ASSESSMENT REPORT

on

GROUND EM GEOPHYSICS

VINE PROPERTY
(VP Claims)

Moyie Lake area, SE B.C.
Fort Steele Mining Division

UTM 585500E 5472800N

TRIM 82G.031 & 82G.041

For

RUBY RED RESOURCES INC.
207-239 12th Ave SW
Calgary, Alberta
T2P 1H6

By
Peter Klewchuk, P. Geo.
March, 2006

TABLE OF CONTENTS

LIST OF ILLUSTRATIONS

1.00 INTRODUCTION

1.10 Location and Access

The Vine property is located about 12 kilometers south of Cranbrook in SE B.C. The claims are just NE of Moyie Lake, on TRIM maps 82G.031 and 041, centered approximately at UTM coords. 585500E 5472800N (Fig. 1).

Access is by road south from Cranbrook along Highway 3/95 to Green Bay, then north on Hidden Valley Road.

1.20 Property

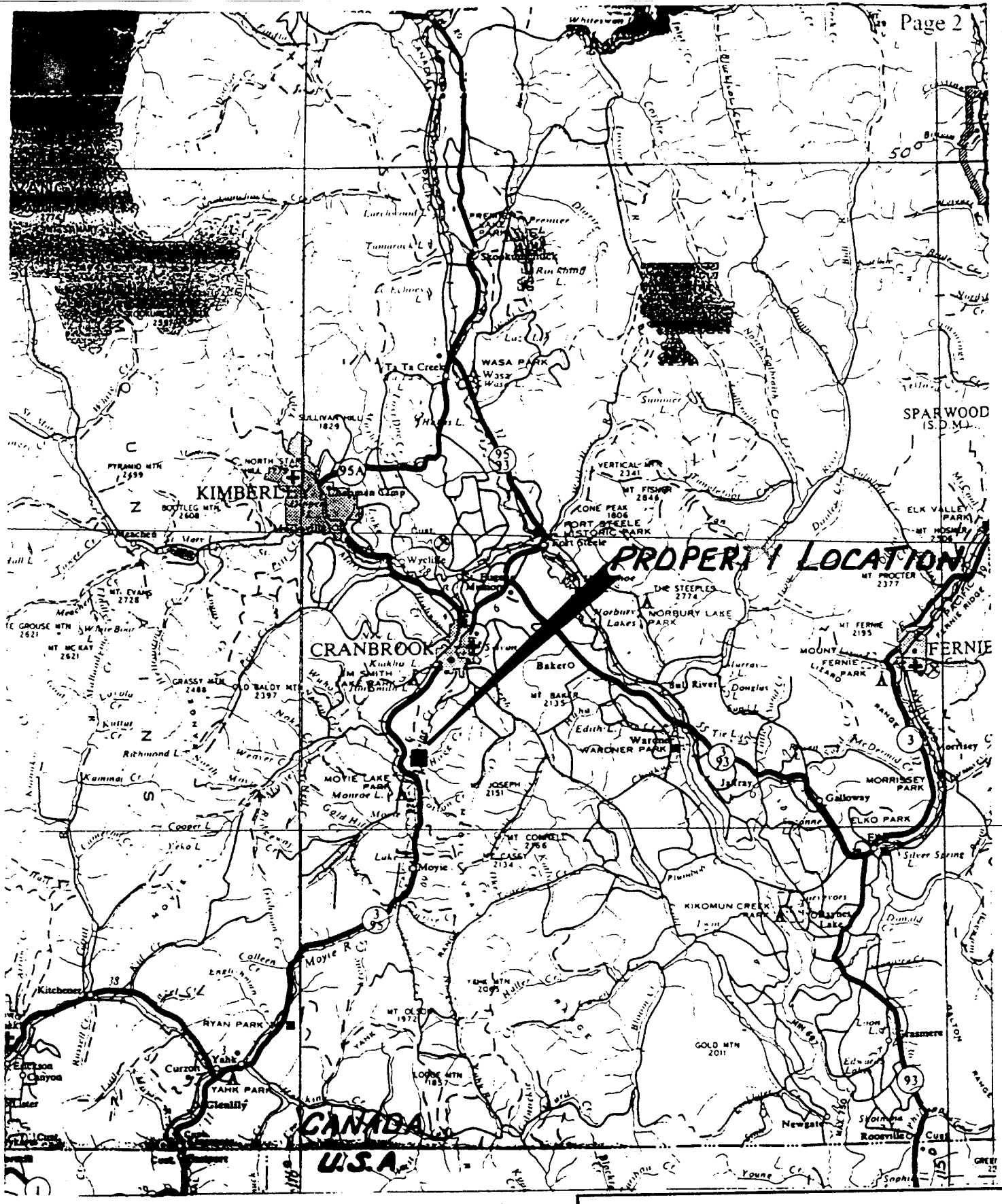
The Vine property comprises 20 2-post claims, VP 1 to 20 (Fig. 2), owned by Ruby Red Resources Inc. of Calgary, Alberta.

