

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1: Name and Address of Company

Canarc Resource Corp. (the “Company”)
Suite 810 – 625 Howe Street,
Vancouver, BC V6C 2T6

Item 2: Date of Material Change

October 16, 2019

Item 3: News Release

The news release was disseminated on October 17, 2019 through Accesswire and filed on SEDAR.

Item 4: Summary of Material Change

The Company announced that it has entered into a binding letter agreement (the “BLA”) dated October 16, 2019 with Getchell Gold Corp. (“Getchell”) and the Company’s subsidiary American Innovate Minerals, LLC (“AIM”) pursuant to which the Company and AIM have granted Getchell an option for four years to acquire 100% of the Company’s and AIM’s interest in the Fondaway Canyon and Dixie Comstock properties located in Churchill County, Nevada (the “Properties”) for US\$4 million in total compensation to the Company.

Item 5: Full Description of Material Change

The Company announced that it has entered into the BLA dated October 16, 2019 with Getchell and AIM pursuant to which the Company and AIM have granted Getchell an option for four years to acquire 100% of the Company’s and AIM’s interest in the Properties (both subject to a 2% net smelter royalty) for US\$4 million in total compensation to the Company. The BLA also includes minimum annual work commitments on the Properties. The Company and Getchell have agreed to a binding 105-day exclusivity period during which the parties intend for due diligence to be conducted and the definitive option agreement to be completed.

Letter Agreement

Under the terms of the BLA, Getchell can acquire 100% of the Company’s and AIM’s interest in the Properties at any time on or before the fourth anniversary of the definitive agreement by paying the Company US\$2 million in cash and issuing common shares in the capital of Getchell equal to US\$2 million.

Payment Terms:

- Upon signing the definitive agreement – US\$100,000 in cash and US\$100,000 in Getchell shares
- 1st Anniversary – US\$100,000 in cash and US\$200,000 in Getchell shares
- 2nd Anniversary – US\$100,000 in cash and US\$300,000 in Getchell shares
- 3rd Anniversary – US\$100,000 in cash and US\$400,000 in Getchell shares
- 4th Anniversary – US\$1,600,000 in cash and US\$1,000,000 in Getchell shares
- Pay annual claim maintenance fees and advanced royalty payments totaling approximately US\$100,000

- Grant the Company a 2% net smelter royalty on the Properties of which half (1%) can be bought for US\$1,000,000 per property

Work commitments:

- 1st Anniversary – US \$300,000
- 2nd Anniversary – US \$400,000
- 3rd Anniversary – US \$500,000
- 4th Anniversary – US \$250,000

The annual cash and share payments to the Company are part of the total US\$4 million compensation for Getchell to acquire the Company's and AIM's interest in the Properties. Getchell must also honour the pre-existing net smelter royalty interests and advance royalty commitments related to the Properties.

Signing of the definitive option agreement is subject to satisfactory due diligence and completion of sufficient financing by Getchell.

Cautionary Note Regarding Forward-Looking Statements

This material change report contains "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and "forward-looking information" within the meaning of applicable Canadian securities legislation. Statements contained in this material change report that are not historic facts are forward-looking information that involves known and unknown risks and uncertainties. Forward-looking statements in this material change report include, but are not limited to, statements with respect to the Company's plans for its mineral properties, due diligence being conducted on the Properties, and the Company entering into a definitive option agreement with Getchell. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "has proven", "expects" or "does not expect", "is expected", "potential", "appears", "budget", "scheduled", "estimates", "forecasts", "at least", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "should", "might" or "will be taken", "occur" or "be achieved".

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and other factors include, among others, risks related to the state of financial markets, risks related to regulatory approval, risks related to the uncertainties inherent in the estimation of mineral resources; commodity prices; changes in general economic conditions; market sentiment; currency exchange rates; the Company's ability to continue as a going concern; the Company's ability to raise funds through equity financings; risks inherent in mineral exploration; risks related to operations in foreign countries; future prices of metals; failure of equipment or processes to operate as anticipated; accidents, labor disputes and other risks of the mining industry; delays in obtaining governmental approvals; government regulation of mining operations; environmental risks; title disputes or claims; limitations on insurance coverage and the timing and possible outcome of litigation. Although the Company has attempted to identify important factors that could affect the Company and may cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, do not place undue reliance on forward-looking statements. All statements are made as of the date of this material change report and the Company is under no obligation to update or alter any forward-looking statements except as required under applicable securities laws.

Item 6: Reliance on subsection 7.2 of National Instrument 51-102

N/A

Item 7: Omitted Information

N/A

Item 8: Executive Officer

The following executive officer of the Company is knowledgeable about the material change disclosed in this report and may be contacted as follows:

Scott Eldridge, CEO
(604) 685-9700

Item 9: Date of Report

October 22, 2019