

**Optional Earning:** HCR may earn an extra, pro-rated 10% share, by increasing production past the 90,000 yards per quarter by doubling production to 300 yards per hour (180,000 yards per quarter), i.e. HCR averages 200 yards per hour (120,000 yards per quarter) they will earn an extra 3.3% of the net or 53.3%. If production increases to 180,000 yards or more per quarter HCR earns 60% and Anglo will retain 40%.

*708 → Blu Starr*

HCR shall be the agreed to operator of the Catamayo Property.

**881179**

### British Columbia Blu Starr Gemstone Property

Anglo Swiss Resources is developing Canada's first gemstone property located in southern British Columbia; since acquiring the property in 1995. The property consists of over 15,000 acres of mineral tenure rights and 1853 acres of placer mineral rights.

Anglo Swiss' gemstones of BC have been published in many US jewelry and gem/gemology trade magazines including the National Jeweler, The GIA's Gems & Gemology, JCK Jewelers' Circular Keystone and most recently the Professional Jeweler.

Gemstones discovered to-date include numerous showings containing star sapphire, iolite, garnet, aquamarine, titanite, moonstone and several varieties of quartz crystals plus a recent discovery of a large mineralized area containing showings of crystallized graphite.

HCR commits to the following work commitments on the Blue Starr Property:

**Phase 1:** A minimum of \$250,000 is to be spent on an agreed to evaluation program. Funds are to be spent within a one-year period from the date of a formal Joint Participation Agreement. HCR shall be responsible for the payment of all fees and costs to maintain the leases in good standing during the Phase 1 earning period. These costs shall be credited to the work program. Any revenues generated from the sale of production from the Blue Starr Property shall be shared based on the Phase 1 earning shown below.

**Phase 2:** Prior to the expiry of Phase 1, HCR must elect to proceed with a Phase 2 commitment or terminate its participation in further earning. The Phase 2 commitment shall be a minimum of \$250,000, which is to be spent on an agreed to work program. Funds are to be spent within a one-year period from the date of the election. HCR shall be responsible for the payment of all fees and costs to maintain the leases in good standing during the Phase 2 earning period. These costs shall be credited to the work program. Any revenues generated from the sale of production from the Blue Starr Property shall be shared based on the Phase 2 earning shown below.

**Phase 3:** Prior to the expiry of Phase 2, HCR must elect to proceed with a Phase 3 commitment or terminate its participation in further earning. The Phase 3 commitment shall be a minimum of \$500,000, which is to be spent on an agreed to work program. Funds are to be spent within a one-year period from the date of the election. HCR shall be responsible for the payment of all fees and costs to maintain the leases in good standing during the Phase 3 earning period. These costs shall be credited to the work program. Any revenues generated from the sale of production from the Blu Starr Property shall be shared based on the Phase 3 earning shown below.

**Interest Earned:** HCR shall earn the following interests in the Blu Starr Property upon the completion of its agreed to work programs:

Phase 1 – earned interests HCR - 10%, Anglo – 90%

Phase 2 – earned interests HCR - 20%, Anglo – 80%

Phase 3 – earned interests HCR - 40%, Anglo – 60%

**Optional Purchase of Additional Interest:** HCR shall have the right for a period of 180 days from the end of the Phase 3 earning period to elect to purchase an additional interest in the Blu Starr Property under the following terms:

Optional Purchase 1: HCR shall have the right to purchase a 10% interest from Anglo for a price of \$1,000,000.

Optional Purchase 2: HCR shall have the right to purchase an additional 10% interest from Anglo for a price of \$1,000,000.

If HCR elects to purchase these additional interests the Blu Starr interests shall be:

After Optional Purchase 1 – earned interests HCR - 50%, Anglo – 50%

After Optional Purchase 2 – earned interests HCR - 60%, Anglo – 40%

During the Phase 1, 2 and 3 work commitment periods on the Blu Starr Property, Anglo and HCR shall act as joint operators. All proposed work programs will be jointly prepared and agreed to by Anglo. Upon completion of the Phase 3 earning, HCR shall be named sole operator of the property.

#### **\$600,000 Private Placement**

HCR has committed to a Private Placement of \$500,000 to acquire a total of 3,333,333 common shares of Anglo at a price of \$0.15 per share. The total purchase price is \$500,000. Each share would have one common share purchase warrant attached which would allow HCR to acquire one additional Anglo share for each warrant held. The warrants would be available for exercise for two years at an exercise price of \$0.20 per share during the first year and \$0.25 per share during year two.

A third non-related party has acquired a total of 666,666 common shares under the same terms for proceeds of \$100,000.

The two Private Placements are at arms-length with no finder's fee, and are subject to regulatory approvals.

#### **Anglo Swiss Appointees to the Board of Directors**

Because of the significant share position that HCR will have in Anglo and because of the joint operations that will be conducted on the Anglo properties, Anglo agrees to propose that two Anglo board seats will be made available to HCR effective March 21, 2000.

The nominees from HCR are Dr. Robert McPherson, Ph.D., PEng., PGeol. and Mr. Conrad Kathol P.Eng.

Dr. Robert A. McPherson graduated with a BSc. Geological Engineering and a PhD. In Surficial Geology from the University of Manitoba and has worked in the resources industries in western Canada and internationally for the past 35 years.

Dr. McPherson has worked as an oil and gas geologist/engineer in western Canada, the United States and internationally. He also worked as an oil and gas analyst for a major Canadian brokerage firm.

Dr. McPherson has extensive experience in surficial geology, alluvial gold mining, sand and gravel exploration, and groundwater geology. Dr. McPherson is President and Director of Hampton Court Resources Inc. and a Director of several other resource-based public companies.

Mr. Conrad Kathol is an Engineering Graduate of the University of Alberta and has worked in the resource industry in western Canada and internationally for the past 27 years.

Mr. Kathol has worked as an exploration geologist in western Canada and the United States and has experience in all aspects of the petroleum industry including exploration technology, reservoir engineering and economic evaluation.

Mr. Kathol also has extensive experience in surficial geology, sand and gravel exploration, and groundwater geology. Mr. Kathol is a Director of Hampton Court Resources Inc, and several other resource-based public companies, and is the President of Invader Exploration Inc., a public company listed on the Canadian Venture Exchange.

Anglo Swiss is very pleased to have the addition of the enormous knowledge and experience these two individuals will share as the development of our properties is continued through to the production level.

Anglo Swiss has granted Dr. McPherson and Mr. Kathol options allowing each of the them to purchase 500,000 shares of Anglo Swiss at \$0.21 for a period of five years. The Board of Directors has also set 2,250,000 options at \$0.21 to other members of the Board. The proposed options shall be subject to the approval of the applicable regulatory bodies.

Dr. David Hughes has rendered his resignation effective March 21, 2000 to allow the additions to the Board of Anglo Swiss Resources Inc.

On behalf of the Board,

"Len Danard"  
President & CEO

For further information please contact:  
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