

881186

TJS → Reg. Mgr.  
- Cranbrook

I N T E R O F F I C E M E M O R A N D U M

Created: 13-Jun-1997 02:30pm PDT  
Sent: 16-Jun-1997 08:39am PDT  
From: Andrew Whale of EI  
AWHALE  
Title. Regional Manager, Kootenay  
Dept: Employment & Investment  
Tel No: 426-1653

TO: See Below

Subject: Kootenay Review - June 13, 97

NEWS/ISSUES

\* The Kootenay Boundary Land Use Plan Implementation Strategy has been completed and awaits implementation in Victoria. Regional MEI staff successful in including a subsurface resource guideline which should help clarify the plan's impact on mineral exploration. Well done Dave for persevering with the process.

\* Significant spoil failures at Coal Mtn on June 10th and Greenhills on June 11, respectively.

*Blue Moon*  
\* Anglo Swiss have not received approval for a 10,000 ton bulk sample at the Blu Moon sapphire project in the Scocan Valley [as reported by Tom Schroeter 29 May, 97]. The modest backhoe trench which has been approved has raised public concerns regarding "lack of consultation" by neighbours and the regional district area director. MEI regional staff's response that exploration and the Mines Act permit process is incremental, with an opportunity for public consultation for high end exploration and development [ie bulk samples], not helped enthusiastic MEI reporting of promotional news releases.

*Strebe*  
\* Similarly MEI regional staff do not expect 7,000 ft drilling to start on June 27th on the Strebe property [ Sschroeter June 12}, as for 4 years owner has made similar plans, but failed to post reclamation security.

\* Permitting staff report that NoW numbers do not reflect the increase in scale of projects, and consequently staff's increased work load. A statistic which does reflect increased mechanical disturbance is that in the first 4 months of this year, twice as many safekeeping agreement forms have been processed as in the same period last year {for new or amended permits}.

OTHER

\* Ricci B, Ed T, Garry Mac, Linda Mac, and Val Smolik all helping with the provincial mine rescue in PG

I N T E R O F F I C E M E M O R A N D U M

Created: 30-May-1997 01:46pm PDT  
Sent: 30-May-1997 02:17pm PDT  
From: Paul Wilton of EI  
PWILTON

Title.  
Dept: Employment & Investment  
Tel No: 426-1658

TO: Tom Schroeter of EI ( TSCHROETER )  
CC: Andrew Whale of EI ( AWHALE )  
CC: Steve Wuschke of EI ( SWUSCHKE )  
CC: Jim Turner of EI ( JSTURNER )

Subject: Weekly Report - Blu Moon

Tom, an item in your weekly report for this week has caused a lot of concern here, particular for Andrew and Steve.

Under the heading "Blu Moon/Starr" you report that Anglo Swiss has received approval from MEI to begin bulk sampling and is permitted to sample to a maximum of 10,000 tonnes.

The reality is that the company is NOT permitted to get a bulk sample. A few buckets of rock were collected very quickly about a week ago to satisfy an urgent work requirement. Further work will be contingent on examination of the corundum and zircon content of this small sample.

Most of the claims, including the Blu Moon are on private land and the private land owners were initially irate about the simple fact that any work was going to be done at all. It is fair to say that this initial small sample may not have been acquired when it was if it were not for the considerable work by Jim Turner, Barb Henry, Andrew and Steve to placate the private landowners and enable them to understand the need for a balance between their rights and those of the company. At one point there were threats of civil disobedience to physically prevent the work. As part of the "peace treaty", Andrew made a commitment that, if a larger program (such as that described in your report) no permits would be issued without public consultation.

As you know, you see most press releases at least a week before we do, and we're assuming that your information came from a press release. Andrew is very concerned about the potential for further trouble if this report is seen by the wrong eyes. It could logically be interpreted as a betrayal by MEI.

If you can retrieve the source of your report, could you please Fax us a copy of it ASAP in case the phone starts ringing and the letter-writing begins. These things always seem to hit the fan just before 4:30 PM on a Friday.

Thanks - Paul.



