



CANARC
RESOURCE CORP.

***Developing Mexico's Next
High Grade Gold – Silver Low Cost Mine***



September 2015

Cautionary Note

Certain statements contained herein regarding the Company and its operations constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995. All statements that are not historical facts, including without limitation statements regarding future estimates, plans, objectives, assumptions or expectations of future performance, are “forward-looking statements”. We caution you that such “forward looking statements” involve known and unknown risks and uncertainties that could cause actual results and future events to differ materially from those anticipated in such statements. Such risks and uncertainties include fluctuations in precious metal prices, unpredictable results of exploration activities, uncertainties inherent in the estimation of mineral reserves and resources, fluctuations in the costs of goods and services, problems associated with exploration and mining operations, changes in legal, social or political conditions in the jurisdictions where the Company operates, lack of appropriate funding and other risk factors, as discussed in the Company’s filings with Canadian and American Securities regulatory agencies. Resource and production goals and forecasts may be based on data insufficient to support them. James Moors, P.Geo. is the Qualified Person for the Company as required by NI 43-101. The Company expressly disclaims any obligation to update any forward-looking statements. We seek Safe Harbour.

Introduction to Canarc

Canarc Resource Corp. – A growth-oriented gold exploration and mining company listed on the TSX (CCM) and the OTC-BB (CRCUF)

Major New Acquisition – Oro Silver Resources Ltd. and its wholly owned, fully Permitted El Compas gold-silver mine project in Zacatecas, Mexico

Core Asset – The high grade, 1.1 million oz New Polaris gold mine project in northwestern British Columbia, Canada

Recent Joint Venture-Under Negotiations– PanTerra Gold can earn up to 51% interest in New Polaris by spending \$10 million to complete a feasibility study by July 2017

Emerging Discovery – Exploration drilling in 2014 at the Windfall Hills gold-silver property in central BC intersected 1.54 gpt gold equivalent over 28 meters



Experienced Management

Bradford Cooke, M.Sc., P.Geo. – Chairman and Founder - Professional geologist with 39 years experience in the mining industry, specializing in corporate strategies and the financing, acquisition, discovery and development of precious metal mines. Founder & CEO of **Endeavour Silver**.

Catalin Chiloflisch, B.Com. – CEO - Trained economist with over 20 years of experience in business development, mergers and acquisitions, corporate finance and investor relations, helped raise over \$200 million in joint venture, equity and debt financings for mineral resource projects since 2010.

Garry Biles, P.Eng. – President, and COO - Professional engineer with more than 43 years experience, including 16 years as General Manager of 4 producing gold mines.

Joey Wilkins, P.Geo. – Consulting Geologist - Professional geologist with 30 years experience in the mining sector, specializing in exploration and evaluation of precious metal deposits.

Philip Yee, C.A. – Vice President Finance, and CFO - Professional accountant with over 24 years of experience in corporate management, regulatory reporting, accounting, auditing and taxation.

Canarc - Investor Information

Exchange Listings:	TSX	OTC-BB	FSE
Stock Symbol:	CCM	CRCUF	CAN
Shares Outstanding:	157 million		
Fully Diluted:	180 million		
Trading Range:	\$0.03 to \$0.11		
Current Market Cap:	\$9 million		

1 Year Share Price Performance



New Polaris - An Advanced Gold Mine Project

**Over \$30 million invested since 1990,
infrastructure includes 30 man winterized
camp, surface and underground equipment**



1500 ft (450 m) airstrip



**Extensive Database: 1,056
drill holes, 31,514 samples**



Ready For Advancing Towards Feasibility and Production

New Polaris – Project Highlights

Development: 3 year development schedule to production

Production Target: 100,000 oz per year

Robust Economics: 72,000 oz per year over minimum 10 year mine-life generates Cdn\$280 million after-tax cash-flow at US\$1200 gold, after-tax NPV(5%) = Cdn\$197 million, IRR = 38%, Payback = 2.4 years

NI 43-101 Resource: 1.15 million oz gold grading 0.36 opT (12.3 gpt) fully diluted at a 0.17 opT (6 gpt) cutoff grade, open for expansion (see full resource disclosure in Appendix)

Geological Potential: Over 2-3 million oz gold potential to +1500 meter depths, mineralization is remarkably similar to portions of the Red Lake Camp in Ontario (+25 million oz)

