

**Comus Capital Group**  
703 - 889 West Pender Street  
Vancouver, B.C.  
V6C 3B2  
(604) 684-5524, 1-888-684-5524, fax (604) 684-5534

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TFS → Blu  
Star

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We're very excited to forward you a copy of this latest news release from Anglo Swiss Industries. This valuation is based on two surface showings, which appear to be open in all directions.

In order for you to get a feeling for the significance of this deposit you should visualize one cubic metre in front of you. This cubic metre, which consists of 2.8 tons of ore, contains an average of 336 carats of rough sapphires. The report conservatively estimates that the sapphires could lose 75% of their weight during cutting and polishing, leaving you with more than 80 carats of finished stones, of which many could have a value in excess of \$1,400 per carat.

The Anglo Swiss value of \$300 per tonne compares very favourably to the Northwest Territories' diamond play which Wood Gundy valued at \$50 - \$130 for each tonne of kimberlite ore. If you have any questions, please don't hesitate to call us toll free at 1-888-684-5524.

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## Anglo Swiss Industries Inc.

### NEWS RELEASE

#### INITIAL SAPPHIRE EVALUATION REPORT

Vancouver, British Columbia, Canada: Highlights from the 1996 exploration program on Anglo Swiss Industries Inc's (ASW-ME) property in southeastern British Columbia, Canada, have just been released. The program's objective was to determine the economical potential of the property's corundum (sapphire) and beryl (aquamarine) occurrences.

Anglo Swiss holds the mineral rights to approximately 46 square kilometres. Only 10% of this property was mapped during the 1996 field work. The majority of this time was spent evaluating the corundum outcroppings on the Blu Starr and Blu Noon claims, with some field work concentrating around the known occurrences of beryl-pegmatites. The property hosts two known corundum outcroppings to-date: the Blu Moon showing, located one kilometre northwest of the confluence of the Slocan and Little Slocan rivers, and the Blu Starr showing located east of the confluence. *Moon*

Corundum is one of the gemstone materials in which impurities - inclusions of needlelike foreign material - are advantageous. These inclusions produce the effect known as asterism, commonly called stars. Internationally, most gem quality sapphires are heat treated to improve their colour and clarity and therefore, their value.

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The Blu Starr claim was mapped in detail. Sapphire-bearing layers outcrop discontinuously along three north-northwest trending sections. Corundum bearing layers were also seen near the river. Crystals of significant size (greater than 4 carats) were reasonably abundant. Crystals that would cut **exceptionally large stones (more than 25 carats) were not uncommon**. Stones showing good asterism (stars) were more common at the Blu Starr deposit. Most of the stones cut into cabochons to-date show good to sharp stars on an opaque dark background. Preliminary results indicate that Blu Starr stones usually turn medium to dark -blue after heat treatment.

The report attempted to place a rough evaluation on one of the outcroppings, the railroad outcrop, which measured 175 metres long with a height of 30 metres. It was estimated that **each metre deep of outcrop would produce 238,500 carats or 1,192,500 carats if mined to a depth of 5 metres**. Allowing for a 75% loss from the cutting of the stones, **a final yield of 298,125 finished carats or ~30 carats per ton** was determined. As the effect of heat treatment on the star and transparency of the stones is not well known, a very conservative evaluation of \$10 US per carat, based on the wholesale price of an untreated gray to black medium quality star was used. The report places a **conservative value of ~\$300 US per ton (0.85 oz./ton gold equivalent) on this one outcropping**.

The report recommends the importance of investigating the effect of heat treatment on the star and transparency of the stones. While star sapphire cabochons can be bought as low as \$10 US per carat, **the fine star and faceted fine blue sapphires, wholesale price, ranges from \$800 to \$2,000 US per carat, averaging \$1400 US**; as published in the U.S. Department of the Interior Annual Report, Bureau of Mines 1994.

At the Blu Moon showing, located approximately 2000 metres to the northwest of the Blu Starr, crystals showed a greater variability in size, colour and transparency than those from the Blu Starr. **Some large stones, one approximately 75 carats, were recovered from this area**. The reaction of Blu Moon corundum to heat treatment is unknown at this time, although as the transparency of a stone is increased by heat treatment, some of the translucent stones are possible facet grade material. The volume of the Blu Moon deposit could not be determined due to very limited data on mineralized areas but will be examined further this spring. The general area contains the common accessory mineral magnetite and crystals of zircon up to 15 carats in size. It is therefore recommended that geochemistry of the sapphire host rock be analyzed to help identify future targets.

The property also hosts blue-green beryls (aquamarine) found in pegmatites outcropping in the upper section of the Passmore Dome. Approximately ten more similar pegmatites that could potentially contain beryl are located on Anglo Swiss property. It is also likely that both corundum and beryl will be found in the placer environments as the deposits are traversed by the Slocan river and both the corundum and beryl showings are located at close proximity to the rivers.

Exploration work will continue through 1997 to expand known reserves through placer and in situ showings. An extensive heat treatment program will be implemented to further determine the reaction of both the Blu Starr and Blu Moon corundum to heat treatment. Cutting and marketing of sapphires will also be examined.

Anglo Swiss Industries Inc. is rapidly advancing its other exploration projects. The company is actively involved at its 100% owned copper/gold venture project at the Kenville Mine property located in Nelson, B.C. Internationally, the company is aggressively negotiating to add further gold properties to its strategic land position in Ecuador.