New Polaris Gold Mines Ltd.

Canarc Resource Corp.

New Polaris Project

Diamond Drilling Report - Fall 2005

Atlin Mining Division
NTS 104K/12
N 58 42' lat., W 133 37' long.

by

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1.0 Introduction

1.1 Location

The New Polaris Gold Mine (formerly Polaris –Taku Gold Mines) is located in the Atlin mining district approximately 140 kilometres south of the town of Atlin, British Columbia, and approximately 60 kilometres east of Juneau, Alaska. The index map (figure 1.1) indicates the relative location of the property.
The property is located at approximately 133 37' W longitude and 58 42' N latitude on the west shore of the Tulsequah River, approximately 6 miles north of its' confluence with the Taku River.
Between October and November 2004, 5417 feet (1651 metres) of diamond drilling comprised the first phase of an infill drilling program on the program. A portion of these results, from the eastern portion of the C Vein, are reported here.

1.2 Access

Small aircraft provides access from Atlin or Juneau. Ocean-going barges have been used in the past to access the site when heavier equipment is required. Redcorp has applied to complete a road to their Tulsequah Chief project site, which could change the infrastructure to the area. The property can be operated year round. Access would be difficult during break up and freeze up.

The property is accessible only by air. The most proximal airstrips of significant scale are located in Juneau and Atlin. The nearest road access terminates 7 kilometres south of Atlin, and 18 kilometres southeast of Juneau. Historically the property was serviced by a barge landing on the west bank of the Taku River just downstream of its' conflurence with the Tulsequah River, however heavy silt deposition in the Taku Inlet over the last fifty years now limits river traffic to small jet boats capable of carrying passengers only.

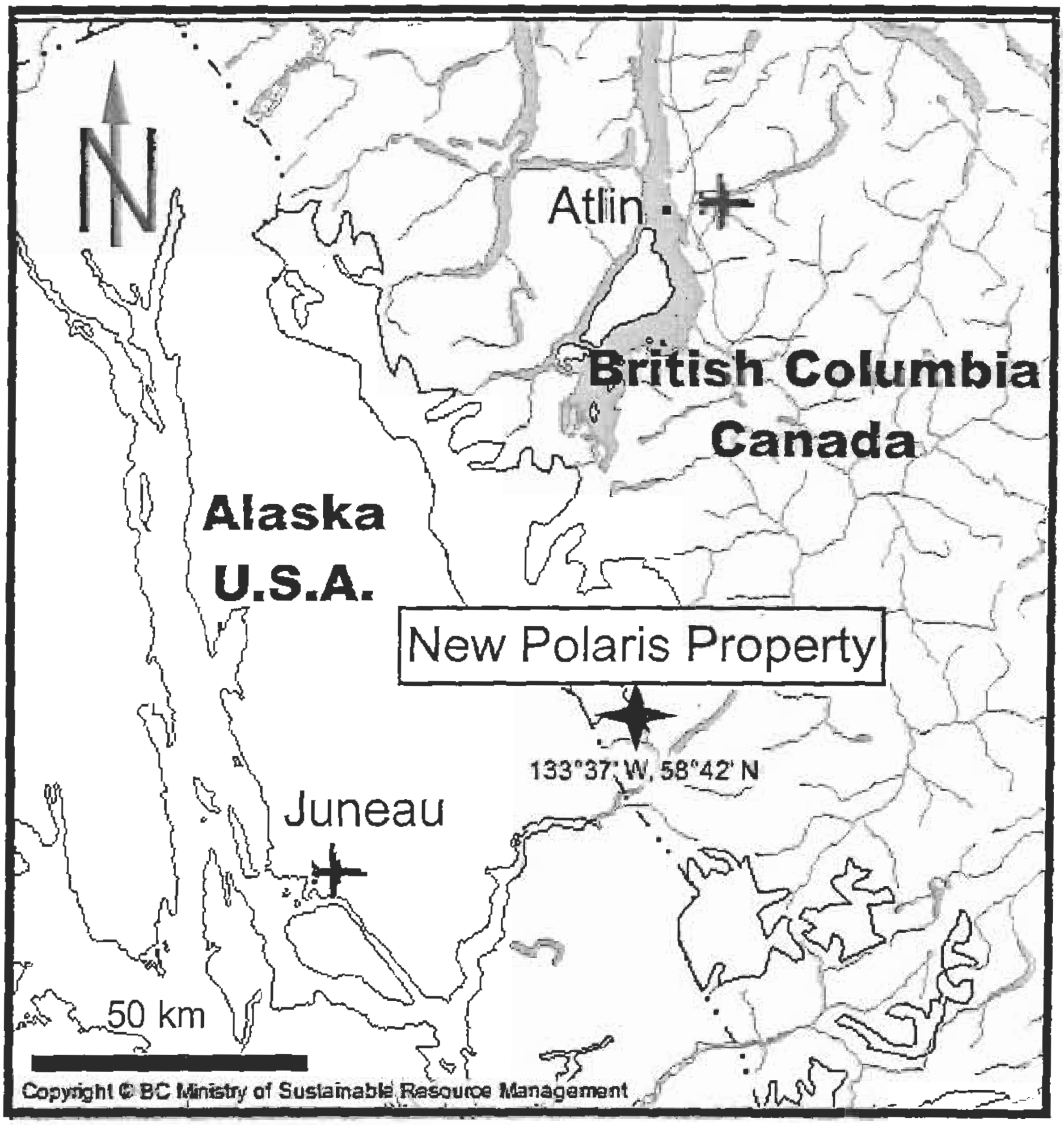
Two airstrips service the property. A 400 metre gravel strip is located on the property and the second is located approximately 4.5 kilometres to the south. The historic road access to this strip has fallen into disrepair, with side-channels of the Tulsequah River cutting it off at a few points.. The length and condition of the second strip is undetermined. The present operators have not used this strip in the past ten years. Being proximal to the river it is subject to annual erosion, and therefore a careful study would be necessitated to determine the overall suitability for use. In the past this strip was long enough for larger aircraft such as the DC 3 and DC 4. The first strip is suitable for use by fully loaded Cessna's, Beaver's, and larger capacity aircraft with STOL capability such as the Short's Skyvan.

On the property there are numerous roads and trails. These have been left from previous mining activities, and have been in some cases modified. The roads are suitable for use by small pick-up or all-terrain vehicle. The trails are suitable for foot passage only.

Figure 1.2 indicates the approximate location of the roads and airstrips about the property.

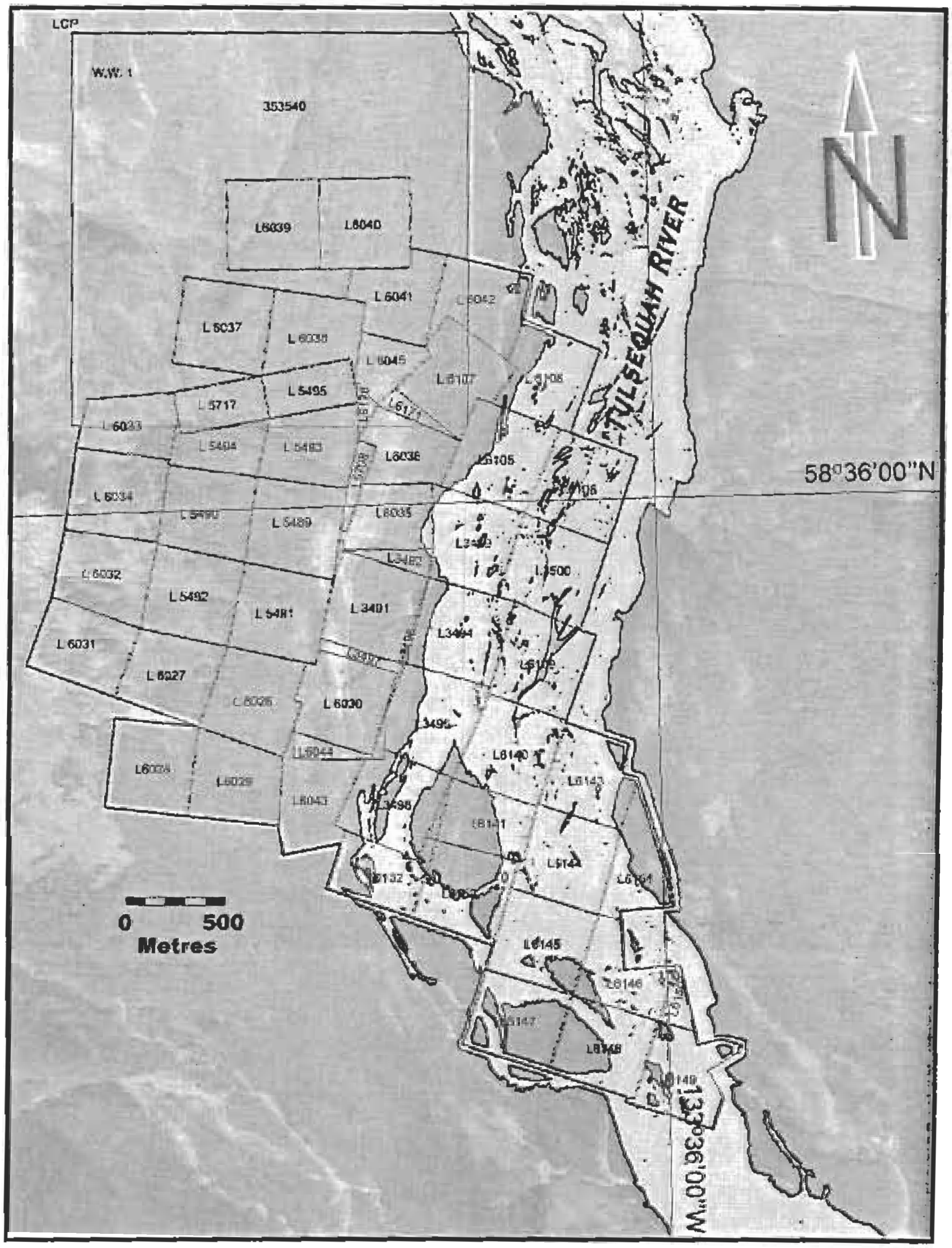
1.3 Climate

The climate is very characteristic of this section of the British Columbia coast, with heavy rainfall prevailing during the late summer and fall months, and comparatively heavy snowfall, interspersed with rain during the winter. The annual precipitation is approximately seventy-five inches of which twenty-eight inches occurs as rainfall. The snow seldom accumulates to a depth greater than five feet on the level. Winter temperatures are not severe and rarely fall below 10 degrees below zero Fahrenheit. Summer temperatures in July average 60°F with daytime temperatures reaching the high 80's on occasion. The vegetation is typical of northern temperature rain forest, consisting primarily of fir, hemlock, spruce and cedar forest on the hillsides and aspen and alder groves in the river valley.



Canarc Resource Corp
New Polaris Project
Project Location Map

Figure 1.1



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Claim Map

Figure 1.2

1.4 Physiography

Extensive glaciation of recent age has been the dominant factor in topographic development. The Taku and Tulsequah Rivers, which dissect the area, provide its most striking features, with their broad valleys bounded by steep mountains. Numerous tributary streams flow from valleys filled with glaciers. The majority of the glaciers are fingers branching from the extensive Muir ice cap, lying to the northwest of the Taku River. The Tulsequah glacier, which terminates in the Tulsequah valley about ten miles north of the New Polaris mine site, is one of the largest glaciers in the immediate area. It forms a dam causing a large lake in a tributary valley that breaks through the ice barrier (Jokülhlaup) during the spring thaw every year, flooding the Tulsequah and Taku valleys below for three to five days.

Rugged relief characterizes the project site as alpine glaciation has been the pincised U-shaped valleys and . Located in the Coast Mountain Range, the topography of the area ranges between sea level and 2600 metres. The elevation of the New Polaris property ranges from 10 metres asl. on the Tulsequah River valley floor to 730 metres asl. on the eastern flanks of Whitewater Mountain..

Recent alpine glaciation typifies The physiography an area, which has been influenced by recent glaciation. The Taku and Tulsequah Rivers are broad till-filled valleys commonly more than 1.5 kilometres wide. The vertical extent of the till is unknown, however past seismic work and surface diamond drilling indicate thicknesses increasing away from the margins of the valley floor to a maximum of approximately 240 metres at its centre.

