



Trading Symbol TSX:CCM

Suite 800 – 850 West Hastings Street, Vancouver, B.C., Canada, V6C 1E1 Tel: (604) 685-9700 Fax: (604) 685-9744

June 16, 2005

By email and mail

Mr. John Stevenson
Ontario Securities Commission
20 Queen St. W.
Suite 1900, Box 55
Toronto, ON
M5H 3S8

Dear Sir

As the President, CEO and Director of Canarc Resource Corp., a TSE listed company for the past 12 years, I am writing you to voice our strong opposition to the proposed CSA Rule MI 51-111.

Having discussed the proposed policy with our senior management, lawyers, accountants, largest shareholders and other investors, we have failed to find any material benefit of the policy for either our shareholders or the public at large. Some of the comments we have received include, “a typical knee-jerk reaction to American accounting scandals” and “over-kill to the n’t degree”.

We have top accounting professionals to manage our financial affairs according to the highest ethical and accounting standards, audited annually by KPMG. As a small company, we are parsimonious in spending on G&A so that our shareholders money is invested as it should be invested, on growing the business of the Company.

The proposed requirement for a regular independent auditor review of internal controls will likely double our G&A costs but where is the benefit to our shareholders? We already have rigorous internal controls, an independent Board of Directors, an independent Auditor and extensive regulatory reporting requirements. Where is the basic principle of corporate and individual responsibility if MI 51-111 is approved?

The existing regulations are more than sufficient to govern the corporate internal control practices of small companies. The annual audit of a small company like ours is more than enough to detect accounting irregularities. It seems to me that larger companies do have broader scope for error so why not consider a market cap requirement of \$100 million or more for policy MI 51-111?

I trust you recognize the veracity of our objections. Our shareholders do not support MI 51-111.

Sincerely

Bradford Cooke
President, CEO and Director

Canarc Resource Corp.