Feasibility: Cdn\$10 million permitting & feasibility program to include 20,000 meters of infill diamond drilling to upgrade resources to a level suitable for feasibility study use, environmental studies, government permitting and feasibility study

Capital: Approx. US\$90 million capital cost to build 900 tpd flotation plant, camp and related surface infrastructure

Operating Costs: US\$481 per oz excluding offsite costs (based on 600tpd PEA)



Windfall Hills – New Discovery

Large Property: 5000 hectares

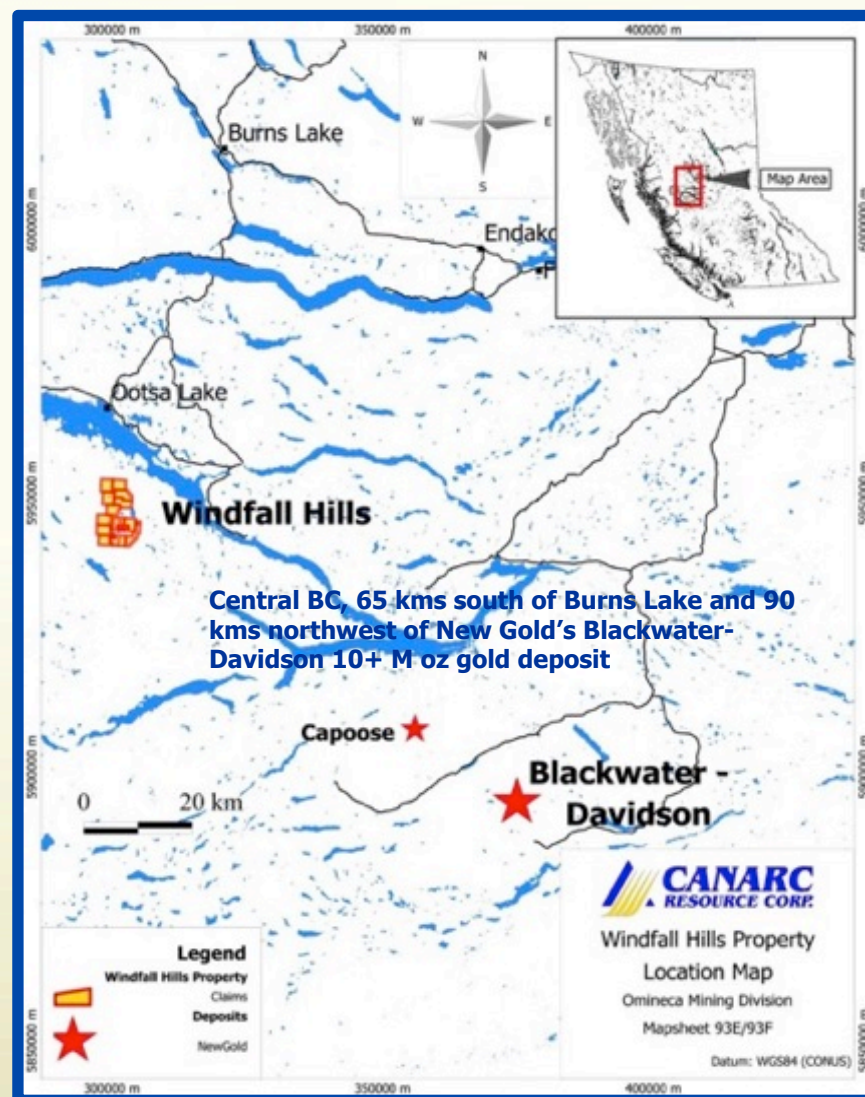
Good Location: 39 miles (65 km) south of Burns Lake, BC by road and 54 miles (90 km) northwest of New Gold's Blackwater 10 million+ ounce discovery

Exploration Data: Historic soil and rock geochemistry and IP geophysics identified drill targets but main target never drilled.

New Targets: In 2011 Canarc defined multi-element geochemical anomaly (Au-Ag-As-Sb) and extended trend to northwest.