Outcrops on the property are scarce and represent only 5% of the total surface area.

1.5 Vegetation

Vegetation on the property consists of heavily forested slopes and floodplains. The forest was cutover approximately 50 years ago to provide lumber for the mining and residential requirements of the day. Today the forest is composed of cottonwoods, alders and brush in the near floodplain area, and spruce, hemlock and red on the mountain slopes to elevation of approximately 3500'. Above this elevation alpine vegetation (sedge, heather) prevails. This secondary growth is mature enough to provide a valuable resource for current mining purposes.

1.6 Wildlife

Wildlife observed in the area includes moose, black bear, grizzly bear, mountain goat, wolf and wolverine along with other small mammals. Trumpeter swans, bald eagles, rock ptarmigan and grouse are indigenous to the area. The disruption of flow in the Tulsequah River by the seasonal glacial outbursts provides for a negligible commercial fishery, however, the Whitewater and Shazah creeks, and pools in the Tulsequah River flood plain have been identified as spawning and rearing habitat for Steelhead, Dolly Varden char, and all five species of Pacific salmon.

2.0 Property History

From 1923 to 1925 the Big Bull and Tulsequah Chief properties were discovered along the east side of the Tulsequah River and opened up the Taku River district. In 1930, Noah A. Timmins Corporation optioned some of the claims that make up the New Polaris property and conducted trenching and diamond drilling in 1931. The trenching exposed a number of veins of which 10 showed promising grades. A short exploration adit (about 30 feet long) was also driven into the side of the hill and Timmins drilled 19 holes for a total of 5297 feet but was unable to correlate the intersections and elected to drop the option in September 1932.

The Alaska Juneau Gold Mining Company then optioned the property and conducted underground exploration from the "AJ" (Alaska Juneau) adit. Alaska Juneau drove a total of 625 feet of drifting and, although they intersected "ore grade" mineralization, they too had problems with correlation and dropped the property in the fall of 1934.

H. Townsend and M.H. Gidel of the Anaconda Corporation examined the property in 1934 carefully mapping the showings. They came to the conclusion that commercial ore bodies existed even though these showed irregularity due to faulting. Samples were sent to Geo G Griswold in Butte Montana who obtained gold recoveries from flotation tests in the order of 88 percent.

D.C. Sharpstone then secured an option on the property on behalf of Edward C. Congdon and Associates of Duluth, Minnesota. Congdon conducted 775 feet of underground exploration in the "AJ" tunnel and collared 85 feet into the Canyon adit. The Polaris-Taku Mining Company was then incorporated in 1936 to take over the property from Congdon. Polaris-Taku erected a 150-ton per day flotation mill in 1937 and mined underground continuously until it was closed down in April 1942 due to labour restrictions brought on by the Second World War. Mining Operations resumed in April 1946 and continued until 1951 when the mine was closed due to high operating costs, a fixed gold price and the sinking of a concentrate barge shipment during a storm in March 1951.

An Edwards roaster and a cyanide plant to produce bullion were installed and tested in1949 in order to improve recovery and reduce shipping cost of concentrates to the Tacoma smelter. The addition of the roaster helped improve milling economics, but its capacity was somewhat limited as it could treat only about 45% of the concentrates produced from the flotation plant.

After closure the mill was leased to Tulsequah Mines Ltd. (owned by Cominco) who modified it to process 600 TPD of massive sulphide polymetallic ore (containing gold, silver copper, lead and zinc) from the Tulsequah Chief and Big Bull Mines. Tulsequah Mines Ltd used the mill from 1953 to 1957.

Numalake Mines acquired the property in 1953, changed their name to New Taku Mines Ltd and undertook rehabilitation work of the mine's plant. A negative feasibility study in 1973 halted this work. New Taku changed its name to Rembrandt Gold Mines Ltd in 1974.

The property lay idle until Suntac Minerals Corp. optioned the property in 1988 and started surface exploration. Canarc merged with Suntac in 1992 and bought out Rembrandt's interest in 1994 and has continued exploration up to the present. The Canarc's subsidiary New Polaris Gold Mines (formerly Golden Angus Mines Ltd.) currently operates the property.

Some pieces of major equipment were removed from the Polaris-Taku site since closure (crushers and mills) and no further mining has taken place on the property. Most of the buildings have been removed.

A few of the townsite houses and the mechanical shop are in reasonably good condition and are currently being used for exploration purposes.

Although the underground equipment has been removed, the hoist, sheaves and conveyances are still in place. The "AJ" level was reopened in 1990. Ground conditions are excellent and there is excellent airflow throughout. The shaft is in excellent condition and required very little repair to facilitate the 1997 underground program. The "Polaris" adit collar was also re-established at this time and used as the primary access for that program.

3.0 Geology

3.1 Regional Geology

The Polaris-Taku mine lies within the Intermontane Province of the Western Cordillera approximately 4.5 kilometres from its western contact with the Coast Plutonic Complex. This portion of the Intermontane belt is predominantly composed of the lowermost sections of the Stikine Terrane.

The Whitewater Suite represents the oldest rocks in the area, possibly early Palaeozoic in age, and dominates the geology on the western edge of the property. It consists primarily of strongly metamorphosed and deformed quartzite and quartz-rich graphitic schist with interlayers of mafic, ultramafics, marble, and gneiss. The Whitewater Suite grades to the east into the less metamorphosed metavolcanic and metasedimentary rocks of the Mount Stapler Suite. Continuing east across the property, the Mount Stapler Suite is in fault contact with the similar yet less deformed mid to upper greenschist facies metamorphosed rocks of the Mount Eaton Suite.

This group of rocks hosts the deposit and composes the northeastern third of the property. It dominates the geology on the opposite (eastern) bank of the Tulsequah River where it hosts the Tulsequah Chief and Big Bull volcanogenic massive sulphide Cu-Pb-Zn-Au-Ag deposits.

3.2 Regional Structural Geology

The structural trend in the area is north-northwest to south-southeast, parallel to the alignment of the Late Cretaceous-Tertiary Coast Plutonic Complex which dominates the geology immediately west of the B.C.-Alaska international border. The older rocks have been intensely folded, sheared and deformed into broad doubly plunging symmetrical folds with large amplitudes.

The Mount Stapler and Mount Eaton Suites are separated by the Llewellyn fault which is a regionally significant north-south structure having a long history of movement. The most recent movement has been dextral (west side to the north). Slightly north of the Tulsequah Chief deposit on the east bank of the Tulsequah River, the Llewellyn fault is truncated and offset to the west onto the Polaris-Taku property by the east-west oriented Chief Cross fault.

3.3 Property Geology

The Mount Eaton Suite is a package of weakly metamorphosed volcanic rocks within the middle to upper Palaeozoic Stikine assemblage, which constitutes the basement of the Stikine Terrane. The Polaris-Taku portion of this suite is composed predominantly of basaltic to andesitic augite-phyric volcaniclastics and associated intrusives with lesser amounts of limestone, serpentinised ultramafics, and gabbro. These volcaniclastic and sedimentary units are northwest to north striking, vertical to steeply dipping and range in character from laminated ash to coarse tuffbreccia. Radical lateral facies changes typical of a dynamic depositional environment preclude reliable correlation of individual units across significant distances and thus hamper accurate interpretation of large-scale folding and fault offsets.

3.4 Property Structural Geology

All of the strata within the property have been subjected to compression, rotation, and subsequent extension. Figure 3.1 shows the prominent structural orientation, which is characterised by folds

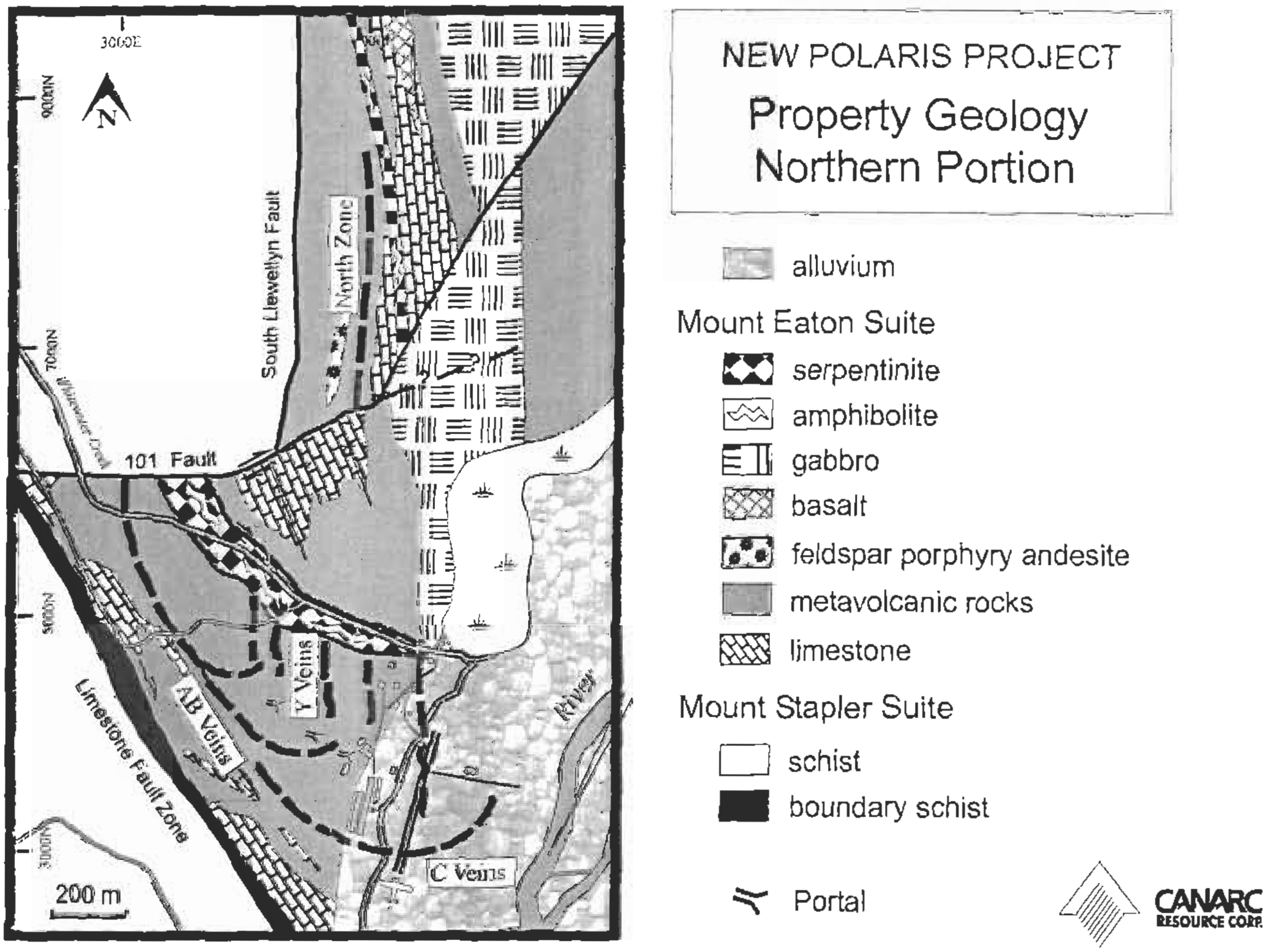

Figure 3.1

trending, northwest southeast and plunging to the southeast. The plunge of folds appears to be variable though generally shallow. Pervasive, weak to moderate, bedding-parallel flattening across the property is suggested both by the absence of oblique fabrics and by local strongly foliated zones having the same attitude as bedding within weakly foliated units. Small-scale isoclinal and intra-folial folds strike north-north-westerly and plunge moderately to the north. This is typical across most of the Mount Eaton suite. Numerous faults are found on the property, the more significant of which are summarised below.

