**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**

July 23, 2019

**Item 3: News Release**

The news release was disseminated on July 24, 2019 through Accesswire and filed on SEDAR.

**Item 4: Summary of Material Change**

The Company announced that it closed a non-brokered private placement financing (the "**Private Placement**") of an aggregate of 23,729,856 common shares in the capital of the Company (the "**FT Shares**") issued as "flow-through shares" as defined in subsection 66(15) of the *Income Tax Act* (Canada).

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

The Company announced that it has closed the Private Placement for aggregate gross proceeds to the Company of $1,439,782.68. The Company has issued an aggregate of 23,729,856 FT Shares pursuant to the Private Placement, 17,333,333 of which were issued at a purchase price of $0.06 per FT Share and the balance of 6,396,523 were issued at a purchase price of $0.0625 per FT Share. The Company intends to use the proceeds from the Private Placement to fund its exploration projects in Canada, including the Princeton and Hard Cash properties. In accordance with applicable Canadian securities laws, the FT Shares will be subject to a four-month hold period expiring on November 24, 2019.

In connection with the Private Placement, the Company has paid a cash finder's fee to BlackBridge Capital Management Corp. (the "**Finder**") of $91,440 and issued non-transferable warrants to the Finder entitling them to acquire up to 1,508,121 common shares ("**Common Shares**") in the capital of the Company at an exercise price of $0.06 per Common Share until July 23, 2021, in consideration of the Finder's role in securing the placement of the FT Shares.

Mr. Bradford Cooke, the Chairman and a director and founder of the Company, participated in the Private Placement and purchased 528,000 FT Shares in the Private Placement. There has not been a material change in the percentage of outstanding securities of the Company that are owned by Mr. Cooke. The subscription of Mr. Cooke in the Private Placement constitutes a related party transaction pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The Company is exempt from the requirements to obtain formal valuations and minority shareholder approval in connection with the participation of Mr. Cooke in the Private Placement pursuant to the exemptions contained in subsections 5.5(a) and 5.7(1)(a) of MI 61-101, respectively. The Private Placement was unanimously approved by the disinterested members of the board of directors of the Company.

*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 the intended use of proceeds of the Private Placement. 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**

July 30, 2019