Highlights of the 2014 Drill Program

Hole #	From m	To m	Length m	Ag gpt	Au gpt	AuEq gpt
WH-14-01	1	7	6	1.9	0.96	0.99
Incl	3	5	2	2.5	1.19	1.23
WH-14-02	217	221	4	58	0.27	1.24
Incl	217	219	2	88	0.34	1.80
WH-14-03	11	39	28	39	0.89	1.54
and	137	143	6	19	0.66	0.96
Incl	137	139	2	22	1.28	1.63



Oro Silver/El Compas Acquisition

Low Cost Acquisition – Canarc to acquire Oro Silver for 19 million shares, plus 165 oz gold or cash equivalent over 3 years, plus 1.5% NSR royalty

100% Ownership – Oro Silver owns 100% interest in the 2,740 hectare, fully permitted El Compas gold-silver mine project in Zacatecas, Mexico

Major Mining District – Zacatecas is one of the world's largest silver-gold mining districts with past production estimated at more than 750 million oz silver

Well Located – El Compas is located near the city limits of Zacatecas, with excellent road access and readily available power, water and labour

Multiple Gold Veins – This large property hosts multiple gold-silver veins, with a history of small scale, underground mining from two old mine workings



Oro Silver/El Compas Overview

Two High Grade Zones – 96 drill holes delineated two near-surface zones of high grade gold-silver mineralization in the El Compas and El Orito veins