1.30 Physiography

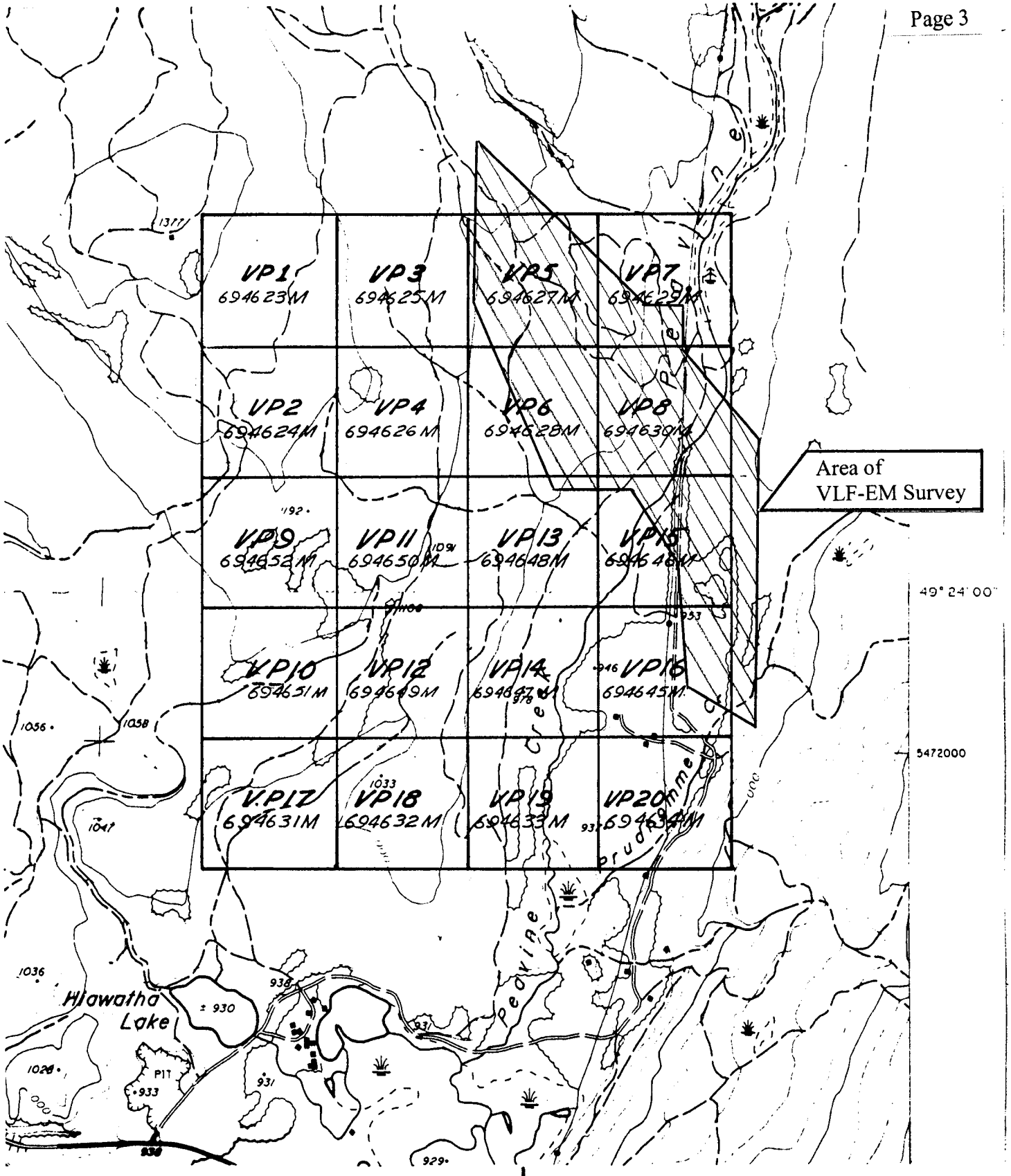
The Vine property is located just NE of Moyie Lake, within the Moyie Range of the Purcell Mountains. Topography is mainly rounded, wooded slopes at lower elevations between about 940 and 1300 meters. Forest cover is a mixture of spruce, larch, fir and pine with a portion of the property cleared for agriculture and grazing.