The possible extension of the Llewellyn fault, termed the South Llewellyn fault, continues south from the Chief Cross fault along mine grid co-ordinate 4400 East. Slightly north of Whitewater Creek it is offset to the west by an east-west fault, the 101 fault, to continue in a more southeast orientation on the opposite side of Whitewater Creek. This northwest-southeast oriented structure was named the Limestone Fault due to its bedding parallel attitude within a discontinuous limestone/marble horizon. It marks the southwest boundary of the "mine wedge"; the wedge shaped package of rock within which all past production took place. The northern boundary of the "mine wedge" is further defined by the Whitewater Creek Schist Zone, a zone of schistose chlorite-amphibolite-serpentinite altered andesitic to ultramafic rocks less than 300 feet thick. A complex network of brittle faults is also found within this zone. Three major faults, Numbers 1 and 5, and an unnamed fault, lie within the Mine wedge. The No. 1 and No. 5 faults strike northwest southeast, dip approximately 45' to the northeast, and are subparallel to the unnamed fault, which dips steeply to the southwest. The No. 1 fault has reverse displacement of up to 100 feet while the displacement of the No. 5 fault is poorly defined. The southwest dipping, unnamed fault shows no displacement, as it apparently parallels the A-B vein system. Between the No. 1 and No. 5 faults, the subparallel Nos. 2, 3 and 4 faults have been mapped in the upper levels. Displacement along these three faults is poorly defined, although movement of up to 30 feet is observed. Nos. 2, 3 and 4 faults appear to converge into a single fault and to weaken with depth.

3.5 Deposit Geometry

The property geology, figure 3.2, and mine workings, figure 3.3, diagrams show the general structure of the veins. The distribution outlines the wedge shape, the predominant orientations and continuity of the zones, and the overall plunge of the system to the southeast. An early interpretation of the structure shows that various veins appear to meet and form "junction arcs" where both thickness and grade improve.

The most prominent vein orientations are: northwest striking and southwest dipping, the "A-B" veins; north striking and east dipping, the 'Y" veins; and the less extensive but economically important east to northeast striking and south dipping zones at the intersection of the previously mentioned vein sets. Recent workers interpreted these zones initially as "junction arcs". Historically they were known individually as the 25 vein, the 1-3-5 veins, and the deep, similarity oriented component of the current resource, the "C" vein. Up to 75% of total past production came from within 300 feet to either side of these junction arc centre lines. The recently discovered north zone bears many similarities to the AB zone and is interpreted as its fault offset northward continuation.

The arcuate nature of the deposit geometry within the mine wedge lends itself to an interpretation as a fold structure. However, this interpretation is not supported by both the intersection relationships between the ore structures and regional foliation, and textural differences between the individual vein sets.

More detailed analysis of the vein sets (Rhys, 1992) suggests they developed as a conjugate shear system during northeast to southwest compression. Respectively, the AB and Y vein systems represent the sinistral and dextral shears, while the Junction Arc and C vein systems represent the tensional component of the conjugate system.

3.6 Mineralisation

Mineralisation of the Polaris-Taku deposit bears strong similarities to many Archean Lode gold deposits such as the arsenical gold camp of Red Lake, Ontario, and the deposits of the Wiluna Belt in Western Australia.

The vein mineralization consists of arsenopyrite, pyrite, stibnite, and gold in a gangue of quartz and carbonates. The sulphide content is up to 10%, with arsenopyrite the most abundant, and pyrite the next important. Stibnite is fairly abundant in some specimens but overall comprises less than one-tenth of 1% of the vein matter. Alteration minerals include fuchsite, silica, pyrite, sericite carbonate and albite. Age dating by 'Ar / "Ar on sericite/fuchsite alteration associated with mineralisation provides an early tertiary date of 63.44 Ma. Gold is associated primarily with arsenopyrite and to a lesser extent with pyrite. Arsenopyrite is very fine-grained (< l mm) and acicular with a mode of occurrence commonly referred to as the "replacement type". It is observed as pervasive and patchy disseminations in altered wall rocks proximal to, or as breccia fragments within, quartz-ankerite veined shear zones.

Stibnite has no apparent influence on gold grade as it is found only in what are interpreted to be post-mineralisation quartz veinlets. It is also fine to very fine grained, frequently occurring as styolitic stringers within quartz.

The quartz-ankerite veining associated with the ore is itself not mineralised. Evidence from drillcore and historic observations confirm that with an increase in the proportion of veining comes a corresponding dilution of the ore zone. Ankerite veining may represent a slightly later veining event, which exploited the same structurally prepared fluid pathways as those which may have carried the earlier silica-sulphide-gold mineralisation. This is displayed quite well by the abundant breccia veining throughout the deposit where angular wall-rock fragments, both altered and unaltered, mineralised and unmineralised, are suspended in an ankerite-quartz vein matrix. Sulphide rich ribbon veinlets may represent mineralised host rocks, which have undergone subsequent flattening/shearing and veining.
Gold is distributed in three weakly defined populations, 0 to 0. 12, 0.12 to 0. 52, and greater than 0.52 oz Au/t.

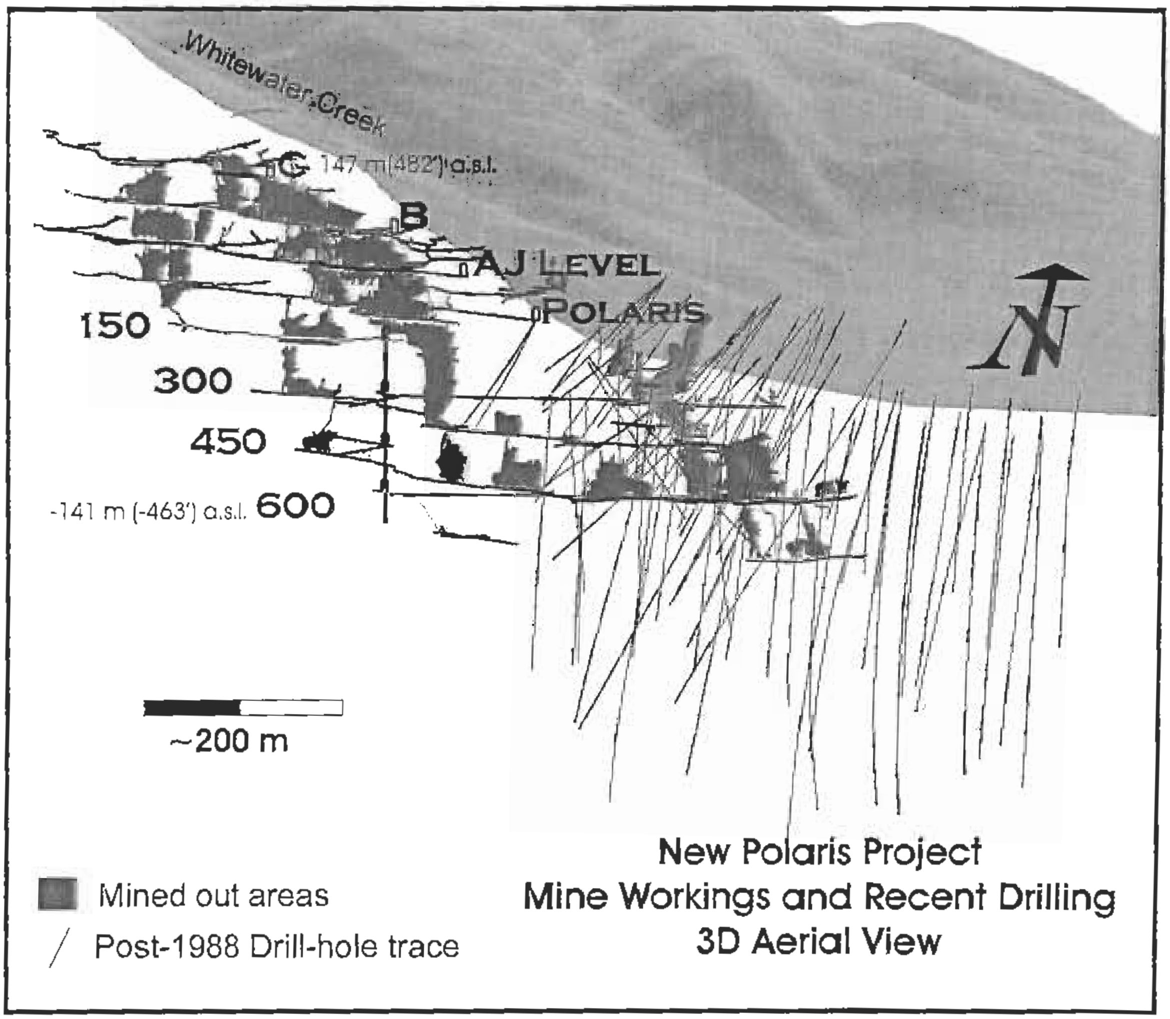
Whitewater Creek
C 147 m (482') a.s.l.
B
AJ Level
Polaris
150
300
450
-141 m (-463') a.s.l. 600
N
~200 m
Mined out areas
Post-1988 Drill-hole trace
New Polaris Project
Mine Workings and Recent Drilling
3D Aerial View

Figure 3.2

4.0 Exploration History

4.1 Exploration Results, 1988-1997

Recent exploration drilling consists of 143,992 feet in 202 holes drilled since 1988. Individual annual footages are provide in table 4.1. A general distribution of this drilling can be seen in figure 3.2. Initial efforts were confined to the lower elevations of the property due to limited availability of road building equipment and were designed to test the "Y" Vein system either down dip or along strike from old workings. Discovery of the "C" Vein system in 1989 resulted in a refocusing of efforts towards defining this Zone. Drilling during 1994 and 1995 has been designed to test the North Zone and the downward continuity of the "C" Zone.
Diamond drilling from underground workings in 1996 was focused from the AJ level and targeted both the AB and Y vein systems.
Diamond drilling from underground workings in 1997, was focused from the AJ, Polaris and 150 levels and targeted the AB, Y, and C vein systems.

Table 4.1

SUMMARY OF EXPLORATION DRILLING TO 1997

Year	Zone #	# of Holes	Footage
1988	Y VEIN	8	3373
1989	Y VEIN	19	13378
1990	C VEIN	10	9391
1991	Y VEIN	4	4205
1991	C VEIN	7	6729
1992	Y VEIN	5	5262
1992	C VEIN	18	15662
1993	C VEIN	8	4270
1994	C VEIN	9	7729
1994	Y VEIN	5	5044
1994	NORTH ZONE	16	4403
1995	NORTH ZONE	14	11596
1995	C VEIN	6	13338
1996	Underground	24	10514
1997	Underground	49	29098
2003	C, AB Veins	3	5021
	Total	**205**	**149013**

4.2 Mineral Resources

A review of previous resource calculations has been made with the goal of identifying the probable order of magnitude of "reserves" that may be defined over time. While very little of these resources can be defined as proven mineable reserves at this time. There is sufficient available data to qualify them as probable and possible resources.

An estimate of Polaris-Taku reserves was made prior to closure in 1951 based on stringent precepts. "Reasonably Assured" ore was projected 25 feet in the plane of the vein above and below sampled drift sections of mineable grade while "possible" ore was projected an additional 25 feet beyond these confines (Parliament 1949). These reserves were apparently based solely on underground sampling without using underground diamond drill intercepts (WGM 1992). The "remaining reserves" at the time of closure was 105,000 tons grading 0.42 oz/ton including 17% dilution.

Adtec Mining Consultants (1972) recalculated these "reserves" in contemplation of reopening the mine. These were recalculated to be 148,000 tons at 0.29 oz/ton. Based on similar definitions and existing mine drawings and assay plans, Adtec Consultants (1983) recalculated the remaining "reserves" within the mine workings. These were defined to be in the order of 223,000 tons at 0.32 oz Au/SDT (diluted) based on a 0.15 oz/t cut-off and a minimum mining width of 4 feet. These reserves were subdivided into 151,000 tons of "assured" and 72,000 tons of "reasonably assured" reserves.

Beacon Hill recalculated these reserves in 1988 for Suntac Minerals Corporation using a minimum mining width of 5 feet (instead of 4 feet) with similar results. Their reserve estimate was "limited to those areas where continuous sampling data was available along drifts, raises and stope backs, etc. and where it appears that minimal development work would be required to access the reserves". Beacon Hill estimated a total probable and possible reserve of 244,420 tons at 0.33 oz. Au/SDT with 132,210 tons at 0.33 oz./t classed as probable and 112,210 tons at 0.32 classed as possible. Table 4.2 summarises their calculations. In 1989, Beacon Hill added further probable and possible mining reserves from 27 new drill holes completed by Suntac. They estimated that the new drilling had increased the reserves by 380,000 tons at 0.39 oz. Au/SDT (probable) and 820,000 tons at 0.39 Au/SDT (possible) which, added to their previously calculated reserves, brought the overall reserve potential up to 1,450,000 SDT @ 0.38 oz. Au/SDT (diluted) above the lowest worked level of the mine (600 level at elev. –462 feet Below Sea Level 'BSL').

