

NEW POLARIS (100%)

CANARC Apr. '98

- One of the largest gold deposits in Western Canada, New Polaris geological resources are currently estimated at 3.9 million tons grading 0.41 oz/ton, or 1.6 million oz. contained gold. open for expansion along strike and at depth.
- A feasibility program in late 1996 - early 1997 was approximately 60% complete when the Bre-X fiasco caused Canarc to lose additional financing need to complete feasibility.
- Major new development last week when the government approved a mine and road adjacent to New Polaris.
- Canarc has bid to acquire another minesite in B.C. which has port, road, hydro power, mill and tailings facilities as well as all operating permits in place. *Premier*
- Transportation to, and final processing of New Polaris concentrates at this minesite should have a significant positive impact on project economics.
- Canarc now plans to aggressively pursue a joint venture partner or other financing to complete the feasibility program, including in-fill drilling this summer.

GNC (33% carried)

- This strategic, 1300 hectare property immediately adjoins the Eskay Creek Mine of Homestake-Prime in northwestern British Columbia.
- Prime Resources drilled one deep hole in 1997 approximately 3.5 km southwest of the minesite.
- Intersected 3.5 m of semi-massive sulfides containing strongly anomalous Cn-Zn-Pb-Ag-Au values within the mine sequence of rock formations.
- A 3-4 hole deep drilling program is proposed for 1998 to search for high grade mineralization in the vicinity of last year's low grade drill intercept.

BELLAVISTA (18% carried)

- Wheaton River Minerals has re-estimated mineable recoveries at 8.0 million tonnes grading 1.8 g/t open pit and 2.6 million tonnes grading 3.3 g/t underground, or 840,000 oz. contained gold.
- Recent breakthrough in metallurgical testing shows heap leach gold reserves averaging 72%
- A pre feasibility study should be released in 2nd quarter and final feasibility is scheduled by year-end.

BENZDORP (80% option, net 32% if Placer earns interest)

- Largest historic gold district (1 million + oz. produced) in Suriname, where every creek over a 20 km long belt produced placer gold.
- Canarc discovered 12 gold prospect areas in the easternmost 5% of the property, one of which, JQA, measures 750 m x 250 m @ 1 gpt open in all directions.
- Optioned to Placer Dome 60/40 for US\$20 million in cash payments, all exploration work and a positive feasibility study bankable by Canarc within 5 years.
- Discussions underway with Suriname partner to facilitate Placer deal - Phase 1 drilling program to proceed this summer.

SURINAME/GUYANA (60 - 100%)

- Kwitaro property in Guyana optioned to Cyprus 70/30 for cash, work and feasibility study - fieldwork now underway.



SHAREHOLDER UPDATE

New Developments in Canarc and the Outlook for 1998

Vancouver, British Columbia, Canada, April 1st, 1998...Bradford Cooke, President and CEO of Canarc Resource Corp. reports:

GOLD

Last week, the gold sector saw signs of life for the first time in many months. While gold has moved up only 4% (\$290 - \$302) in 1998, some majors like Barrick have already jumped 40% (\$22 to \$31) in recent weeks. Noted gold specialist Frank Veneroso, in a Canarc-sponsored teleconference call last week, called for an upward move in the price of gold in 1998 similar in size (25%) and timing (12 months) to the drop in 1997. That translates into \$360 per oz. gold in 1998, most likely sooner rather than later. For a transcript of the Veneroso conference call, visit Canarc's website (<http://www.mcomm.com/canarc>) or contact Robert Carriere at 604-685-9700.

GOLD SHARES

Just as a move in gold is normally presaged by the move in senior gold shares, already underway, so does this momentum ultimately translate into an upward move in the junior gold shares. We are not seeing this yet as most juniors are still mired at or near their long term lows. However, at \$0.55 per share and US\$7 per resource oz., companies like Canarc have never been cheaper. With gold and senior gold shares having bounced off their recent cyclic lows, Canarc management firmly believes it is now only a matter of a few weeks until value investors start returning to the junior gold sector.

CANARC GOLD PROJECTS

Several recent developments impact favorably on the advancement of Canarc's gold projects. Most important was a \$1 million financing at a premium to market with a voting trust to management. This significantly improved our working capital position, making Canarc one of the few juniors in the sector to have a growing treasury. Canarc has also received significant joint venture cash payments from Placer, Cyprus, Wheaton River and Mill City. Management anticipates receiving further cash payments this year.

Another major new development is the granting of B.C. government approval for Redfern's Tulsequah Chief Mine and road immediately adjacent to Canarc's main asset, the New Polaris minesite in northwestern British Columbia. Road access will have a dramatic positive impact on the project economics at New Polaris. By being able to transport gold concentrates offsite for processing, New Polaris should generate an attractive rate of return even at \$325 gold, due to significant savings in both capital and operating costs.

Last but not least, Canarc staked a strategic silver property adjacent to the huge new discovery by Western Copper/Teck Corp. in Zacatecas State, Mexico. In keeping with our strategy of low cost-low risk acquisitions, Canarc immediately formed a 50/50 joint venture on the property with Mill City for a series of cash and stock payments and work commitments.