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# George Cross News Letter

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## CANARC RESOURCE CORP.

[CCM-T, V] 33,423,519 SHS.

HIGH GRADE CUT AT NEW POLARIS - Bradford Cooke, president, reports Canarc Resource Corp. has intersected its best drill hole ever in its underground drill program at the 100% owned New Polaris property 100 km south of Atlin, northwestern BC. SEE DRILL STATION MAP OVERLEAF P.1, CROSS SECTION OVERLEAF P.2 & ASSAY TABLE OVERLEAF P.3.

Drill hole PT97-44 returned 0.42 oz. gold/ton over a 112.2 foot core length including 44.1 feet grading 0.68 oz. gold/ton. Approximate true width is 60 feet. Hole PT97-44 is the first in-fill hole in the C zone about 100 feet below the 600, or lowest mine level, about 550 feet below sea level. The closest previous drill intercept in this area returned 0.78 oz. gold/ton over 33.2 feet in hole PC90-03.

The hole clearly shows the potential at New Polaris for large, high grade pods within the more regular gold mineralized shear zones. The largest ore stope (317) in mine history produced almost 70,000 tons grading better than 0.5 oz./ton over widths up to 45 feet from one of the Y zones. Management believes additional, large, high grade pods remain to be discovered by drilling at New Polaris.

Significant assay intervals for drill holes PT97-32 to 44 are reported in the attached table. Holes 32 to 42 are in-fill and step-out holes in the Y zones around the fringes of the previously drilled resource area. Multiple, parallel, mineralized zones are typical in the Y shear system. Drilling will take a short break to allow core assaying, underground mapping and sampling to catch up. Engineering studies and other feasibility work remain ongoing.

Canarc engineers are now starting to evaluate the potential for low cost, bulk mining of closely spaced Y zones as a way to optimize profitability and mill throughput in our various mine models. Large, high grade pods like the one intersected in hole 97-44 are also obvious candidates for bulk mining early in mine production in order to accelerate the payback period for capital costs.

REMBRANDT GOLD MINES LTD. (RTG-ALBERTA) retains a 10% net profits interest in the New Polaris project. (SEE GCNL NO.111, 10Jun97, P.2 FOR CANARC QUARTERLY REPORT)

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