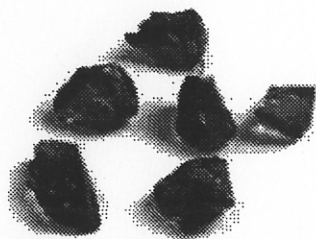


108 -> Blue Star

Anglo Swiss Resources Inc.

Corporate Profile



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GEMSTONES
discovered!



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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, Canada.

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 *

Slocan Valley

Sapphire Discovery

Garnet Discovery

Iolite (water sapphire) Discovery

Placer Designation

Gemstone Market

Kenville Gold Mine Property

Ecuador

Some terminology used in our site may be unfamiliar to many of you. For more information on specific terms or gemstones either click on the highlighted word, or go directly to our miners' corner. We encourage your feedback and will reply to all questions left on our contact page. Any questions we feel may have a broad appeal will be posted at our miners' corner.

* Brad S. Wilson (1997) Gemstone Occurrences in British Columbia, Canadian Gemmologist, 18(3), P. 74-86

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Anglo Swiss Resources Inc.

VCS → Blu Starr

Slocan Valley Property

Anglo Swiss' gemstone property is located in the Selkirk Mountains of southeastern British Columbia, at the confluence of the Little Slocan and Slocan Rivers. This is approximately 27 kilometres west-northwest of the City of Nelson. The Blu Starr gemstone property consists of 13,097 acres of mineral tenure rights and 1853 acres of placer mineral rights. The property hosts numerous showings containing star sapphire, gem quality garnet, aquamarine, tourmaline, titanite, moonstone and several varieties of quartz crystals.

Sapphire Discovery

In 1995, Anglo Swiss began exploration on Canada's first sapphire discovery. In excess of 50,000 carats of rough sapphires were extracted from a select high grade showing of an 770 foot outcropping located on the Blu Starr claim. Approximately 100 stones were initially cut and finished, with 99% showing a star. At that time, the B.C. Ministry of Mines confirmed the occurrence of rough star sapphires up to 250 carats in size.



Slocan Valley regional geology

During 1996, the company's field work concentrated on both the Blu Starr, and a second corundum outcropping, the Blu Moon, located approximately 2000 metres to the north-west of the Blu Starr. At the Blu Moon showing, rough sapphire crystals showed a greater variability in size, colour and transparency (news release 1/20/97).

In May 1997, the company received government approval to commence a bulk sample program. Additional pegmatites were uncovered on the LBJ claims, 6000 metres further northwest. Preliminary prospecting on these new claims uncovered bi-coloured tourmaline (news release 5/22/97).

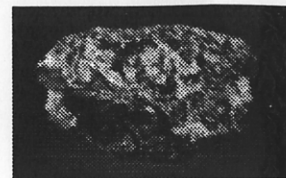
During the summer of 1997, 150,000 kilograms of material was trucked to a secure location at the company's Kenville minesite near Nelson. Ten to 200 carats of rough sapphire per kilogram was recovered from selected hand-cobbed samples (news release 7/15/97).

On September 1997 (news release 9/18/97), Anglo Swiss reported that United Radiant Applications of California had successfully heat treated 100% of the initial test runs of rough sapphire to varying colours of blue. In order to produce clean, saleable gemstones, most sapphires required heat treatment to enhance their colour and clarity.

In October 1998, Anglo Swiss uncovered another sapphire bearing zone, Sapphire Hill (news release 10/21/98). This new sapphire-bearing zone, exposed in rock outcroppings and talus, stretches for more than 400 metres in length and 50 metres in elevation, and is open to expansion in all directions. Hand processing by Anglo Swiss personnel yielded more than 6,000 carats of sapphire crystals from a single 20-kilogram talus boulder removed from the centre of this mineralized area.

Garnet Discovery

In June 1998, Anglo uncovered a new garnet discovery (news release 6/29/98) in the Slocan Valley near Nelson. The garnets occur within feldspar-rich pegmatite sills and dikes. 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. The first sample of the company's rough garnet material, sent to Sri Lanka for faceting, resulted in more than 45% of the stones returning as readily marketable gemstones. Anglo Swiss personnel have extracted more than 300,000 carats of rough garnet from this initial discovery.

Iolite (water sapphire) Discovery

The garnet discovery was followed in November 1998 (news release 11/18/98) 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.

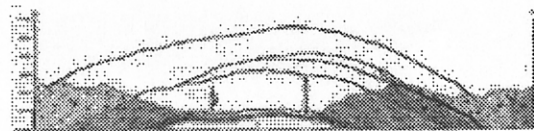
Two panel samples of approximately one tonne each were taken from outcrops one kilometre apart. Roughly 25 kilograms of very high-grade iolite crystal was extracted from each sample. The two samples taken together contain more than 100,000 rough carats of iolite crystal. Flawless, large crystals (5-10 carats) removed from a depth of 8" beneath the surface of the outcrop display a dark violet colour with minimal alteration.



The first iolite gems were cut by master gem cutters and designers Bruce MacLellan of Mountain Gems Ltd., and Ken Dale of Rusty's Gems Ltd., who stated that the iolite is among the finest they have ever cut. The cutters both remarked on the superb blue-violet colour, excellent clarity, and intense brilliance of the gems. A portion of the material is scheduled to receive a cabochon cut, as iolite occasionally shows a star of opalescent light similar to that exhibited by star-sapphires.

Placer Designation

During the last glacial period, most of British Columbia was covered by an ice sheet which measured several thousand metres thick. When the ice sheet retracted, it exposed the Passmore Dome, location of the Anglo Swiss Slocan Valley Property. As the earth's crust eroded, the rivers exposed gem bearing outcroppings. Subsequent erosion deposited gemstone crystals into the river gravels and surrounding terraces.



In September 1998, (news release 9/14/98) Anglo Swiss received placer designation along the Slocan and Little Slocan Rivers. The company staked 15 Placer Claims which management believes have the potential to host substantial concentrations of gemstones.

Gemstone 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 USD \$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. According to the January 1, 1999 issue of National Jeweler, "Color is the most important trend for the year. The most popular will be pinks, blues and violets".

It is 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 Swiss' cost of extraction is reduced.