Montgomery Consultants were commissioned to conduct a Geostatistical Study of the Geological Resource for the Polaris-Taku Deposit in 1991. G.H. Giroux carried out this review and calculated a total resource of 2,225,000 tons grading 0.433 oz./ton based on a geostatistical approach using a cut-off grade of 0.25 oz/ton. These reserves were divided into 333,000 tons @ 0.437 oz./t (probable) and 1,892,000 tons @ 0.432 oz./ton (possible). The calculation discounted much of the reserves around the old workings and did not include dilution and minimum mining width provisions. These calculations were based on both old and new drilling and extended the resource base down to roughly 1200 feet BSL.

Table 4.2

BEACON HILL RESERVES (1988) WITHIN MINE WORKINGS

PROBABLE RESOURCES					**POSSIBLE RESOURCES**			
Level	**In-Situ**		**Diluted**		**In-Situ**		**Diluted**	
	Tons (SDT)	**Grade (oz /SDT)**	**Tons (SDT)**	**Grade (oz /SDT)**	**Tons (SDT)**	**Grade (oz /SDT**	**Tons (SDT)**	**Grade (oz/SDT)**
	Above Polaris Adit							
Canyon	8,120	0.5	10,650	0.38	2,380	0.47	3,340	0.33
C	9,700	0.31	11,840	0.25	5,170	0.33	6,700	0.25
B	16,930	0.36	10,120	0.3	16,930	0.36	20,120	0.3
AJ	6,020	0.28	8,470	0.2	6,630	0.29	9,210	0.21
Polaris	12,670	0.37	16,720	0.28	10,450	0.36	14,080	0.27
Sub Total	53,440	0.37	67,800	0.29	41,560	0.35	53,450	0.27
	Below Polaris Adit							
150	310	0.52	570	0.28	400	0.52	740	0.28
300	19010	0.51	23830	0.4	14640	0.51	18870	0.39
450	120600	0.46	27080	0.35	18910	0.45	25080	0.34
600	10050	0.51	12930	0.4	11050	0.51	.14,070	0.4
Sub Total	50170	0.5	64410	0.39	45000	0.48	58760	0.37
TOTAL	103,610	0.43	132,210	0.33	85,560	0.42	112,210	0.32

Watts, Griffis, and McQuat were contracted to review the previous reserves in August 1992. Their review incorporated the residual reserves within the mine workings, as calculated by Beacon Hill in 1989, into their overall estimate of a total (diluted) mineral resource of 1,600,000 tons at 0.46 oz. Au/SDT. Their calculations were based upon a minimum mining width of 5 feet or 15 % dilution and a cut-off grade of 0.25 oz/ton. The improvement in grade stems from the inclusion of new deeper holes that extend the known mineralzation to a depth of 1200 feet BSL and exclusion of lower grade material previously included in the Montgomery estimate.

Giroux was further contracted to provide reserve updates throughout 1992 and in February 1995 he recalculated the resources for the newly drilled portions of the "C" Zone. Recent drilling has also confirmed the existence of a new "North" Zone which, although it appears to be low grade (0. 18 oz/t) has exhibited possible significant widths in the order of 22 feet. Giroux has included calculations for this zone, which for purposes of this review have been excluded due to grade. The results of his recalculation show that the "C" Vein discovered just prior to mine closure represents a significant new addition to the resource base. He has calculated a total of 85,700 tons grading 0.426 oz/ton (probable) and 595,000 tons grading 0.425 oz/ton (possible) for this zone below the 450 Level (elev. 313 ft BSL) and 1000 feet BSL. Most of this resource lies above 800 feet BSL and within 200 feet of the existing shaft bottom. The total resources calculated by Giroux to date are summarised on Table 4.2. His calculations were in situ based on a 0.25 oz/ton cut-off and did not include dilution provisions as shown below.

In order to summarise the variety of RESOURCE CALCULATIONS identified above; the Beacon Hill calculation of residual reserves within and around the workings were totalled. To this total, the geostatistical resource calculations of Giroux were added after applying a general dilution factor of 25 % at zero grade to Giroux's figures for the " Y " Zone and 15% at zero grade for the "AB" and "C" Zones. The in-situ resource base is presently estimated as 582,910 SDT @ 0.359 oz. Au/SDT (Probable), and 2,614,210 SDT @ 0.363 oz. Au/SDT (Possible) including appropriate dilution factors. The dilution factors were estimated based on vein characteristics. The "Y" Veins are described as being high grade but narrow which makes them prone to high dilution from overbreak during mining as well as overmining. The "AB" veins in-situ grade, as calculated by Giroux, already contains internal dilution from a parallel dike. To this total, an overall additional dilution of 15 % is considered appropriate. The "C" vein should not experience much dilution since it is generally thought to be fairly thick however it has been diluted 15% to allow for its relatively flat slope in places.

Table 4.3

Polaris Takus Geostatistical Resources								
	PROBABLE RESOURCES				**POSSIBLE RESOURCES**			
	In-Situ		**Diluted**		**In-Situ**		**Diluted**	
	Tons	**Grade**	**Tons**	**Grade**	**Tons**	**Grade**	**Tons**	**Grade**
Zone	**(SDI)**	**(oz/SDT)**	**(SDI)**	**(oz/SDI)**	**(SDI)**	**(oz/SDT)**	**(SDI)**	**(oz/SDI)**
GIROUX (1995)								
Y Zone	210,000	0.461	262,500	0.369	987,000	0.469	1,234,000	0.375
AB Zone	78,000	0.403	89,700	0.35	508,000	0.387	584,000	0.337
C Zone	85,700	0.426	98,500	0.37	595,000	0.425	684,000	0.37
Sub-total	373,000	0.441	450,700	0.365	2,090,000	0.437	2,502,000	0.365
BEACON HILL (1988)								
Upper Levels	53,440	0.37	67,800	0.29	41,560	0.35	53,450	0.27
Lower Levels	50,170	0.5	64,410	0.39	45,000	0.48	58,760	0.37
Sub-total	103,610	0.43	132,210	0.33	85,560	0.42	112,210	0.32
TOTAL	**476,610**	**0.439**	**582,910**	**0.359**	**2,175,560**	**0.436**	**2,614,210**	**0.363**

5.0 2004 Drill Program

5.1 Targeting

This program represents phase 1 of the and infill drilling program to gain a 100 feet by 100 feet pierce point spacing on more cohesive portions of the current resource. The western portion of the C vein was targeted by this program between the elevations of -450 and -1100 feet

Table 5.1 Drill Hole Collar Data

Hole	Easting	Northing	Elevation	Inclination	Length
04-2000SW1	6045.3	2961.9	56.0	-66	735
04-2000SW2	6041.9	2958.0	56.5	-75	810
04-2000SW3	6045.6	2961.7	55.6	-83	815
04-2100SW1	5858.6	3026.7	54.6	-82	699
04-2100SW2	5871.5	2966.1	54.0	-83	779
04-2200SW1	5831.3	2902.0	54.1	-75	779
04-2200SW2	5831.3	2902.0	54.1	-83	800

5.2 Equipment

Drilling was performed by Hy-Tech Drilling Ltd. of Smithers, BC, utilising a F-Tech 5000 drill rig and NQ2 (51 mm core diameter) sized rods. A D6 Ct bulldozer and John Deere Backhoe facilitated drill mobilisation and site preparation.

5.3 Sample Preparation

Drill core was logged and sampled in Canarc's on site core shack facility. All core was described, measured and intersections indicating potential for gold mineralisation were sampled and split using a rock saw. Half of the core was retained for reference and is stored in the core-racks on site.

Indiviual samples were placed in typical thick plastic sample bags, further grouped into large rice bags and sealed for transport to Atlin via fixed wing aircraft. Atlin Trucking delivered the shipment to Air North cargo in Whitehorse, Yukon. A courier service would take the shipment from Vancouver International Airport to ALSChemex Laboratories in North Vancouver B.C.
At ALSChemex the analysis procedure is as follows:
Log sample in tracking system, dry, fine crush entire sample to better than 70% -2 mm, split off up to 250 g and pulverize split to better than 85% passing 75 micron.
A 30 g nominal sample weight would be sent to fire assay, with samples having Au content greater than 1000 ppb (using Atomic Absorption finish) being treated to gravimetric finish.
Arsenic and Antimony were also measured utilising 27 elements by HF-HNO3-HClO4 acid digestion, HCl leach and ICP-AES. Arsenic overlimits (0.01-30%) by aqua regia digestion and AAS.

5.4 Hole Summaries

04-2100SW1

Collared to intersect the C Vein 50 feet down-dip of the 600 Level (el. -460 feet) this hole drilled 211.4 of overburden and proceeded through interlayered volcaniclastic rocks to the start of veining, alteration and mineralisation at 538.75 feet, and continued through to 574.5 feet. The lower portion of this section between 565.5 and 572.5 feet in the immediate footwall of the Sloco andesite dyke contains the strongest and most consistent gold mineralisation, averaging 1.0 ounces per ton.

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04-2100SW2

Collared to intersect the C vein 100 feet down-dip of hole 2100SW1 this hole reached bedrock at a depth of 218.6 feet. Interlayered volaniclastic rocks host a zone of veining and mineralisation in the hanging wall of the target zone that contains 0.40 ounces per ton between 560.8 and 563.0 feet. Further volcaniclastic rocks separate this from the C vein upper boundary at a depth of 637.2 feet. Similar to hole 2100SW1, the lowermost portion of the structure contains the highest gold concentration with a grade of 0.93 ounces per ton over 26.4 feet.

04-2200SW1

Collared to intersect the C Vein 50 feet down-dip of the 600 Level and 100 feet along strike to the southwest of section 2100SW. Reaching bedrock after 200 feet, ash tuffs and ash-lapilli tuffs along with variably foliated andesites with a thin zone of mineralisation at 534.0 feet comprise the hanging wall of the C vein. Commencing at 587.6 feet, a 47.0 feet intersection to a depth of 634.6 feet carries a grade of 0.34 ounces per ton. Within this interval a less mineralised portion from 610 to 619.8 feet carries only 0.046 ounces per ton Au. Similar to the holes on section 2100SW, the the Sloko andesite dyke is located in the lower portion of the zone, from 622.5 to 625.0 feet.

04-2200SW2

224 feet of overburden was drilled in this hole targeted to pierce the C Vein 100 feet down-dip of of hole 2200SW1. Interlayered andesite tuffs to a depth of 415.3 feet are terminated by a 5 foot wide shear zone followed by seventy feet of andesitic tuffs and cherty argillites/tuffaceous sediment. More massive andesitic flows commence at 490 feet and continue to a depth of 679.0 feet. This interval hosts the C vein mineralisation. Alteration and qz-ankerite veining commence at a depth of 542.5 feet, however strong mineralisation is absent until between 627.3 and 641.0 where two high grade intersections bracket a five feet thick low grade interval and combine to average 0.75 ounces per ton over the 13.7 feet thick zone. The Sloko andesite dyke was not observed in this portion of the C vein, however the lowermost contact is close to the C veins projected intersection with the #1 fault. Strongly foliated and or brittle faulted rocks that continue throught to the bottom of the hole at 800 feet indicate that the lowermost portion of the C Vein may be faulted off in this area.

04-2000SW1
Unexpected flattening in this hole made for it's intended pierce point with the C Vein to lie significantly higher than anticipated at the 600 level (el. -463'), rather than 50 feet down-dip at and elevation of -500' a.s.l.. The shallower dip of the this hole contributed to a greater length of overburden being drilled. Bedrock comprised of ash-lapilli tuffs was reached at a down-hole depth of 299 feet, and this lithology continued throughout the length of the hole over it's entire length of 735 feet. Alteration and veining associated with the C vein comprise a narrow zone between 585.0 and 601.0 feet, including a 3.7 feet thick Sloko andesited dyke starting at 589.3 feet. While the entire zone is anomalous in gold content, only a 3.2 feet thick interval below the dyke at 593.0 shows a significant gold content of 0.327 ounces per ton.

