

Canarc releases updated New Polaris resource report

by Ellsworth Dickson

Canarc Resource Corp. [CCM-TSX; CRCUF-OTCBB] recently released an updated resource calculation for its 100%-owned (subject to a 10% net profits royalty) New Polaris gold project, located 100 kilometres south of Atlin, British Columbia, and about 60 kilometres northeast of Juneau, Alaska. Situated on the west bank of the Tulsequah River, the project, which has a 40-person camp on site, was formerly named the Polaris-Taku Mine.

This former underground gold mine produced 231,000 ounces of gold between 1937 and 1951. Canarc acquired the project in 1990 and successfully outlined a major extension to the old gold mine. By 1995, there were historic resource estimates (pre-NI-43-101) totalling 1.3 million ounces contained in 3.3 million tonnes grading 12.3 grams gold/tonne. Canarc placed the project on the back burner when gold prices fell in 1997 and finally resumed work in 2003. With the encouraging exploration results to date, management is of the view that the property hosts one of the largest undeveloped, high-grade gold deposits in Western Canada.

For the latest resource calculation, Giroux Consultants Ltd. utilized data from 192 recent drill holes and 1,432 gold assay intervals constrained within four main vein segments. The total database comprised 1,056 diamond drill holes with a total of 31,514 sample intervals. In December 2006, Canarc reported that deepest drill hole in the 2006 program intersected 7.1 grams gold/tonne over 10.2 metres at a depth of 500 metres.

Measured and indicated undiluted resources range from 570,000 to 457,000 oz of gold contained in 1,670,000 to 1,009,000 tonnes of mineralized vein material grading 10.6 to 14.1 grams gold/tonne using a range of cutoff grades from 2 to 8 grams/tonne. Greater than 95% of the measured and indicated resources are located within

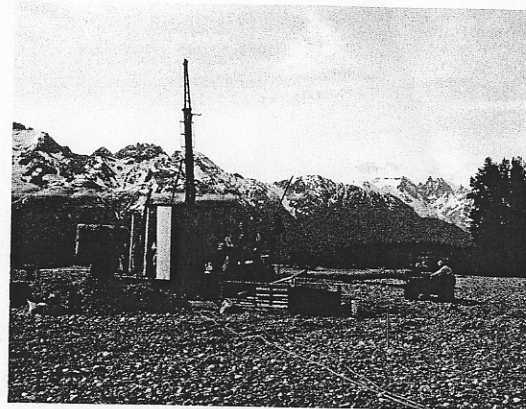
the C vein system where infill drilling programs were conducted over the past three years.

Inferred undiluted resources range from 697,000 to 571,000 oz of gold contained in 1,340,000 to 2,060,000 tonnes of mineralized vein material grading 10.5 to 13.3 grams/tonne using a range of cutoff grades from 2 to 8 grams/tonne. Approximately 75% of the inferred resources are also located within the C vein system, with the remainder attributable to the Y19 and Y20 veins. These figures are NI 43-101 compliant; however, Canarc expects the resource to increase as the extent of gold mineralization has not been totally delineated.

With these figures in hand, Canarc is taking the next step in its objective of achieving commercial production by 2009. A conceptual mining plan and preliminary economic assessment are currently being completed and the permitting process will be underway in the near future. At this point, cut-and-fill and shrinkage mining methods are envisaged to mine the veins and shear zones that range up to 30 metres wide with a 50-60° dip. The emplacement of gold is known to have taken place in several mineralizing phases.

The company has already completed related work, including cleaning up the old mine site, refurbishing and moving the old oil storage tanks as well as redirecting ground water so as to not enter the mine. Acid mine runoff is not a problem as the tailings will be carbonate in nature, that is, alkaline, the opposite of acidic.

The 2007 work program includes dewatering the old mine workings, deepening the mine shaft, developing a new drift (tunnel) from the shaft bottom over to the C vein, trial mining of a bulk sample and further infill drilling. Underground development and drilling is scheduled to begin this spring. This work is designed to establish proven and probable reserves around



Drilling prospective targets at the New Polaris gold project in northwest British Columbia. Photo courtesy Canarc Resource Corp.

the new drift and to estimate future mining costs. In addition, more metallurgical testing will be conducted in order to finalize the process flow-sheet. The work program will lead to carrying out a feasibility study scheduled for completion in the first quarter in 2008.

At the present time, the base-case production scenario calls for a production rate of 65,000 ounces of gold annually over a minimum nine-year mine life at a rate of 500 tonnes per day. Metallurgical studies to date have demonstrated up to 97% gold recoveries. Concentrates would be shipped out by barge.

Canarc is also advancing its 80% optioned, 1,380 square kilometre Benzdorp gold project in Suriname, South America. The region hosts one of the largest historic gold districts in the country where past alluvial gold production was over 1 million ounces. Hundreds of illegal, small-scale miners have been producing an estimated 10,000 ounces of gold per year from river gravels. In 2006, Canarc conducted soil surveys and airborne geophysical surveys in order to identify trench and drill targets. The company is considering a joint venture partner for the Benzdorp Project in order to advance the project through the next phase of drilling. ■

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