

**FORM 51-102F3**  
**MATERIAL CHANGE REPORT**

Item 1: **Name and Address of Company**

Canarc Resource Corp. (“**Canarc**” or the “**Company**”)  
810 – 625 Howe Street  
Vancouver, British Columbia V6C 2T6

Item 2: **Date of Material Change**

November 12, 2020

Item 3: **News Release**

A news release announcing the material change referred to in this report was disseminated on November 16, 2020 through Accesswire and subsequently filed under Canarc’s profile on SEDAR.

Item 4: **Summary of Material Change**

On November 12, 2020, Canarc completed the second and final C\$5.2 million tranche (the “**Second Tranche**”) of its previously announced C\$8.4 million private placement (the “**Offering**”).

Item 5: **Full Description of Material Change**

On November 2, 2020, Canarc completed the Second Tranche of the Offering. The Second Tranche consisted of the issuance of 65 million units (each, a “**Unit**”) priced at C\$0.08 per Unit for total proceeds of C\$5.2 million.

Pursuant to the Offering, each Unit consists of one common share of Canarc (each, a “**Common Share**”) and one-half of one common share purchase warrant (each whole warrant, a “**Warrant**”), with each Warrant entitling the holder to acquire one additional Common Share of the Company at an exercise price of C\$0.13 for a period of 24 months from the closing date of the Offering. If the daily volume-weighted average price of Canarc’s Common Shares is equal to or greater than C\$0.20 for a period of 10 consecutive trading days, Canarc will have the right to accelerate the expiry date of the Warrants by giving written notice to the Warrant holders that the Warrants will expire on the date that is 30 days from the date notice is provided by Canarc to the Warrant holders. Finders’ fees of 6% were payable in cash and in Warrants on certain portions of the Offering, with the finders’ fee Warrants having the same terms as the underlying Warrants in the Offering.

The Second Tranche included the issuance of 5.4 million Units to certain of the Company’s insiders, including participation from Bradford Cooke, Chairman and director of the Company, Scott Eldridge, CEO and director of the Company and Andrew Bowering, director of the Company (the “**Interested Parties**”). Accordingly, the Offering constituted a related-party transaction under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”).

Shareholders of the Company approved the Offering on October 19, 2020, with the Interested Parties declaring their interest and abstaining from voting, if applicable. The Interested Parties entered into subscription agreements with the Company in respect of the Offering containing standard terms for a transaction of this nature and on the same terms and conditions as the other investors in the Offering. The individual shareholdings of the Interested Parties have not been materially increased.

Mr. Eric Sprott, through 2176423 Ontario Ltd., a corporation beneficially owned by him, acquired 12,500,000 Units for a total consideration of \$1,000,000. Following the completion of the Offering, Mr. Sprott beneficially owns or controls 35,701,856 Common Shares and 6,250,000 Warrants, representing 10.2% of the Company's issued and outstanding Common Shares, on a non-diluted basis, and 11.8% on a partially diluted basis, assuming the exercise of the Warrants acquired hereunder and forming part of the Units. Prior to the Second Tranche, Mr. Sprott beneficially owned and controlled 23,201,856 Common Shares and no Warrants.

The Units were acquired by Mr. Sprott for investment purposes and with a long-term view of the investment. Mr. Sprott may acquire additional securities of the Company either on the open market or through private acquisitions or sell securities of the Company either on the open market or through private dispositions in the future, depending on market conditions, reformulation of plans and/or other relevant factors. A copy of 2176423 Ontario Ltd.'s early warning report is on the Company's profile on SEDAR and may also be obtained by calling 416-945-3294 (200 Bay Street, Suite 2600, Royal Bank Plaza, South Tower, Toronto, Ontario M5J 2J1).

The securities issued in the Second Tranche are subject to a four-month plus one day hold period ending on March 13, 2021 in accordance with applicable securities laws and the policies of the Toronto Stock Exchange (the "TSX"). The Offering is subject to the final acceptance of the Exchange.

Use of proceeds will be for exploration of Canarc's gold projects and to strengthen its working capital.

Item 6: **Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

Item 7: **Omitted Information**

Not applicable.

Item 8: **Executive Officer**

For further information, please contact Scott Eldridge, Chief Executive Officer of the Company, at (604) 685-9700.

Item 9: **Date of Report**

November 19, 2020