



ROUGH IOLITE

GEMSTONES *discovered!*



ROUGH GARNET

When you think of beautiful coloured gemstones, pictures of steaming jungles in exotic places come to mind. This is no longer true! Anglo Swiss Resources has been quietly adding Sapphire, Garnet and Iolite to the list of precious gems previously unknown in British Columbia.

Although much has been written in the last few years about the valuable diamond discoveries in Canada, few investors are aware of British Columbia's enormous potential for hosting world-class coloured gemstone deposits.

"Because the geology of B.C. is very complex, it includes geological settings favourable for hosting a wide variety of gemstones. Large areas of B.C. are underlain by high-grade metamorphic rocks similar to those hosting many of the gem deposits in East Africa and those believed to be the source of some of the gems found in the placer deposits in Sri Lanka." CANADIAN GEMMOLOGIST*

In June 1998, Anglo uncovered a new garnet discovery in the Slocan Valley near Nelson. The property is producing crystals, frequently exceeding 10 cm in diameter, from which gems have been cut that display excellent clarity and colour. Compositionally, these new garnets are similar to the popular rhodolite variety from Tanzania. They display a lively cranberry-red colour which calls to mind a light-filled glass of rose wine. A small sample of the company's rough garnet material, sent to Sri Lanka for faceting (the standard cut for diamonds), resulted in more than 45% of the stones returning as readily marketable gemstones. To date, Anglo has extracted more than 300,000 carats of rough garnet from this gemstone discovery. Additional shipments of large, flawless garnet have been forwarded to Sri Lanka for faceting.

This exciting discovery was followed in November by a new discovery of iolite, in the same vicinity. Iolite has a remarkable feature known as trichroism, meaning the colour changes when viewed from different directions, usually dark blue-violet pale-blue and honey yellow. The iolite occurs as large crystals in quartz vein stock-works and pegmatites. The iolite crystals weather to irregular masses of translucent violet gem material on the outcrop surfaces.

Two panel samples of approximately one tonne each were taken from outcrops one kilometre apart. Roughly 25 kilograms of very high-grade iolite crystal was extracted from each sample. The two samples taken together contain more than 100,000 rough carats of iolite crystal.

Flawless, large crystals (5-10 carats) removed from a depth of 8" beneath the surface of the outcrop display a dark violet colour with minimal alteration.

Due to the unique feature of these gemstones whereby the colour changes when viewed from different directions, the cutter must orient the rough carefully in order to maximize the value of the finished gemstone. Therefore, Anglo has forwarded facet-grade material to a variety of cutters for evaluation of their techniques. A portion of the material is scheduled to receive a cabochon cut (the standard cut for opal) as iolite occasionally shows a star of opalescent light similar to that exhibited by star-sapphires.

INTERNET SURVEY

An Internet survey of iolite prices shows a wide range of prices depending on size, grade and clarity. The web site www.galleries.com/ shows some excellent examples of specimen material similar to some of the smaller pieces found in Anglo's two outcroppings. Another site, <http://hegel.allweb.com/acs/gemofmonth9.98html> shows an excellent variety of finished gemstones.

LOCATION, LOCATION

Anglo's garnets occur within feldspar-rich pegmatite sills and dikes located on their Blu Starr group of claims in the Slocan Valley in southeastern B.C., where the company holds mineral rights to more than 50 square kilometres.

A pegmatite is a special kind of gemstone deposit consisting of a very coarse-grained mass of quartz and feldspar usually occurring as a vein-like body enclosed in the country rock.

Gems from pegmatite sources are becoming increasingly scarce throughout the world, with many of the famous pegmatites now exhausted, and fewer and fewer new finds being made every year. It is therefore widely acknowledged that coloured gemstones are becoming increasingly scarce and more valuable.

SAPPHIRE UPDATE

Two previously discovered major outcrops on the Blu Starr property have yielded rough star sapphires up to 250 carats in size together with other gemstones such as aquamarine, beryl, tourmaline, titanite, moonstone and several varieties of quartz (smoky, rose and star). The colour of the rough sapphires vary from sky-blue to cornflower and indigo blue, violet and purple.

In October 1998, Anglo uncovered another sapphire bearing zone (Sapphire Hill). The company now has three separate and unique outcroppings of sapphire on their Slocan Valley property. The latest outcrop stretches for more than 400 metres in length and 50 metres in elevation, and is open to expansion in all directions. Hand processing of this new material yielded more than 6,000 carats of rough sapphire crystals from a single 20-kilogram talus boulder. The new Sapphire Hill sapphires have been successfully heat treated in Sri Lanka to a well-saturated medium to dark blue.



HAND REMOVAL OF ROUGH IOLITE CRYSTALS

POTENTIAL MARKET

While the prices of diamonds are carefully controlled, this is not the case with many of the coloured gemstones. The U.S. Bureau of Mines estimates the annual world retail market for coloured gemstone jewelry to be US\$ 10 to 12 billion. The highest degree of price standardization occurs in the common, steadily-supplied gemstones.

If you examine an ordinary display in a jeweler's window, you will often see that at least one half of the gems exposed for sale are garnets of various kinds. One of the newest fashion trends is garnet mounted in a silver setting. It is also gemstones such as garnet and iolite which are subject to the highest markups as a percentage of cost. Both the garnet and the iolite gemstones are located on the surface, so Anglo's cost of extraction is minimal.

* B.S. WILSON (1997) GEMSTONE OCCURRENCES IN BRITISH COLUMBIA, CANADIAN GEMMOLOGIST, 18(3), P. 74-86



FACETED GARNET

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