1.40 History

The Fors property immediately to the west of the Vine was originally staked by Cominco Ltd. in the mid 1960's, following the discovery of surface base metal mineralization. Cominco's exploration included soil geochemistry, surface and airborne geophysics, and diamond drilling. The area of the current Vine property (VP claims) was also originally staked by Cominco, in the mid 1970's, following the discovery of surface boulders of massive high-grade lead-zinc-silver sulfide mineralization. Subsequent exploration activity by Cominco Ltd. exposed the Vine massive sulfide vein by trenching. The Vine Vein is similar to the St. Eugene veins, which are about 13 kilometers to the south and which were the site of the first mining operation in the East Kootenay district of B.C. Historical production from the St. Eugene deposits is about 1.3 million tons at 10.9% Pb, 2.72% Zn, 5.5 oz/t Ag and .005 oz/t Au.



VINE PROPERTY
LOCATION MAP
Scale 1:600,000 Figure 1



V.P. PROPERTY

CLAIM MAP

FIG. 2

SCALE: 1:20,000 | MAP REF: 82G041, 82G031

Cominco Ltd. Tested the Vine vein structure with a few short diamond drill holes but their primary interest was a SEDEX style stratiform deposit at Sullivan time, with the Vine vein mineralization considered as a possible remobilization from SEDEX mineralization at depth. Property-wide diamond drilling by Cominco Ltd.. in the Vine area established the presence of an anomalous Sullivan-type mud zone at Sullivan Time on and near the Vine property.

In 1989 Kokanee Explorations Ltd. acquired an option on the Vine vein from Cominco Ltd. and conducted geophysics, geochemistry, geological mapping, trenching and diamond drilling programs between 1989 and 1991. Their work provided sufficient detail to outline a **(pre NI 43-101)** mineral resource at the Vine vein of:

"Proven" ore: 264,000 tons at 5.2% Pb, 2.24% Zn, 1.96 oz/t Ag and .056 oz/t Au.
"Probable" ore: 337,000 tons at 4.22% Pb, 2.51% Zn, 1.16 oz/t Ag and .05 oz/t Au.

Kokanee Explorations Ltd. was acquired by Consolidated Ramrod Gold Corp. in 1992. The claims covering the Vine Vein were eventually allowed to lapse and Supergroup Holdings staked the ground in September of 2000 and vended the property to Ruby Red Resources in 2005.

1.50 Scope of Present Program

In August of 2005 a ground VLF-EM geophysics survey was conducted on part of the Vine property, mostly over a previously-mapped northwest-trending fault structure, northeast of the Vine Vein. The purpose was to locate the structure below areas of little or no bedrock exposure and to acquire some geophysical information on the character of the structure. The southeastern part of the survey area covered both the Vine Vein and the sub-parallel trending fault structure. A series of north-south and east-west lines were surveyed, totaling 15,150 meters (Figs. 3a and 3b).

2.00 GEOLOGY

The Vine area is underlain by rocks of the Mesoproterozoic Purcell Supergroup which form a large north-plunging anticlinorium. The lowermost member of the Purcell Supergroup is the Aldridge Formation, a thick sequence of fine-grained siliciclastic rocks deposited largely by turbidity currents. The Aldridge Formation is host to the former producing world-class Sullivan SEDEX Pb-Zn-Ag deposit at Kimberley, about 40 kilometers north of the Vine. The Aldridge Formation is overlain by shallow water argillites, siltstones and quartzites of the Creston Formation and these are in turn overlain by carbonate-bearing siltstones and argillites of the Kitchener Formation.

The Moyie Fault is a major transverse fault which strikes northeasterly in the Vine area and crosses the SE corner of the Vine property. The fault dips steeply northwest and separates lower Middle Aldridge rocks on the northwest from Kitchener Formation rocks on the southeast; an apparent vertical displacement of almost 5000 meters.