04-2000SW2
260 feet of overburden at this location is followed by lapilli tuff and ash tuff to a depth of 309.5 feet where an 81 foot thick more massive basaltic rock is encountered. Ash tuff comprises the remainder of the whole and contains abundant hanging wall alteration and intermittent mineralisation in the hanging wall of the C Vein. Strong gold mineralisation is restricted to the margins of the shear commencing at a depth of 677.6 feet. and continuing until 685.5 feet. A 3 feet thick Sloko andesite dyke that exploited this shear bisects this interval, thuse diluting the grade to an average of 0.43 ounces per ton over 7.9 feet.

04-2000SE3
Collared over a 253 foot thickness of overburden, this hole produced the deepest pierce point of the program, and was also distinct in it's intersection of multiple veins.
Interlayered volcaniclastics dominate to a depth of 625 feet and much of it is alterd and veined between 403.5 and 479.0 feet. A single 4.2 feet thick interval grading 0.31 ounces per ton is the only significant gold mineralisation in this zone.
A 22 feet thick basaltic unit below the volcaniclastics marks the hanging wall contact of stronly altered and sporadically veined and mineralised ash and lapilli tuffs, resulting in a 23.7 feet thick interval from 644.3 to 668.0 averaging 0.21 ounces per ton Au.
Sixty-six feet of weakly mineralised andesite separate this upper altered and mineralised zone from the principle C vein intersection commencing at a hole-depth of 734.5 feet. Consistent strong veining and mineralisation is found within a 16 feet long interval from 741.0 to 757.0 feet that contains 0.58 ounces per ton gold

6.0 Summary and Interpretation

Drilling at this tighter 100 feet pierce point spacing indicated good continuity of the veining and gold mineralisation and offered few surprises regarding vein width and grade with respect to previous more widely spaced drilling. Phase 2 of this infill drilling program should continue both down-dip and along strike at a similar spacing.
The apparent flattening and thickening of the C Vein suggested by hole 2200SW1 is consistent with structural observations from past mining activity.
Future holes should be collared at inclinations steeper than 70 degrees as significant flattening at inclinations shallower than this contibute to inaccurate pierce point locations.

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8.0 Statement of Qualifications

I, James Gregory Moors, of 3375 Ontario St., Vancouver, British Columbia hereby certify that:

1. I am a geologist under the employ of Canarc Resource Corp., and have from November 1993 to April 1995, and from July 2002 till present been responsible for mineral exploration at the New Polaris Gold Mines site.
2. I am a graduate of University of Waterloo, with a B.Sc. Honours Earth Science degree (1989).
3. I am a Registered Professional Geoscientist with the Association of Professional Engineers and Geoscientists of British Columbia.
4. I have practised as a Geoscientist in British Columbia since 1991.
5. This report was prepared by me

James Gregory Moors

Dated this 23rd day April 2005.

VANCOUVER, BRITISH COLUMBIA

Appendix A

Drill Hole Geology Logs

Hole Name	From	to	Geology	Core Angles So	S1
5000SE1	0.0	299.0	overburden		
	299.0	556.0	ash-lapilli tuff	25	
	556.0	563.8	flt		20
	563.8	585.0	ash-lapilli tuff	25	
	585.0	589.3	veined-mineralised zone		
	589.3	593.0	dyke		
	593.0	601.0	veined-mineralised zone		50
	601.0	735.0	ash-lapilli tuff	25	
5000SE2	0.0	259.0	overburden		
	259.0	273.0	lapilli tuff		
	273.0	309.5	andesite tuff	30	
	309.5	490.5	Bas		
	490.5	591.2	Ash tuff	30	
	591.2	679.0	altered-mineralised zone		
	679.0	681.9	dyke		65
	681.9	695.9	altered-mineralised zone		
	695.9	810.0	andesite tuff		
5000SE3	0.0	253.0	overburden		
	253.0	277.0	lapilli tuff		
	277.0	403.0	ash-lapilli tuff		
	403.0	431.0	altered-mineralised zone		
	431.0	479.0	veined-mineralised zone		
	479.0	621.5	ash-lapilli tuff		
	621.5	644.3	basalt		
	644.3	668.0	veined-mineralised zone		40
	668.0	693.0	andesite	20	40
	693.0	715.0	altered-mineralised zone		
	715.0	731.0	ash tuff		
	731.0	767.2	veined-mineralised zone		
	767.2	775.0	dyke		
	775.0	779.0	veined-mineralised zone		
	779.0	815.0	ash tuff		
5100SE1	0	211.4	overburden		
	211.4	291.6	lapilli tuff	15	
	291.6	333.8	ash tuff		
	333.8	374.75	ash-lapilli tuff	20	
	374.75	434.25	lapilli tuff		
	434.25	535	ash tuff	12	
	535	538.75	flt	10	
	538.75	559.6	veined and mineralised		65
	559.6	565	dyke		
	565	581	veined and mineralised		
	581	606.6	ash-lapilli tuff		
	606.6	638.6	ash tuff		
	638.6	699	ash-lapilli tuff		

Hole Name	From	to	Geology	Core Angles So	Core Angles S1
5100SE2	0	218.6	overburden		
	218.6	270.9	ash tuff	10	
	270.9	368.5	ash-lapilli tuff	10	
	368.5	436.5	andesite		
	436.5	471	ash-lapilli tuff		
	471	475	andesite brecc		
	475	549	ash tuff	10	
	549	570.2	altered and mineralised		
	570.2	596.6	ash tuff		
	596.6	614.1	veining, alteration		45
	614.1	637.2	altered and mineralised		
	637.2	651	veined and mineralised		
	651	654.2	wk veining		
	654.2	663.6	veined and mineralised		
	663.6	680.4	ash tuff		
	680.4	779	ash-lapilli tuff		
5200SE1	0	200	overburden		
	200	466	ash-lapilli tuff		
	466	497.4	andesite schist		
	497.4	518.2	andesite		
	518.2	534	andesite tuff		
	534	583.5	altered-mineralised	10	75
	583.5	620.5	veined-mineralised		
	620.5	625	dyke		
	625	632.2	andesite		
	632.2	652	argillite		
	652	674	fault		
	674	779	andesite / flt		
5200SE2	0	224	overburden		
	224	415.3	Andesite tuff		
	415.3	420	Shear zone		
	420	444.8	Andesite tuff, tuff seds		
	444.8	452.2	cherty tuffs		
	452.2	490	fracture, faulted tuff, tuff sedd		
	490	517	andesite		
	517	529.5	Fault, argillic, graphite		
	529.5	534.5	Andesite		
	534.5	542.5	cherty argillite		
	542.5	607.3	Andesite, stcwk veining		
	607.3	650.4	veined-mineralised		
	650.4	662.3	altered-mineralised		
	662.3	679	Andesite, foliated		
	679	699	foliated argillic		
	699	717.8	strongly foliated lapilli tuff		
	718	800	argillic schist		

Appendix B

Assay Data

DDH ID	Sample #	From	To	interval	Au gpt	Au fa gpt	Au opt	As ppm	Sb ppm
04-2100SW1	20701	301.0	306.0	5.00	0.006		0.000		
04-2100SW1	20702	306.0	311.0	5.00	0.005		0.000		
04-2100SW1	20703	311.0	316.0	5.00	0		0.000		
04-2100SW1	20704	535.0	538.8	3.75	0.012		0.000		
04-2100SW1	20705	538.8	542.5	3.75	0.063		0.002		
04-2100SW1	20706	542.5	544.3	1.75	0.035		0.001		
04-2100SW1	20707	544.3	546.6	2.35	0.024		0.001		
04-2100SW1	20708	546.6	547.0	0.40	0.083		0.002		
04-2100SW1	20709	547.0	548.5	1.50	0.017		0.000		
04-2100SW1	20710	548.5	552.0	3.50	1.045	1.13	0.031	0.23	0.01
04-2100SW1	20711	552.0	553.8	1.75	>10.0	10	0.292	1.05	0.02
04-2100SW1	20712	553.8	559.5	5.75	0.917		0.027		
04-2100SW1	20713	559.5	565.0	5.50	0.362		0.011		
04-2100SW1	20714	565.0	565.5	0.50	1.265	1.16	0.037	0.06	0.05
04-2100SW1	20715	565.5	567.0	1.50	>10.0	30	0.876	2.73	0.83
04-2100SW1	20716	567.0	570.0	3.00	>10.0	35.4	1.034	3.14	1.28
04-2100SW1	20717	570.0	571.5	1.50	9.93	10.15	0.290	2.75	0.33
04-2100SW1	20718	571.5	572.5	1.00	>10.0	80.5	2.351	4.41	2.23
04-2100SW1	20719	572.5	574.5	2.00	2.13	2.05	0.062	1.03	0.02
04-2100SW1	20720	574.5	576.0	1.50	0.141		0.004		
04-2100SW1	20721	576.0	577.5	1.50	0.032		0.001		
04-2100SW1	20722	577.5	581.0	3.50	0.1		0.003		
04-2100SW2	20723	549.0	554.0	5.00	0.016		0.000		
04-2100SW2	20724	554.0	560.8	6.80	2.83	2.77	0.083	0.27	0.01
04-2100SW2	20725	560.8	563.0	2.20	>10.0	13.65	0.399	2.15	0.01
04-2100SW2	20726	563.0	568.0	5.00	0.027		0.001		
04-2100SW2	20727	568.0	570.3	2.25	0.014		0.000		
04-2100SW2	20728	570.3	575.0	4.75	0.012		0.000		
04-2100SW2	20729	575.0	580.0	5.00	0		0.000		
04-2100SW2	20730	580.0	585.0	5.00	0		0.000		
04-2100SW2	20731	585.0	590.0	5.00	0		0.000		
04-2100SW2	20732	590.0	595.0	5.00	0		0.000		
04-2100SW2	20733	595.0	596.6	1.60	0		0.000		
04-2100SW2	20734	596.6	601.8	5.16	0.007		0.000		
04-2100SW2	20735	601.8	603.0	1.24	0.023		0.001		
04-2100SW2	20736	603.0	605.5	2.50	0.048		0.001		
04-2100SW2	20737	605.5	610.5	5.00	0.226		0.007		
04-2100SW2	20738	610.5	614.1	3.60	0.008		0.000		
04-2100SW2	20739	614.1	615.7	1.60	0.382		0.011		
04-2100SW2	20740	615.7	620.0	4.30	0.288		0.008		
04-2100SW2	20741	620.0	625.3	5.25	0.092		0.003		
04-2100SW2	20742	625.3	626.0	0.75	0.032		0.001		
04-2100SW2	20743	626.0	629.8	3.80	0.185		0.005		
04-2100SW2	20744	629.8	631.8	2.00	2.33	2.22	0.068	1.83	0.26
04-2100SW2	20746	631.8	633.5	1.70	0.645		0.019		
04-2100SW2	20747	633.5	637.2	3.70	0.228		0.007		
04-2100SW2	20748	637.2	641.6	4.40	>10.0	16.2	0.473	1.89	0.08
04-2100SW2	20749	641.6	646.6	5.00	>10.0	44.3	1.294	2.39	1.48
04-2100SW2	20750	646.6	651.0	4.40	>10.0	39.7	1.159	2.26	0.38
04-2100SW2	20751	651.0	654.2	3.20	0.54		0.016		
04-2100SW2	20752	654.2	658.2	4.00	>10.0	45.6	1.332	1.49	0.15
04-2100SW2	20753	658.2	663.6	5.40	>10.0	35.3	1.031	2.45	0.01
04-2100SW2	20754	663.6	667.0	3.40	0.158		0.005		

