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*B/W Starr*

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### Gemstones Discovered!!!

Anglo Swiss Resources Inc. has just placed garnet on the list of precious gems previously unknown in British Columbia, Canada. Although the province's complex geology hosts a wide variety of gemstones, this new garnet discovery is the first of its type to be classified as "gem" quality.

Compositionally, these garnets are similar to the rhodolite variety from Tanzania. **Rhodolite, one of the most beautiful garnets, ranges in colour from medium to relatively light purplish-red, with prices varying from \$20 - \$90 per carat for small stones to \$50 - \$135 per carat for larger 10 carat stones.** Ten gemstones, all exceeding 1/2 carat (approximately 5 mm), have been faceted in a variety of popular cuts and are in the process of being appraised by a certified gemologist.

Although much has been written in the last few years about the valuable diamond discoveries in Canada, few investors are aware of B.C.'s potential for hosting valuable colored gemstone deposits. According to the Canadian Gemmological Association, 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.

Anglo's garnets occur within feldspar-rich pegmatite sills and dikes located on the company's Blu Starr group of claims in the Slocan Valley (southeastern British Columbia). It is too early to ascertain the size of this discovery. However, more than 2,000 carats of facetable material have already been removed from the initial deposit, and there is still an abundance of garnet material visible on the surface.

Over the last few years, gemstone deposits of sapphire, aquamarine, tourmaline, titanite, moonstone and several varieties of quartz crystals have already been identified in numerous other sites at river level and at upper elevations throughout the valley. Last summer, **a blue rough sapphire crystal which exceeded 150 carats was unearthed.** Significant sized rough sapphires, greater than 4 carats, were abundant. During the composite bulk sample program, Anglo recovered **10 to 200 carats of rough sapphire per kilogram** from the property. The company strongly believes its 1998 exploration program will reveal further exciting gemstone deposits in the pegmatites and gravel beds found across its 11,000 acres of property.

Gems from pegmatite sources are becoming increasingly scarce throughout the world, with many of the famous pegmatites of Brazil, Madagascar, and California now exhausted, and fewer and fewer new finds being made every year. Aside from the highly mechanized and efficient diamond-mining methods used worldwide, most gemstones are recovered by hand from small pits sunk in gem-bearing gravel deposits or from short tunnels and shafts in hard rock. You can readily appreciate that most of the easily available deposits worldwide have long since been skimmed off, leaving those whose exploitation is possible only at considerable expense. It is therefore widely acknowledged that natural gemstones are becoming increasingly scarce and more costly.

The U.S. Department of Commerce estimates that the world retail sales of fine jewelry exceed US\$50 billion with **colored gemstone jewelry comprising US\$10 to \$12 billion annually**. In order to increase the profitability from the sales of these gemstones, the company is initiating discussions with representatives of cutting facilities in countries such as India, Sri Lanka, and Thailand. No decision has yet been made whether to market the gems as rough stones or as finished pieces of jewelry.

The sceptics once said, "there are no diamonds in Canada". In October, 1991 Dia Met proved the world wrong with their diamond discovery in the N.W.T. The rest is history. Dia Met became one of the great investment stories of the decade, soaring from \$0.30 to over \$60 in two years.

It's too early to be certain, but Anglo Swiss Resources' **gemstone** deposit has the potential to be another great Canadian gemstone discovery.

With 100's of publicly traded companies currently searching for diamonds around the world, wouldn't it make sense to diversify and include a colored gemstone company in your portfolio? Anglo Swiss trades on the Montreal Exchange (ASW ♦ Cdn \$0.30 - 0.35) and on the OTC bulletin board (ASWC ♦ \$0.20 - 0.25). For more information on Anglo's other resource properties, please call me toll free at 1-888-684-5524 or visit Anglo's website at **www.anglo-swiss.com**.

Yours sincerely,