The Vine vein strikes WNW and dips steeply to the southwest at 70 to 80 degrees. It was traced by Kokanee Explorations Ltd. with geology, geophysics and geochemistry for about 5 km; with trenching for about 2 km and with diamond drilling for about 700 m on strike and to a depth of about 700 m. The vein structure is known to transect at least 1500 meters of Aldridge stratigraphy. It crosses the lower-middle Aldridge contact (Sullivan Horizon) with base metal concentrations in both middle Aldridge and lower Aldridge rocks.

Geologic mapping on the Vine property identified a sub-parallel trending fault structure northeast of the Vine Vein but no detailed work was completed on this structure. A gabbro dike is known to occupy this structure, similar to the Vine Vein.

3.00 GEOPHYSICS

3.10 Introduction

A ground VLF-EM survey was conducted over the area of the known fault structure northeast of the Vine Vein in August of 2005, using both north-south and east-west survey lines. Part of the survey, in the southeast portion, covered the southeast extension of both the Vine Vein and the sub-parallel trending fault structure to the northeast. A total of 15,150 meters were surveyed.

3.20 VLF-EM Survey

3.21 Instrumentation and Survey Procedure

The VLF-EM (**V**ery **L**ow **F**requency **E**lectro**m**agnetics) method uses powerful radio transmitters set up in different parts of the world for military communication and navigation. In radio communication terminology, VLF means very low frequency, about 15 to 25 kHz. Relative to frequencies generally used in geophysical exploration, the VLF technique actually uses very high frequencies.

A Crone Radem VLF-EM receiver, manufactured by Crone Geophysics Ltd. of Mississauga, Ontario, was used for the VLF-EM survey. Seattle, Washington, transmitting at 24.8 kHz and at an approximate azimuth of 247° from the survey area, was used as the transmitting station.

In all electromagnetic prospecting, a transmitter produces an alternating magnetic (primary) field by a strong alternating current usually through a coil of wire. If a conductive mass such as a sulfide body is within this magnetic field, a secondary alternating current is induced within it, which in turn induces a secondary magnetic field that distorts the primary magnetic field. The VLF-EM receiver measures the resultant field of the primary and secondary fields, and measures this as the tilt or 'dip angle'. The Crone Radem VLF-EM receiver measures both the total field strength and the dip angle.

The VLF-EM uses a frequency range from about 15 to 28 kHz, whereas most EM instruments use frequencies ranging from a few hundred to a few thousand Hz. Because of its relatively high frequency, the VLF-EM can detect zones of relatively lower conductivity. This results in it being a useful tool for geologic mapping in areas of overburden but it also often results in detection of weak anomalies that are difficult to explain. However the VLF-EM can also detect sulfide bodies that have too low a conductivity for other EM methods to pick up.

For control, starting points on survey lines were located using a Garmin 76 hand-held GPS receiver. All survey lines were measured with a hip-chain with VLF-EM readings (field strength and dip angle) taken at 25 meter spacings. GPS readings were also taken at intermediate points on the survey lines and at the end of each line.

Results were reduced by applying the Fraser Filter and both dip angle and Fraser Filter values are shown on the survey lines in Figures 3a and 3b.

The Fraser Filter is essentially a 4-point difference operator which transforms zero crossings into peaks, and a low pass operator which induces the inherent high frequency noise in the data. Thus the noisy, often non-contourable data are transformed into less noisy, contourable data. Another advantage of this filter is that a conductor which does not show up as a zero crossover in the unfiltered data quite often shows up in the filtered data.

3.22 Discussion of Results

VLF-EM surveying is most effective at identifying "conductors" which are aligned approximately parallel to the direction of the transmitting station. Seattle, Washington (Jim Creek) transmitting at 24.8 kHz is comparatively close to the survey area and this relative proximity is an advantage because of the strength of the signal. Seattle is at ~247° from the survey area and was previously effectively utilized in detecting the Vine Vein which trends at ~ 290-300° azimuth (Klewchuk, 2004). However the targeted sub-parallel structure northeast of the Vine Vein is more northwesterly oriented (at ~315° azimuth) and is a less favorable orientation for using Seattle as the transmitting station. Probably for this reason, the survey employing east-west oriented lines failed to detect the targeted structure.