DDH ID	Sample #	From	To	interval	Au gpt	Au fa gpt	Au opt	As ppm	Sb ppm
04-2100SW2	20755	667.0	668.5	1.50	1.6	1.53	0.047	0.71	<0.01
04-2100SW2	20756	668.5	674.5	6.00	0.019		0.001		
04-2100SW2	20757	674.5	677.0	2.50	0.029		0.001		
04-2100SW2	20758	677.0	680.4	3.40	0.009		0.000		
04-2200SW1	20787	462.8	467.4	4.60	0		0.000		
04-2200SW1	20789	467.4	473.0	5.60	0		0.000		
04-2200SW1	20790	473.0	478.0	5.00	0.008		0.000		
04-2200SW1	20791	478.0	482.0	4.00	0		0.000		
04-2200SW1	20792	482.0	486.8	4.80	0.111		0.003		
04-2200SW1	20793	486.8	491.5	4.70	0		0.000		
04-2200SW1	20794	491.5	496.0	4.50	0		0.000		
04-2200SW1	20795	496.0	500.0	4.00	0		0.000		
04-2200SW1	20797	518.2	523.2	5.00	0.011		0.000		
04-2200SW1	20798	523.2	528.2	5.00	0		0.000		
04-2200SW1	20799	528.2	532.2	4.00	0		0.000		
04-2200SW1	20800	532.2	534.0	1.80	0.035		0.001		
04-2200SW1	20801	534.0	537.0	3.00	5.16	5.44	0.151	0.07	<0.01
04-2200SW1	20802	537.0	539.9	2.90	0.104		0.003		
04-2200SW1	20803	539.9	543.5	3.60	0		0.000		
04-2200SW1	20804	543.5	549.0	5.50	0		0.000		
04-2200SW1	20805	549.0	553.0	4.00	0		0.000		
04-2200SW1	20806	553.0	558.0	5.00	0		0.000		
04-2200SW1	20807	558.0	560.6	2.60	0		0.000		
04-2200SW1	20808	560.6	563.0	2.40	0.048		0.001		
04-2200SW1	20809	563.0	567.6	4.60	0		0.000		
04-2200SW1	20810	567.6	574.0	6.40	0.009		0.000		
04-2200SW1	20811	574.0	576.6	2.60	0		0.000		
04-2200SW1	20812	576.6	581.5	4.90	0		0.000		
04-2200SW1	20813	581.5	583.6	2.10	0.036		0.001		
04-2200SW1	20814	583.6	587.6	4.00	0.021		0.001		
04-2200SW1	20815	587.6	590.7	3.10	>10.0	31.3	0.914	2.36	7.99
04-2200SW1	20816	590.7	595.7	5.00	4.79	4.94	0.140	1.17	0.02
04-2200SW1	20817	595.7	598.4	2.70	9.27	9.12	0.271	2.84	0.13
04-2200SW1	20818	598.4	603.5	5.10	>10.0	28.5	0.832	2.49	0.46
04-2200SW1	20819	603.5	605.2	1.70	>10.0	13.95	0.407	2.26	0.02
04-2200SW1	20820	605.2	610.0	4.80	5.09	4.98	0.149	0.94	0.02
04-2200SW1	20821	610.0	614.8	4.75	1.49	1.43	0.044	0.11	0.01
04-2200SW1	20822	614.8	619.8	5.00	1.65	1.63	0.048	0.09	0.01
04-2200SW1	20823	619.8	622.5	2.75	>10.0	14.2	0.415	0.33	0.01
04-2200SW1	20824	622.5	625.0	2.50	0.305		0.009		
04-2200SW1	20825	625.0	628.9	3.90	>10.0	12.75	0.372	1.12	0.11
04-2200SW1	20826	628.9	632.2	3.30	>10.0	18.35	0.536	2.61	0.02
04-2200SW1	20827	632.2	634.6	2.40	>10.0	17.6	0.514	3.71	0.02
04-2200SW1	20828	634.6	639.6	5.00	0.767		0.022		
04-2200SW1	20829	639.6	643.0	3.40	0.09		0.003		
04-2200SW1	20830	643.0	648.0	5.00	0.017		0.000		
04-2200SW1	20831	648.0	652.0	4.00	0.016		0.000		
04-2200SW1	20832	652.0	654.2	2.20	0.007		0.000		
04-2200SW1	20833	654.2	659.0	4.80	0.029		0.001		
04-2200SW1	20834	659.0	660.0	1.00	0.039		0.001		
04-2200SW1	20835	660.0	664.0	4.00	0.007		0.000		
04-2200SW1	20836	664.0	665.5	1.50	0.006		0.000		
04-2200SW1	20837	665.5	670.0	4.50	0.084		0.002		

DDH ID	Sample #	From	To	interval	Au gpt	Au fa gpt	Au opt	As ppm	Sb ppm
04-2200SW1	20838	670.0	673.9	3.90	0		0.000		
04-2200SW1	20839	739.0	745.0	6.00	0.03		0.001		
04-2200SW1	20840	745.0	750.0	5.00	0.007		0.000		
04-2200SW1	20841	750.0	755.0	5.00	0		0.000		
04-2200SW1	20842	755.0	759.0	4.00	0		0.000		
04-2200SW1	20843	759.0	764.0	5.00	0.005		0.000		
04-2200SW1	20844	764.0	768.3	4.30	0		0.000		
04-2200SW1	20845	768.3	773.3	5.00	0		0.000		
04-2200SW1	20846	773.3	779.0	5.70	0		0.000		
04-2200SW2	20759	452.0	457.0	5.00	0		0.000		
04-2200SW2	20760	457.0	461.1	4.10	0.014		0.000		
04-2200SW2	20761	461.1	466.0	4.90	0.023		0.001		
04-2200SW2	20762	466.0	472.0	6.00	0.025		0.001		
04-2200SW2	20763	472.0	477.0	5.00	0.017		0.000		
04-2200SW2	20764	477.0	481.2	4.20	0.006		0.000		
04-2200SW2	20765	481.2	485.0	3.80	0.01		0.000		
04-2200SW2	20766	485.0	490.0	5.00	0.052		0.002		
04-2200SW2	20767	517.0	521.8	4.80	0.107		0.003		
04-2200SW2	20768	521.8	526.5	4.70	0.263		0.008		
04-2200SW2	20769	526.5	529.5	3.00	0.071		0.002		
04-2200SW2	20770	529.5	534.0	4.50	0.028		0.001		
04-2200SW2	20772	607.3	612.7	5.40	0.246		0.007		
04-2200SW2	20773	612.7	617.3	4.60	0.065		0.002		
04-2200SW2	20774	617.3	622.3	5.00	0		0.000		
04-2200SW2	20775	622.3	627.3	5.00	1.365	1.19	0.040	0.13	0.02
04-2200SW2	20776	627.3	631.3	4.00	>10.0	62.2	1.816	0.35	0.02
04-2200SW2	20777	631.3	636.2	4.90	0.115		0.003		
04-2200SW2	20778	636.2	641.0	4.80	>10.0	21.3	0.622	0.03	0.01
04-2200SW2	20779	641.0	647.1	6.10	0.033		0.001		
04-2200SW2	20780	647.1	650.4	3.30	0.045		0.001		
04-2200SW2	20781	650.4	654.6	4.20	2.47	2.42	0.072	0.08	0.01
04-2200SW2	20782	654.6	659.5	4.90	>10.0	9.49	0.277	1.03	0.05
04-2200SW2	20783	659.5	662.3	2.80	1.71	1.95	0.050	0.88	0.12
04-2200SW2	20784	662.3	667.3	5.00	0.111		0.003		
04-2200SW2	20785	667.3	667.7	0.40	0.163		0.005		
04-2000SW1	109177	586.1	589.3	3.2	0.896		0.026		
04-2000SW1	109178	589.3	593.0	3.7	1.47	1.23	0.036	0.05	0.06
04-2000SW1	109179	593.0	596.2	3.2	>10.0	11.2	0.327	1.18	0.05
04-2000SW1	109180	596.2	601.0	4.8	0.032		0.001		
04-2000SW2	109074	263.6	264.5	0.9	0.245		0.007		
04-2000SW2	109075	264.5	270.0	5.5	0.043		0.001		
04-2000SW2	109076	270.0	273.0	3	0.681		0.020		
04-2000SW2	109077	353.4	356.7	3.3	0.457		0.013		
04-2000SW2	109078	356.7	361.8	5.1	0.013		0.000		
04-2000SW2	109079	361.8	365.5	3.7	4.1	3.98	0.116	2.1	0.01
04-2000SW2	109080	365.5	368.3	2.8	4.87	4.57	0.133	2.61	<0.01
04-2000SW2	109081	368.3	372.0	3.7	0.014		0.000		
04-2000SW2	109082	372.0	374.0	2	0.042		0.001		
04-2000SW2	109083	591.2	594.5	3.3	0.033		0.001		
04-2000SW2	109084	594.5	596.0	1.5	5.56	5.49	0.160	1.09	0.07
04-2000SW2	109085	596.0	599.0	3.0	0.192		0.006		

DDH ID	Sample #	From	To	interval	Au gpt	Au fa gpt	Au opt	As ppm	Sb ppm
04-2000SW2	109086	599.0	602.0	3.0	0.027		0.001		
04-2000SW2	109087	602.0	607.0	5.0	0.005		0.000		
04-2000SW2	109088	607.0	611.8	4.8	0		0.000		
04-2000SW2	109089	611.8	615.8	4.0	0		0.000		
04-2000SW2	109090	615.8	619.7	3.9	0		0.000		
04-2000SW2	109091	619.7	624.7	5.0	0.006		0.000		
04-2000SW2	109092	624.7	626.3	1.6	0.014		0.000		
04-2000SW2	109093	626.3	627.2	0.9	0.018		0.001		
04-2000SW2	109094	627.2	632.9	5.7	0.042		0.001		
04-2000SW2	109095	632.9	633.5	0.6	0.031		0.001		
04-2000SW2	109096	633.5	638.5	5.0	0.049		0.001		
04-2000SW2	109097	638.5	640.3	1.8	0.108		0.003		
04-2000SW2	109098	640.3	645.5	5.2	0.152		0.004		
04-2000SW2	109099	645.5	648.5	3.0	0.033		0.001		
04-2000SW2	109100	648.5	655.5	7.0	0.022		0.001		
04-2000SW2	109101	655.5	659.5	4.0	0.307		0.009		
04-2000SW2	109102	659.5	664.5	5.0	0.016		0.000		
04-2000SW2	109103	664.5	669.0	4.5	0.009		0.000		
04-2000SW2	109104	669.0	674.0	5.0	0.017		0.000		
04-2000SW2	109105	674.0	677.6	3.6	0.092		0.003		
04-2000SW2	109106	677.6	679.0	1.4	>10.0	10.1	0.295	1.3	0.02
04-2000SW2	109107	679.0	681.9	2.9	0.034		0.001		
04-2000SW2	109108	681.9	685.5	3.6	>10.0	28.6	0.835	2.01	0.03
04-2000SW2	109109	685.5	690.9	5.4	0.532		0.016		
04-2000SW2	109110	690.9	695.9	5.0	0.04		0.001		
04-2000SW3	109113	254.7	259.0	4.3	0		0.000		
04-2000SW3	109114	259.0	264.0	5	0.008		0.000		
04-2000SW3	109115	264.0	265.5	1.5	0.023		0.001		
04-2000SW3	109116	265.5	267.5	2	0.038		0.001		
04-2000SW3	109117	267.5	272.5	5	0.013		0.000		
04-2000SW3	109118	272.5	277.0	4.5	0.008		0.000		
04-2000SW3	109119	403.5	407.5	4	0.144		0.004		
04-2000SW3	109120	407.5	412.2	4.7	0.02		0.001		
04-2000SW3	109121	412.2	414.2	2	2.1	2.13	0.062	1.19	0.01
04-2000SW3	109122	431.5	436.5	5	1.435	1.38	0.040	0.83	<0.01
04-2000SW3	109123	436.5	439.7	3.2	0.009		0.000		
04-2000SW3	109124	439.7	445.6	5.9	0		0.000		
04-2000SW3	109125	445.6	447.4	1.8	0.183		0.005		
04-2000SW3	109126	447.4	451.6	4.2	>10.0	10.65	0.311	1.99	<0.01
04-2000SW3	109127	451.6	455.6	4	0.405		0.012		
04-2000SW3	109128	455.6	460.1	4.5	0.034		0.001		
04-2000SW3	109129	460.1	461.3	1.2	0.015		0.000		
04-2000SW3	109130	461.3	466.4	5.1	0		0.000		
04-2000SW3	109131	466.4	471.8	5.4	0.007		0.000		
04-2000SW3	109132	471.8	473.4	1.6	0.03		0.001		
04-2000SW3	109133	473.4	476.0	2.6	0.028		0.001		
04-2000SW3	109134	476.0	477.0	1	0.326		0.010		
04-2000SW3	109135	477.0	479.0	2	0		0.000		
04-2000SW3	109136	638.8	644.3	5.5	0.097		0.003		
04-2000SW3	109137	644.3	645.9	1.6	>10.0	13.25	0.387	1.3	0.03
04-2000SW3	109138	645.9	647.9	2	1.86	1.76	0.051	0.58	0.02
04-2000SW3	109139	647.9	653.0	5.1	>10.0	10.3	0.301	2.67	0.02
04-2000SW3	109140	653.0	655.5	2.5	0.09		0.003		