Historic Resource* - Oro Silver estimated indicated resources of 524,000 tonnes @ 4.38 gpt gold, 65.5 gpt silver plus inferred resources of 419,000 tonnes @ 3.98 gpt gold, 47.6 gpt silver

Fully Permitted – The project is fully permitted for production including the construction of a flotation and/or leach plant if needed

Toll Mill Nearby – A 500 tpd toll mill is available for lease within 20 km of the mine so management will evaluate the lease potential to fast track the mine into production

*** NI 43-101 Disclaimer** – Canarc treats these resources as historical, it has not independently verified them, and therefore is not relying on them



Zacatecas Gold & Silver Production

<u>Property</u>	<u>tpd/ Status (Metals)</u>	<u>Kms from El Compas</u>
Cozamin Mine	6000 tpd / Operating (Cu & Ag)	10
Francisco Madero Mine	6000 tpd / Operating (Zn with Au & Ag)	17
Fresnillo	8000 tpd / Operating (Ag)	55
El Bote	Historic: 250 – 300 million Ozs Ag	4
Veta Grande	Historic: 200 to 250 million Ozs Ag	11
Muleros Property	Historic: 75 to 100 million Ozs Ag	16



2012 Zacatecas Mexico Gold & Silver Production

Ounces Silver 75,000,000 Ozs Highest in Mexico



#1

Ounces Gold 700,000 Ozs Second highest in Mexico

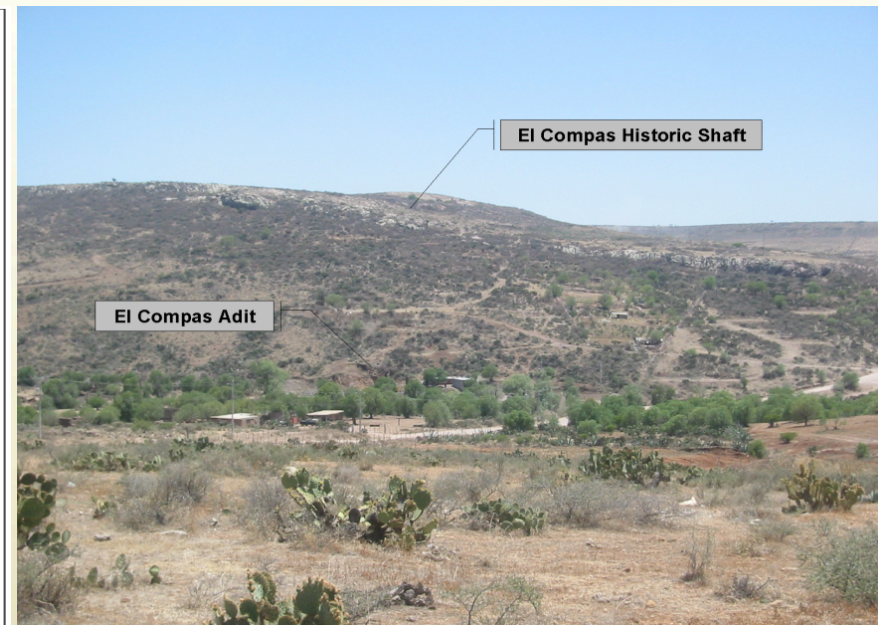
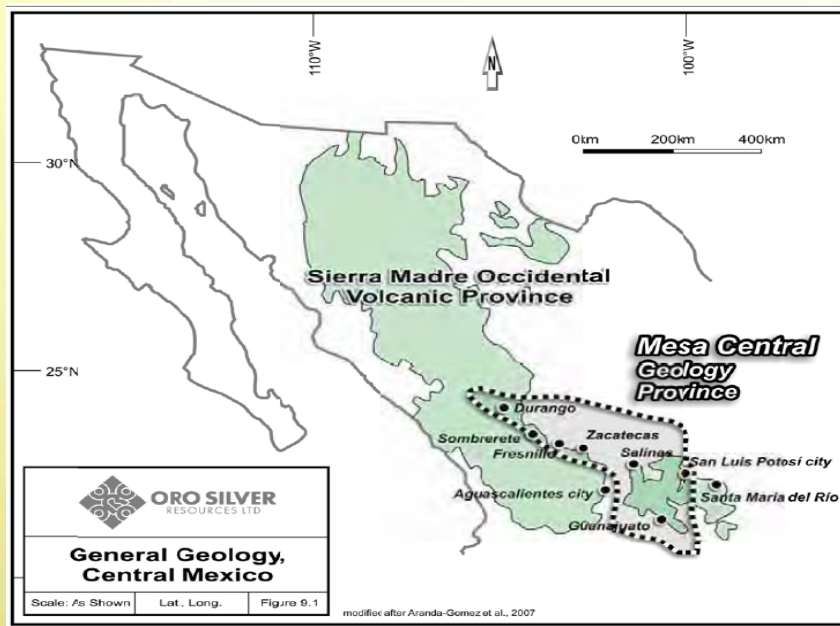