FAXED

Fax Cover Sheet

DATE: June 2/97 TIME: 8:15 am

TO: Paul Wilton  
MET  
Cranbrook

PHONE: \_\_\_\_\_ FAX: \_\_\_\_\_

FROM: Tom Schroeter PHONE: \_\_\_\_\_  
FAX: 604-775.0313

RE: ① Blu Moon ② '97 Expl'n Level

CC: \_\_\_\_\_  
Number of pages including cover sheet: 2

REMARKS:

Urgent  For Your Review  Reply ASAP  Please Comment

Message

Paul, ① Press release attached - thanks for the feedback.  
② Assume your est. ~ \$10M? (all PGs provided a "best guess"). (MAJOR) project in excess of \$1M = ? (name). Thanks - I hope to send email to Peter later this pm.  
Cheers, Tom

TGS -> Blu Starr (Moon)

ANGLO SWISS INDUSTRIES INC.

#701 - 889 West Pender Street

Vancouver, B.C. V6C 3B2

FOR IMMEDIATE RELEASE  
MAY 22, 1997

(97)

Montreal Exchange, Canada : ASW  
Bulletin Board OTC of the NASD: ASWC

**ANGLO SWISS APPROVED FOR 10,000 TONNE SAPPHIRE PROGRAM**

Canadian Sapphire Corporation, a wholly owned subsidiary of **Anglo Swiss Industries Inc.** (ASW-Montreal) has received approval from the Energy and Mines Division of the British Columbia Government to begin the 1997 bulk sampling program. The work permit allows a maximum of 10,000 tonnes of bulk sampling from the Blu Moon sapphire claim, located in the Slocan Valley. Work has now commenced on the property.

Rough sapphires are currently being recovered from two major surface outcrops on this property. Significant sized rough sapphires, greater than 4 carats, are abundant. Several rough sapphires, up to 250 carats, have been discovered, as reported in the Fall 1995 edition of the B.C. Ministry of Energy, Mines and Petroleum Resources' Industrial Minerals Bulletin.

This year's work program is focusing on the Blu Moon outcrop. Preliminary work in 1996 uncovered crystals which showed a great variability in size, colour and transparency. The Blu Moon outcrop is located 2000 metres to the northwest of the Blu Starr outcrop which was explored during the 1996 exploration program. Results of the 1996 program were released on January 20, 1997.

The company will extract rough sapphires during the bulk sampling and also implement a heat treatment program; heat treating will allow a larger percentage of the total production to be utilized as gem quality. Preliminary heat treatment on rough sapphires from the property has been initiated through facilities in southern California. Although heat treating has been used for centuries to enhance the colour, clarity and value of sapphires, today's technology greatly increases its success.

Anglo Swiss has also received approval to initiate Phase 1 Exploration on the LBJ group of mineral claims. On the LBJ claims, additional pegmatite dikes, similar to those on the Blu Starr claim group 6000 metres to the southeast, have been discovered. Preliminary prospecting on these new claims has uncovered bi-coloured tourmaline, one of the most sought-after pegmatite gemstones. In addition, gem-quality titanite (sphene), beryl, amethyst, and several crystals from the quartz family (star, rose and smokey) have been recovered. Anglo Swiss plans to prospect, map and hand-trench the various showings during this year's program.

On behalf of the Board;

"Len Danard"

President & CEO.

For further information please contact:  
Anglo Swiss Industries Inc.

Telephone: (604) 683-0484  
Fax: (604) 683-7497

or Investor Relations / Comus Capital Group

Telephone: (604) 684-5524  
Toll Free 1 888 684 5524  
Fax: (604) 684-5534

Internet Address : <http://www.anglo-swiss.com>

TGS → Blu Starr

I N T E R O F F I C E M E M O R A N D U M

Created: 17-Jul-1996 12:34pm PDT  
Sent: 17-Jul-1996 12:41pm PDT  
From: Tom Schroeter of EI  
TSCHROETER  
Title. Senior Regional Geologist  
Dept: Employment & Investment  
Tel No: 660-2812

TO: Gib McArthur BC Geol. Survey ( GMCARTHUR )  
CC: Allan Wilcox of EI ( AWILCOX )  
Subject: RE: Blu Starr gemstone property

I visited the property with Leroy and Len Danard, Pres. of Anglo-Swiss on July 4th.

