6.4	C vein (east)
P94C37	837.4	255.24	19.8	6.04	0.648	22.2	C vein (east)
PC25A	450.5	137.312	12.1	3.69	0.165	5.6	C vein (east)
300SW1	593.0	180.7	3.2	0.98	0.33	11.2	C Vein (east)
300SW2	677.6	206.5	7.9	2.41	0.43	14.8	C Vein (east)
300SW3	734.5	223.9	22.5	6.86	0.42	14.5	C Vein (east)
300SW4	857.4	261.3	25.3	7.71	0.51	17.4	C vein (east)
300SW5	791.0	241.1	18.5	5.64	0.63	21.6	C vein (east)
300SW6	856.0	260.9	17.0	5.18	0.53	18.2	C vein (east)
330SW1	565.5	172.4	7.0	2.13	1.03	35.3	C Vein (east)
330SW2	637.2	194.2	26.4	8.05	0.93	31.9	C Vein (east)
330SW3	701.9	213.9	30.1	9.17	0.29	9.9	C vein (east)
330SW4	728.0	221.9	39.0	11.89	0.57	19.7	C vein (east)
330SW5	757.5	230.9	50.5	15.39	0.25	8.7	C vein (east)
360SW1	587.6	179.1	47.0	14.33	0.34	11.6	C Vein (east)
360SW2	650.4	198.2	11.9	3.63	0.15	5.2	C Vein (east)
C Vein (west)							
PC9002	909.80	277.31	8.70	2.65	0.855	29.3	C Vein (west)
PC9003	745.30	227.17	18.70	5.70	0.909	31.2	C Vein (west)
PC9005	621.50	189.43	5.00	1.52	0.553	18.9	C Vein (west)
PC9006	832.10	253.62	12.00	3.66	0.018	0.6	C Vein (west)
PC9007	527.90	160.90	4.60	1.40	0.444	15.2	C Vein (west)
PC9008	984.50	300.08	4.19	1.28	0.014	0.5	C Vein (west)
P91C06	750.20	228.66	8.70	2.65	0.652	22.4	C Vein (west)

Hole	From		length		Grade Au		Zone
	(ft)	(m)	ft	m	opt	gpt	
P92C13	625.20	190.56	6.00	1.83	0.439	15.0	C Vein (west)
P92C14	807.40	246.10	8.50	2.59	0.201	6.9	C Vein (west)
P92C15	777.20	236.89	5.80	1.77	0.545	18.7	C Vein (west)
P92C17	688.00	209.70	12.40	3.78	0.637	21.8	C Vein (west)
P92C18	922.50	281.18	9.20	2.80	0.267	9.2	C Vein (west)
P92C19	927.30	282.64	9.40	2.87	0.695	23.8	C Vein (west)
P92C20	798.40	243.35	8.60	2.62	0.259	8.9	C Vein (west)
P92C20A	764.70	233.08	9.00	2.74	0.365	12.5	C Vein (west)
P92C21	564.80	172.15	19.40	5.91	0.545	18.7	C Vein (west)
P92C22	1126.20	343.27	7.80	2.38	0.055	1.9	C Vein (west)
P92C23	604.10	184.13	6.60	2.01	0.046	1.6	C Vein (west)
P93C28	460.2	140.269	7.1	2.16	0.307	10.5	C Vein (west)
P94C38	900.70	274.53	15.40	4.69	0.667	22.9	C Vein (west)
P94C39	859.6	262.006	15	4.57	0.839	28.7	C Vein (west)
1615 E8	295.3	968.82	15.7	4.8	0.65	22.4	C Vein (west)
1646 E1	140	459.312	13.8	4.2	0.27	9.3	C Vein (west)
1646 E2A	172.8	566.922	9.8	3	0.68	23.2	C Vein (west)
1646 E5	252.6	828.73	12.6	3.85	0.66	22.8	C Vein (west)
1646 E6	258.3	847.431	23.6	7.2	0.45	15.5	C Vein (west)
1646 E7A	282.7	927.482	7.5	2.3	0.17	5.9	C Vein (west)
1646 E8	333.6	1094.47	15.7	4.8	0.23	8	C Vein (west)
1676 E1	609.0	185.6	18.3	5.58	0.35	12.1	C Vein (west)
1676 E2	689.0	210.0	10.7	3.26	0.26	8.9	C Vein (west)
1707 E1	687.2	209.5	13.0	3.96	0.15	5.1	C Vein (west)
1707 E2	809.2	246.6	6.8	2.07	0.34	11.8	C Vein (west)
1737 E1	758.5	231.2	13.7	4.18	0.40	13.6	C Vein (west)
1737 E2	842.0	256.6	8.0	2.44	0.27	9.2	C Vein (west)
HW Vein							
P94C34	579.8	176.723	11.2	3.41	0.210	7.2	C Vein HW (east)
P94C32	549.4	167.457	3	0.91	0.004	0.1	C Vein HW (east)
P92C16	752.5	229.362	7.5	2.29	0.122	4.2	C Vein HW (east)
P92C12	709.5	216.256	6	1.83	0.123	4.2	C Vein HW (east)
P91C01	826.2	251.826	20.8	6.34	0.228	7.8	C Vein HW (east)
360SW2	627.3	191.2	13.7	4.18	0.75	25.7	C Vein HW (east)
360SW1	534.0	162.8	3.0	0.91	0.15	5.1	C Vein HW (east)
330SW2	554.0	168.9	9.0	2.74	0.16	5.4	C Vein HW (east)
330SW1	548.5	167.2	5.8	1.62	0.12	4.0	C Vein HW (east)
300SW6	766.2	233.5	23.8	7.25	0.49	16.7	C Vein HW (east)
300SW5	708.0	215.8	8.2	2.50	0.41	14.1	C Vein HW (east)
300SW4	656.6	200.1	2.4	0.73	0.39	13.4	C Vein HW (east)
300SW3	644.3	196.4	23.7	7.22	0.21	7.2	C Vein HW (east)
300SW3	644.3	196.4	23.7	7.22	0.21	7.2	C Vein HW (east)
300SW2	594.5	181.2	1.5	0.46	0.16	5.5	C Vein HW (east)

Hole	From		length		Grade Au		Zone
	(ft)	(m)	ft	m	opt	gpt	
300SW2	594.5	181.2	1.5	0.46	0.16	5.5	C Vein HW (east)
1737 E1	605.0	184.4	29.5	8.99	0.45	15.3	C Vein HW (east)
PC9003	707.3	215.585	22.7	6.92	0.431	14.8	C Vein HW (west)
P94C38	838.4	255.544	5.2	1.58	0.587	20.1	C Vein HW (west)
P92C15	760.4	231.77	4.6	1.40	0.140	4.8	C Vein HW (west)
1737 E2	766.6	233.7	1.0	0.30	0.90	30.9	C Vein HW (west)
1737 E1	657.0	200.3	24.0	7.32	0.12	4.0	C Vein HW (west)
1707 E2	728.6	222.1	8.7	2.65	0.29	10.1	C Vein HW (west)
1707 E1	662.5	201.9	3.6	1.10	0.30	10.2	C Vein HW (west)