#2

- **Excellent infrastructure** – roads, power, water, skilled workers, contractors and suppliers
- Because of **Zacatecas, Mexico is the largest producer of silver in the world**, contributing 17 percent of the world's total output.
- The **more than 15 mining districts in Zacatecas** yield silver, lead, zinc, gold, phosphorite, wollastonite, fluorite and barium.
- The Fresnillo and Zacatecas silver mines, two of the largest, have together **produced over 1.5 billion ounces of silver to date.**

El Compas Deposit Geology

- **Gold-rich, low sulphidation, epithermal vein system** hosted in favorable Cretaceous Chilitos Formation andesites and sediments.
- **Thick quartz-calcite-adularia veins** contain disseminated, banded and breccia ores
 - of pyrite-argentite-native gold and silver. El Compas vein width averages 6 m and El Orito vein width averages 3 m.
- **High grade mineralization** averages >5 g/t AuEq within the historic resource and bonanza zones grade up to 200 g/t AuEq.



El Compas Drill Cores

El Orito Vein Mineralization

Hole 63 – El Orito vein at 135 m
Located below hole 48
Assayed 20.0 g/t Au & 166.3 g/t Ag over 5.9 m

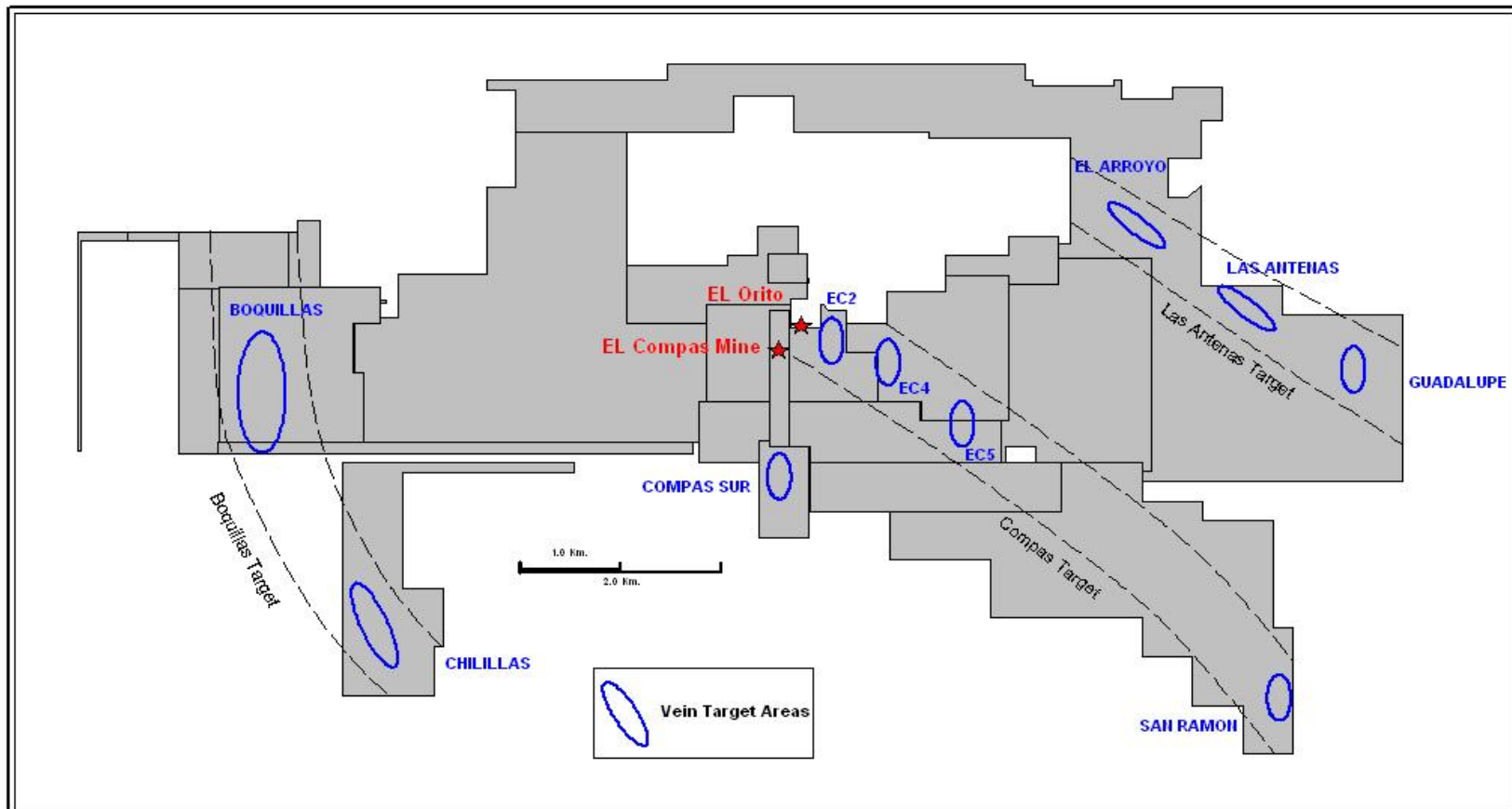


El Compas Vein Mineralization

Hole 72 – El Compas Vein at 81m
Located below hole 43
Assayed 193.2 g/t Au & 1,263.9 g/t Ag over 4.3 m



El Compas Exploration Targets



- Immediate targets for production are the El Compas Mine and El Orito Vein
- Future prospects for exploration include 10 regional vein targets
- Potential for 200,000 -500,000 ozs gold per vein target

El Compas Mine Development

- El Compas will be an underground mine accessed via either an existing ramp or a ramp collared in the Banuelo quarry.
- Only 600 meters of ramp development is needed to access the main El Compas ore zone from the Banuelo quarry. Mining rate is targeted at 500 tpd
- Mining will be done using Mexican contract mining crews and equipment
- Wider portions of the orebody will be mined using longhole mining method
- Narrower portions will be exploited using drifting or shrinkage methods
- Processing will consist of crushing, grinding, cyanide tank leaching and Merrill Crowe recovery to produce dore bars
- Based on initial metallurgical testing, recoveries of +90% for Au and +50% for Ag can be achieved, can be optimized by additional metallurgical testing
- Currently evaluating the possibility of modifying an existing toll mill for processing in order to allow for low capital cost, fast track production