585500 585750 586000 586250

5473700 5473450 5473200

SEATTLE 24.8 KHz

FRASER FILTER VALVE

DIP ANGLE

POWER LINE

True North

Magnetic North

0 62.5 125 187.5m

SCALE 1:2,500

RUBY RED RESOURCES

Vine Property

East - West Lines
VLF-EM Data
Dip Angle & Fraser Filter Values

Scale: 1:2,500	Figure: 3a
Date:	Datum: Nad 83
Mapsheets: 082G031,041	vine_vlf_e-w.dgn

However a series of north-south to northeast responses were defined by the east-west line survey (Fig. 3a) and these VLF-EM responses are not continuous across the known northwest fault structure. These VLF-EM responses may reflect subordinate structures.

Following the east-west line survey a second survey was conducted with north-south lines because a north-south survey line completed in 2004 (Klewchuk, 2004) detected anomalies that were interpreted as the Vine Vein and the sub-parallel structure to the northeast. This survey using north-south lines successfully detected the targeted northwest structure and traced it for approximately 1500 meters of strike length (Fig. 3b).

4.00 CONCLUSIONS

VLF-EM surveying on east-west lines using Seattle as a transmitting station failed to detect the targeted northwest structure which occurs northeast of the Vine Vein. The survey did, however, detect at least 2 northerly-oriented responses which may be cross-cutting structures.

Subsequent VLF-EM surveying on north-south lines did detect the northwest structure and traced it for approximately 1500 meters.

Soil sampling should be employed as a next phase program to test whether the northwest structure hosts any lead-zinc-silver mineralization like the Vine Vein. The areas of intersection of the northwest structure and the northerly-trending VLF-EM responses should receive particular attention during the soil sampling program.

5.00 REFERENCES

Klewchuk, P. , 2004 Assessment Report on Ground geophysics, Vine Property, Fort steele mining Division, BCMEMPR Assessment Report 27624

6.00 STATEMENT OF EXPENDITURES

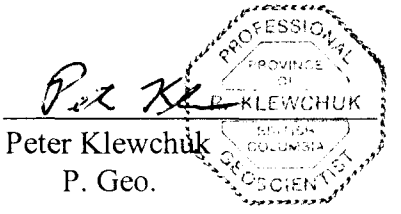
VLF-EM survey 4.5 days @ $350/day	$1575.00
4x4 truck rental 5 days @ $100.00/ day	500.00
VLF-EM rental 5 days @ $30.00 / day	150.00
Drafting 1.5 days @ $350/day	525.00
Report 1 day @ $350.00 / day	350.00
Report and field supplies	24.55
Total Expenditure	$3124.55

7.00 AUTHOR'S QUALIFICATIONS

As author of this report I, Peter Klewchuk, certify that:

1. I am an independent consulting geologist with offices at 246 Moyie Street, Kimberley, B.C.
2. I am a graduate geologist with a B.Sc. degree (1969) from the University of British Columbia and an M.Sc. degree (1972) from the University of Calgary.
3. I am a Fellow of the Geological Association of Canada and a member of the Association of Professional Engineers and Geoscientists of British Columbia.
4. I have been actively involved in mining and exploration geology, primarily in the province of British Columbia, for the past 30 years.
5. I have been employed by major mining companies and provincial government geological departments.

Dated at Kimberley, British Columbia, this 15th day of March, 2006.



Peter Klewchuk
P. Geo.

49:24:58.80 N
115:49:38.60 W

49:24:58.00 N
115:48:15.40 W

585300 585550 585800 586050 586300 586550

5474300 5474050 5473800 5473550 5473300 5473050 5472800 5472550 5472300 5472050

True North

Magnetic North

1000

1000

E.K.L. Co. S.L.C.

L 2790

L 2790

L 2790

L 1086

METAL FENCE

IRRIGATION PIPE

FRASER FILTER VALUE

DIP ANGLE

SEATTLE 24.8 KHz

0 125 250 375m

SCALE 1:2,500

RUBY RED RESOURCES	
Vine Property	
North - South Lines VLF-EM Data Dip Angle & Fraser Filter Values	
Scale: 1:2,500	Figure: 3b
Date:	Datum: Nad 83
Mapsheets: 082G031,041	vine_vlf_n-s.dgn

49:23:34.60 N
115:49:40.60 W

555300 585550 585800 586050 586300 586550

49:23:33.8 N
115:48:17.40 W