DDH ID	Sample #	From	To	interval	Au gpt	Au fa gpt	Au opt	As ppm	Sb ppm
04-2000SW3	109141	655.5	659.8	4.3	2.17	2.11	0.062	1.13	0.01
04-2000SW3	109142	659.8	661.5	1.7	3.06	2.88	0.084	1.2	0.01
04-2000SW3	109143	661.5	664.6	3.1	7.55	7.3	0.213	2.42	0.02
04-2000SW3	109144	664.6	668.0	3.4	>10.0	16.95	0.495	3.41	0.02
04-2000SW3	109145	668.0	671.2	3.2	0.072		0.002		
04-2000SW3	109146	671.2	674.0	2.8	0.557		0.016		
04-2000SW3	109147	674.0	678.3	4.3	0.005		0.000		
04-2000SW3	109148	678.3	683.0	4.7	0		0.000		
04-2000SW3	109149	683.0	687.5	4.5	0		0.000		
04-2000SW3	109150	687.5	693.0	5.5	0		0.000		
04-2000SW3	109151	693.0	697.3	4.3	0.012		0.000		
04-2000SW3	109152	697.3	700.0	2.7	0		0.000		
04-2000SW3	109153	700.0	704.5	4.5	0		0.000		
04-2000SW3	109154	704.5	706.4	1.9	0.007		0.000		
04-2000SW3	109155	706.4	711.0	4.6	0.005		0.000		
04-2000SW3	109156	711.0	715.0	4	0.025		0.001		
04-2000SW3	109157	715.0	720.2	5.2	0.024		0.001		
04-2000SW3	109158	720.2	725.7	5.5	0		0.000		
04-2000SW3	109159	725.7	731.0	5.3	0.026		0.001		
04-2000SW3	109160	731.0	733.0	2	0.322		0.009		
04-2000SW3	109161	733.0	734.5	1.5	0.341		0.010		
04-2000SW3	109162	734.5	736.8	2.3	5.09	4.84	0.141	1.85	0.02
04-2000SW3	109163	736.8	741.0	4.2	0.015		0.000		
04-2000SW3	109164	741.0	745.6	4.6	>10.0	22.4	0.654	3.27	0.13
04-2000SW3	109165	745.6	747.9	2.3	2.16	2	0.058	0.84	0.03
04-2000SW3	109166	747.9	750.8	2.9	>10.0	22.2	0.648	1.95	1.36
04-2000SW3	109167	750.8	754.6	3.8	>10.0	34.1	0.996	2.98	0.02
04-2000SW3	109168	754.6	757.0	2.4	6.47	5.81	0.170	1.17	0.01
04-2000SW3	109169	757.0	762.0	5	0.097		0.003		
04-2000SW3	109170	762.0	767.2	5.2	0.009		0.000		
04-2000SW3	109171	767.2	771.0	3.8	0.007		0.000		
04-2000SW3	109172	771.0	775.0	4	0.015		0.000		
04-2000SW3	109173	775.0	776.6	1.6	0.127		0.004		
04-2000SW3	109174	776.6	779.0	2.4	0.011		0.000		
04-2000SW3	109175	779.0	784.0	5	0		0.000		

hole	feet	$/foot	drilling cost	Samples	assay cost
04-2100SW1	735	25	18375	22	594
04-2100SW2	810	25	20250	26	702
04-2200SW1	815	25	20375	58	1566
04-2200SW2	699	25	17475	30	810
04-2000SW1	779	25	19475	4	108
04-2000SW2	779	25	19475	37	999
04-2000SW3	800	25	20000	63	1701
	5417		$135,425	240	$6,480

				total
boxes (on site)	301	$ 20		$ 6,019
	bags	cost	freight	
mud (bentonite)	150	$ 10	$21	$ 4,650

	days	staff		man days	total
Clive Aspinall, P.Geo.	29.3	1		29.3	$11,735
James Moors, P.Geo.	45.0				$12,960
J. Reed, electircian	2	1		2.0	$650
J. Parent- Camp Manager.	24.3	1		24.3	$6,084
J. Hallman-surveyor	5	1		5.0	$1,500
A. Giesbrecht-Cook/first aid	24.3	1		24.3	$0
Core Splitter, Catskinner	22.3	1		22.3	$4,914
Plumber	4.0	1		4.0	$800
Core Splitter, Labourer	14.0	1		14.0	$2,100
drillers	26	5		131.7	
		13	**totals**	257	

average days for fuel	22.3	
mob drill (man hours)		$7,500
mob drill	hy tech flat rate	$8,800
mob drill	skyvan	$17,000

	man days	$/day w cook and freight	
food	257	60	$15,422
first aid	257	3	$771

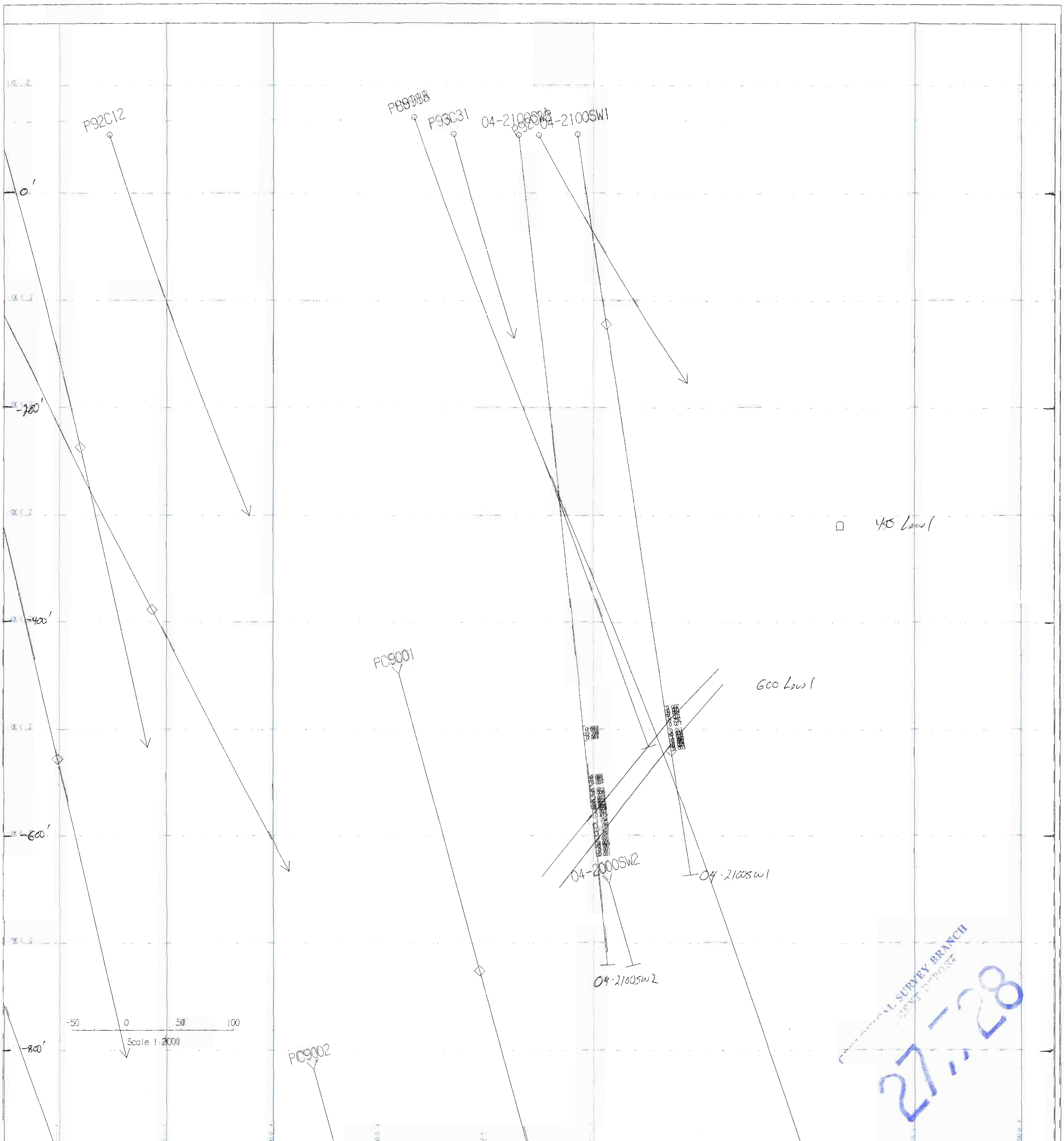
fuel	consumption/day					
	drilling	camp/cat	cost / drum	Freight	total drums	
	2	1	120	125	67	$16,418
	drum purchase		50		20	$1,000

flights, general	5.0	600	$3,000
equipment, maintenance			$2,000
airfare			$2,100
expediting			$4,467
Sample shipping			$500
phone			$3,000
		sub total	$275,295
		2 % administration	$5,506
			$280,801

Appendix C

Itemised Costs

hole	feet	$/foot	drilling cost	Samples	assay cost	
04-2100SW1	735	25	18375	22	594	
04-2100SW2	810	25	20250	26	702	
04-2200SW1	815	25	20375	58	1566	
04-2200SW2	699	25	17475	30	810	
04-2000SW1	779	25	19475	4	108	
04-2000SW2	779	25	19475	37	999	
04-2000SW3	800	25	20000	63	1701	
total	5417		$135,425	240	$6,480	
boxes (on site)	301	$ 20				$ 6,019
	bags	cost	freight			
mud (bentonite)	150	$ 10	$21			$ 4,650
	days	staff		man days		total
Clive Aspinall, P.Geo.	29.3	1		29.3		
James Moors, P.Geo.	45.0					
J. Reed, electircian	2	1		2.0		
J. Parent- Camp Manager.	24.3	1		24.3		
J. Hallman-surveyor	5	1		5.0		
A. Giesbrecht-Cook/first aid	0.0	1		0.0		
Core Splitter, Catskinner	22.3	1		22.3		
Plumber	4.0	1		4.0		
Core Splitter, Labourer	14.0	1		14.0		
drillers	26	5		131.7		
		13	**totals**	233	$40,743	
average days for fuel	22.3					
mob drill (man hours)						$7,500
mob drill	flat rate					$8,800
mob drill	skyvan					$17,000
	man days	$/day w cook and freight				
food	233	60				$13,962
first aid	233	3				$698
fuel	consumption/day					
	drilling	camp/cat	cost / drum	Freight	total drums	
	2	1	120	125	67	$16,418
	drum purchase		50		20	$1,000
flights, general	5.0				600	$3,000
equipment, maintenance						$2,000
airfare						$2,100
expediting						$4,467
Sample shipping						$500
phone						$3,000
					sub total	$273,762
				2 % administration		$5,475
						$279,237