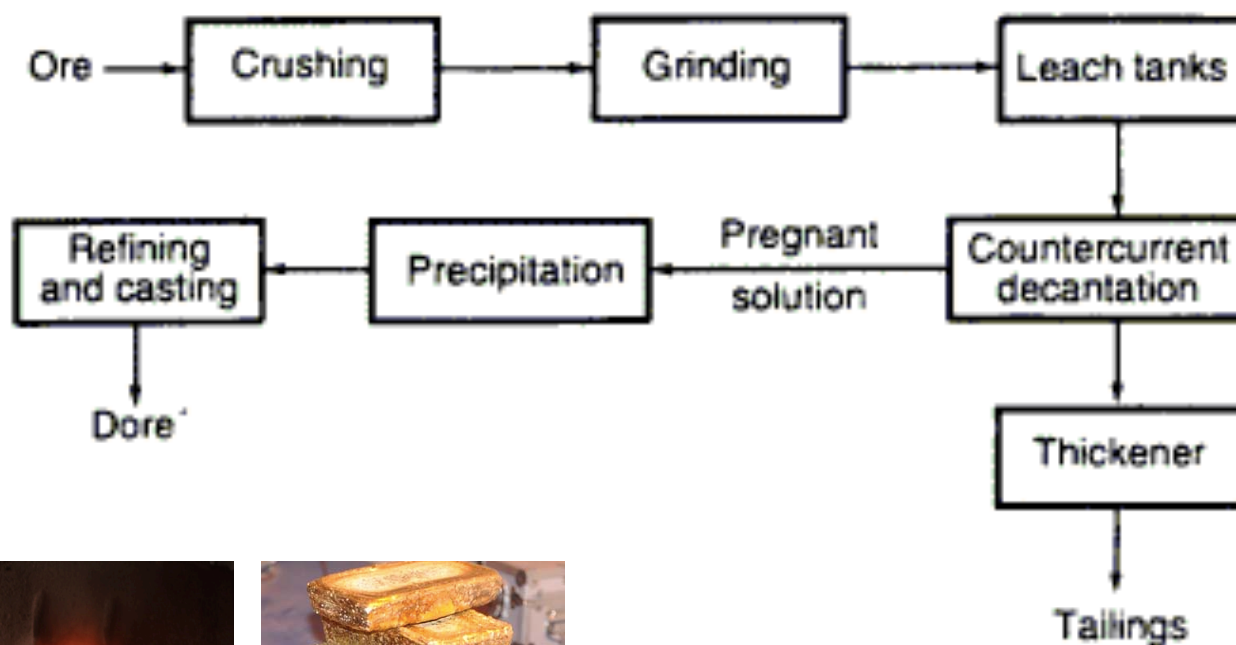


Zacatecas Government Mill

- Proposed 5 year lease with right to a five year extension
- Design Capacity 500 tonnes per day
- Crushing, Grinding, Flotation, Dewatering process
- Built in 2013, shut down in October 2014
- Processing Equipment and structures are all in relatively good condition



El Compas – Ideal Plant Flow Diagram



Zacatecas Government Plant Refurbishing and Upgrades

- Refurbish to design standards – Estimate –\$750,000 US over 3 months
- Build cyanide leach and Merrill Crowe recovery circuit – estimate \$US3 million dollars over 6 months
- Major savings of both cost compared to constructing a new plant



Zacatecas Government Plant Permitting

- Plant is fully permitted for operating in the current configuration
- A permit modification is needed to:
 - add the leach circuit equipment
 - use cyanide in the process
 - discharge leach tailings into the tailings facility
- Permits will be in the name of the Zacatecas Government who owns the plant



Zacatecas Government Plant Advantages

- ✓ Major reduction in upfront capital costs required to construct new plant facility
- ✓ Major reduction in permitting time and cost
- ✓ Reduced project financial & permitting risk
- ✓ Low monthly rental cost with payment holiday until start up
- ✓ Full support of the state government to revise permitting
- ✓ Government and company objectives aligned to expedite plant lease
- ✓ Recently constructed and permitted tailings storage facility
- ✓ Within 20 Km trucking distance from the El Compas mine
- ✓ Zacatecas government anxious to see the plant resume operations to fulfil obligations to small miners
- ✓ Zacatecas government support will help expedite acquiring other state permits
- ✓ Zacatecas government support will also increase Canarc's exposure to other opportunities in Zacatecas



El Compas Proposed Schedule

- ✓ LOI Signed July 6, 2015
- ✓ Complete Due Diligence – August 2015
- ✓ Complete Acquisition Financing –September 2015
- Finalize Acquisition – September 2015
- Update Technical Report and Complete PEA – Oct-Nov 2015
- Make Production Decision & Arrange Project Financing –Nov 2015
- Begin Mine Development & Mill Modifications –Jan 2016
- Commence Production (if we can modify an existing toll mill) - Jul 2016

*Timeline subject to Change

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