- 1) I DON'T know if Anglo-Swiss is the same as Canadian Sapphire Corp. (news to me).
- 2) evidence of exploration? - prior to visit = minor sampling (high-grading) of corundum samples from railway and highway showing? During visit = detailed mapping/ carat potential study by consultants.
- 3) Relationship? As far as I know, Anglo-Swiss has an option agreement (of some sort) with co-discoverer, Rod Luchansky. They seem to be on very amicable terms. Rod is also exploring a large regional area, discovering new showings of beryl and other potential gemstones (besides the sapphires).

Very interesting project(s); suggest you confer with George Simandl/Dan Hora. Tom.

I N T E R O F F I C E   M E M O R A N D U M

Created: 17-Jul-1996 11:44am PDT  
Sent: 17-Jul-1996 11:51am PDT  
From: Gib McArthur BC Geol. Survey  
GMCARTHUR  
Title. Manager - Geoscience Information  
Dept: Employment & Investment  
Tel No: 604-952-0384

TO: Tom Schroeter of EI ( TSCHROETER )  
CC: Allan Wilcox of EI ( AWILCOX )  
Subject: RE: Blu Starr gemstone property

Tom ....Leroy Walbaum has submitted an assssment report that we are having difficulty evaluating....

Do you know if Anglo Swiss is the same as Canadian Sapphire Corp? Did you see any evidence that exploration has been conducted on the claims? If yes what and how much....and by whom. What do you know about the relationship between the discoverer Rod Luchansky and Anglo Swiss?

The report we have was written by Marylou Coyle for Anglo Swiss but she reported that she was unclear about this relationship...

Any help???

Gib

I N T E R O F F I C E   M E M O R A N D U M

Created: 15-Jul-1996 02:27pm PDT  
Sent: 15-Jul-1996 02:37pm PDT  
From: Tom Schroeter of EI  
TSCHROETER  
Title. Senior Regional Geologist  
Dept: Employment & Investment  
Tel No: 660-2812

TO: Bill McMillan of EI ( WCMILLAN )  
CC: David Lefebure of EI ( DLEFEBURE )  
CC: Gib McArthur BC Geol. Survey ( GMCARTHUR )

Subject: Blu Starr gemstone property

On July 4th I visited the Blu Starr and Blu Moon gemstone properties in the Passmore area with the co-discoverer, Rod Luchansky, and optionee Anglo-Swiss Industries Inc. (Leroy Walbaum and Len Danard). Rod has discovered and continues to discover "gem"-quality corundums (sapphires), ruby, beryl, titanite, aquamarine, "Japan" quartz, amethyst, zircons, andalusite, chiasolite, plus potentially economic quantities of feldspar and/or micas. They have staked all local gneiss domes, including those from your thesis years. The owners would be very pleased/appreciative if you paid them a visit to assist them in their longer-term regional strategy for the area 'play'. I told them I would pass this message along to you (so done!) with my personal recommendation for you to visit. I suggest you also touch base with George Simandl for comments ('95 visit).

FYI- on way to Akie and Cirque with Lane next Tues. 23rd and Wed. 24th. Cheers,  
Tom

DATE: \_\_\_\_\_

File: SEGF - Fund-Raising

Mr G. Arthur Barber  
President, Society of Economic  
Geologists Foundation, Inc.  
5800 Morning Glory Lane  
Littleton, Colorado  
USA, 80123

Dear Art:

**RE: VANCOUVER REGION SEGF - FUND-RAISING DRIVE**

Enclosed are cheques in the amount of \$ \_\_\_\_\_ and \$ \_\_\_\_\_ from

---

respectively.

Yours sincerely,

Tom G. Schroeter, P.Eng.  
Senior Regional Geologist

TGS/mch

c.c.: R. Newell, Gold Fields  
K. O'Connor, Rio Algom  
R.W. Hutchinson