Vancouver Office
Suite 800
850 West Hastings Street
Vancouver, BC V6C 1E1

UNITS : METRES DATE: 05/05/03 TIME: 17:05:33

DRAWN BY : JGM

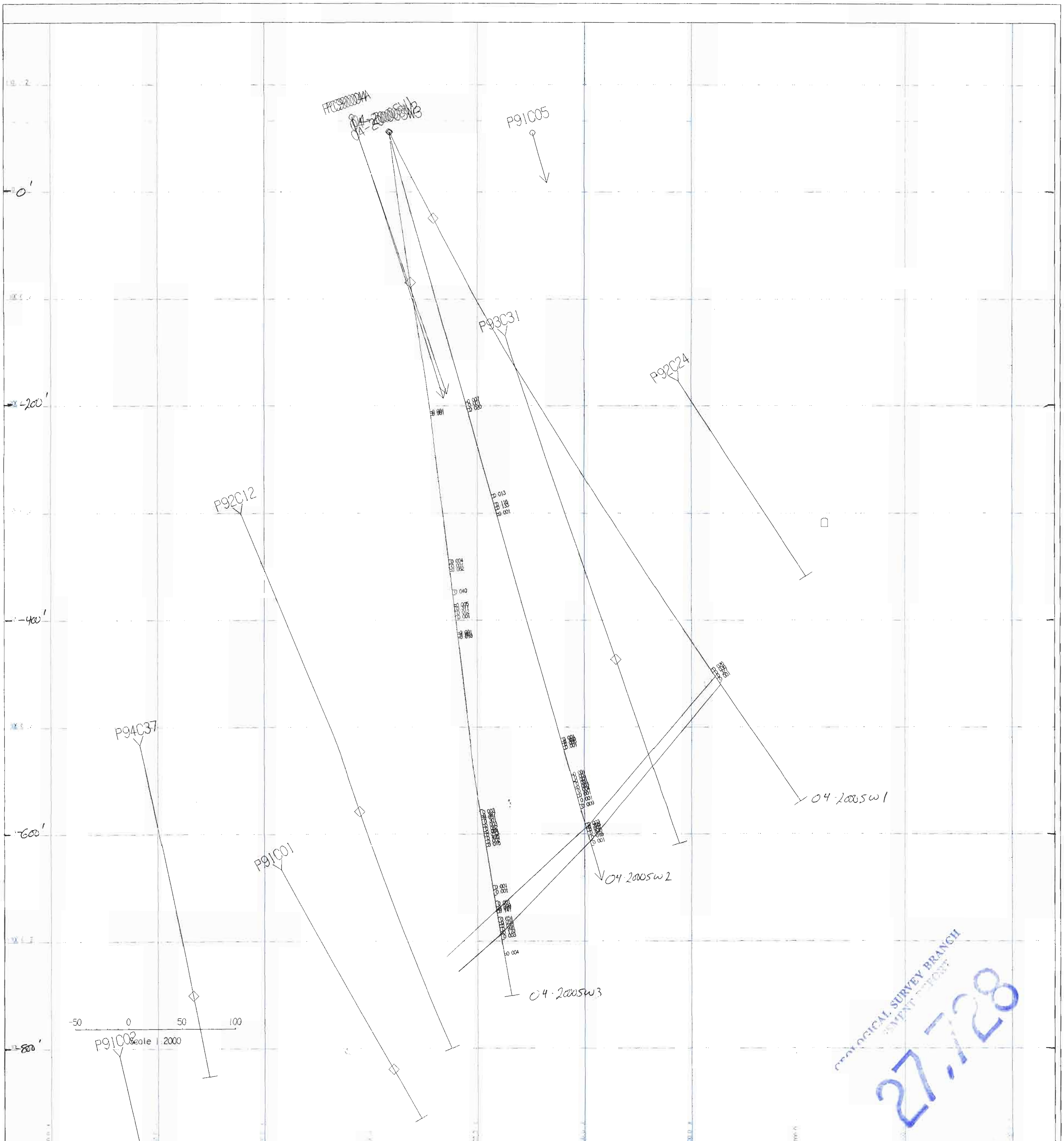
Canarc Resource Corp.

Section = 2100SW

New Polaris Project, Tulsequah, BC

Au (gpt)

Section thickness 100 feet

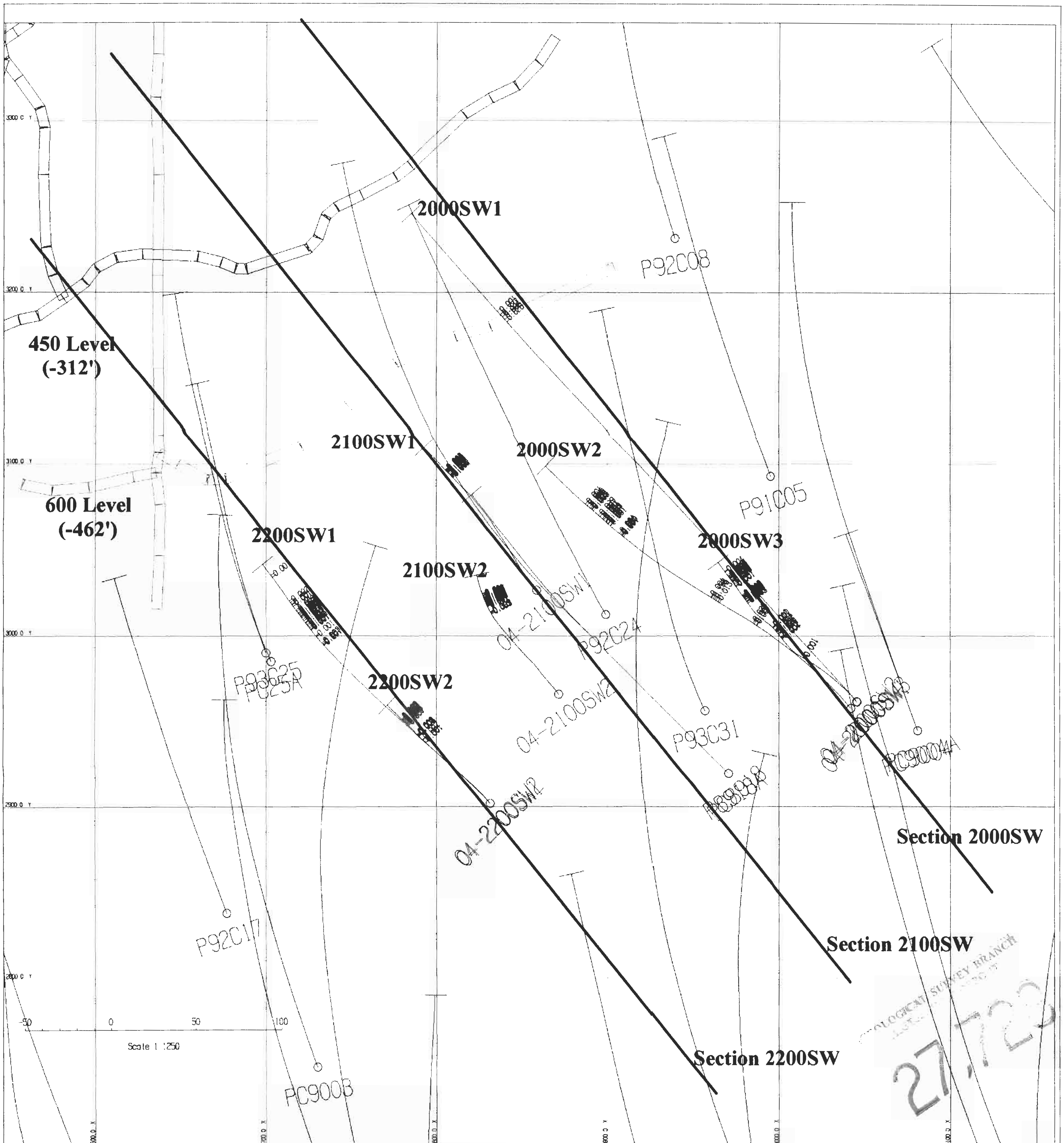


Vancouver Office
Suite 800
850 West Hastings Street
Vancouver, BC V6C 1E1
UNITS : METRES DATE: 05/05/03 TIME: 17:08:12
DRAWN BY : JGM

Canarc Resource Corp.

Section = 2000SW
New Polaris Project, Tulsequah, BC
Au (gpt)
Section thickness 100 feet

Software by Gemcom Software International



Vancouver Office
Suite 800
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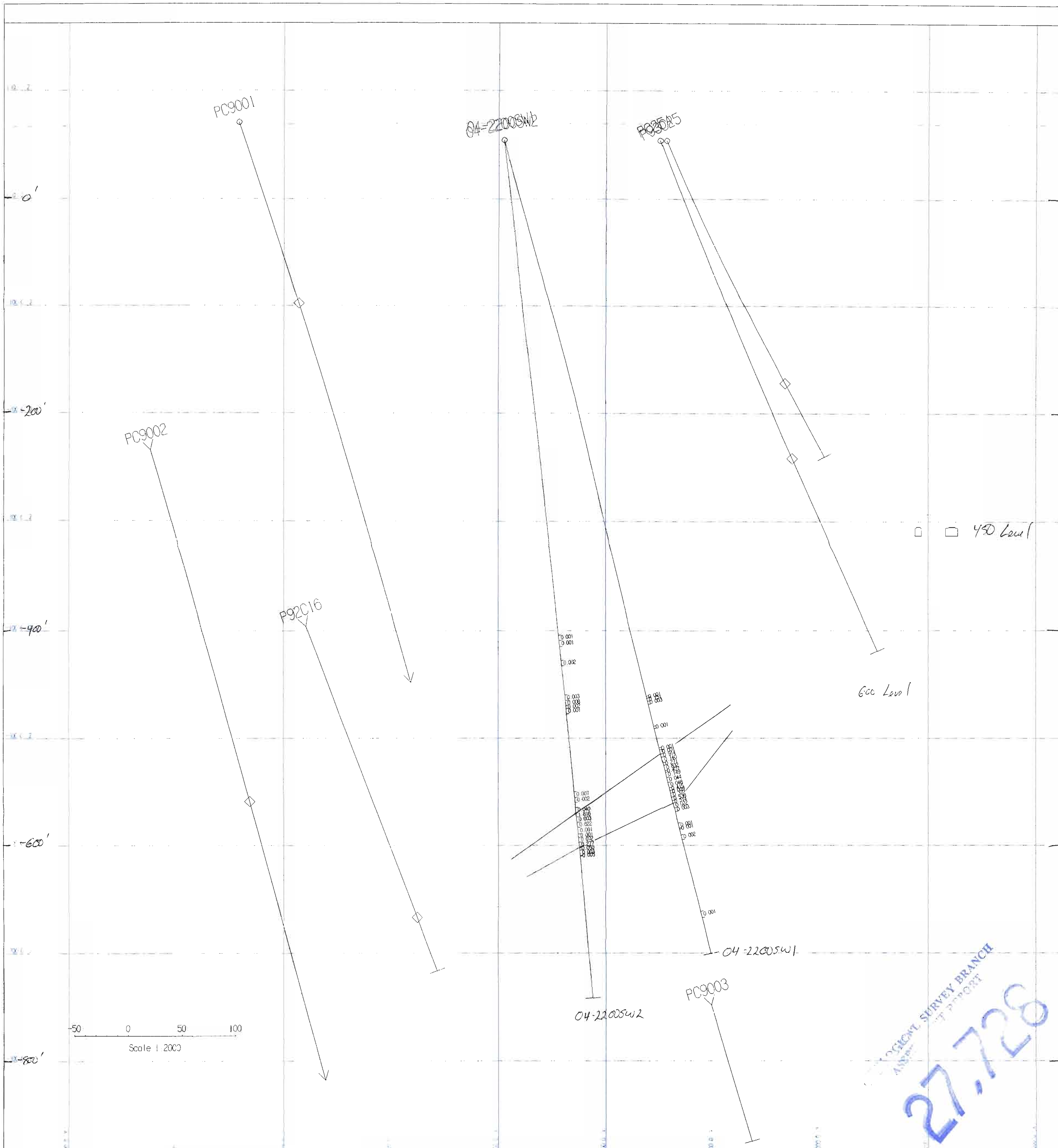
UNITS : METRES DATE: 05/05/05 TIME: 16:33:05

DRAWN BY : JGM

Canarc Resource Corp.

C Vein Drilling Plan View
New Polaris Project, Tulsequah, BC
Au (gpt)



Vancouver Office Suite 800 850 West Hastings Street Vancouver, BC V6C 1E1	Canarc Resource Corp.	
UNITS : METRES DATE: 05/05/03 TIME: 16:59:09 DRAWN BY : JGM	Section 2200SW New Polaris Project, Tulsequah, BC Au (gpt) Section thickness 100 feet	

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