

and

ACCESS TRAIL RECONSTRUCTION

ROCKIES BLOCK PROPERTY

Lusier River, Lewis Creek and Wild Horse River area Fort Steele Mining Division

> TRIM 82G.063, 072, 073, 082, & 083 604000E 5516000N

> > Owner and Operator Ruby Red Resources inc. Suite 207 239-12th Ave SW Calgary, Alberta, T2R 1H6

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1.00 INTRODUCTION

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1.10 Location and Access

The "Rockies Block" property is located in southeastern British Columbia between 30 and 45 kilometers northeast of Cranbrook, B.C., and centered approximately at UTM coordinates 604000E 5516000N (Fig. 1). The large claim block covers parts of the drainages of the Lusier River, Lewis Creek and the Wild Horse River. These drainages and their tributaries are readily accessible via a network of forest service roads and thus fairly good road access exists to most of the claim block.

1.20 Property

The Rockies Block property is approximately 17,000 Ha in size and, for the purpose of this report, has been divided into five sub-property areas; Tiger, Wild Horse, Tac, Jacleg and Loose Leg (Figs 1 & 2).

1.30 Physiography

The Rockies Block claim area is within the Hughes Range of the Rocky Mountains. Elevations on the property range from about 1000 to 2430 meters and topography varies from gentle and moderate wooded slopes to steep rocky slopes. Forest cover includes mainly pine, fir and larch. Areas within the claim block have been logged at different times and are in various stages of regeneration.

1.40 History

Placer gold was discovered in the Wild Horse River in the late 1800's and historic prospecting led to early discoveries of gold-bearing quartz veins. More recently, road building activity related to logging has exposed additional gold-bearing quartz veins in a few places.

1.50 Scope of Present Program

In 2006 exploration work on the Rockies Block property consisted primarily of soil geochemistry in a number of grids and reconnaissance contour lines, in part for confirmation and expansion of previously indicated anomalies.

In addition, in the Tackle Creek area (Wild Horse River watershed) an old exploration access trail, originally constructed by Placer Dome and subsequently extended by Cominco Ltd., was reestablished to allow access for soil sampling and future geological mapping, trenching and probable diamond drilling.

Two areas on the Jacleg portion of the property were surveyed with VLF-EM ground geophysics.





2.00 GEOLOGY

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Mapping by Reesor (1981), Hoy and Diakow (1982) and Hoy (1979, 1984 & 1993) has developed a good understanding of the geology and structure of the Cranbrook area of southeastern British Columbia. This area includes the "Rockies Block" claims which is part of the Rocky Mountain Thrust and Fold Belt.

The Rockies Block claims are underlain by rocks ranging in age from Pre-Cambrian to Cretaceous. These include the mesoproterozoic Aldridge, Creston and Kitchener Formations and Paleozoic Jubilee, MacKay and Beaverfoot Formations, which are comprised of fine-grained clastic and carbonbate sedimentary rocks; the Aldridge is a thick succession of predominantly impure quartzites and siltstones of turbidite affinity; the Creston Formation is a shallower water sequence of cleaner quartzites but with considerable siltstone and argillite; the Kitchener Formation is a sequence of dolomitic siltstones; the Paleozoic rocks in the northern part of the claim block include carbonates, shales, argillites and quartzites.

The Aldridge Formation is intruded by a series of gabbro to diorite composition sills and dikes which are called the Moyie Intrusions; a few dikes extend into the Creston and Kitchener Formations. Cretaceous intrusions of granodiorite to syenite composition are scattered along a northeast trend through the general area of placer gold occurrence near Cranbrook. These young rocks may be the eastern limit of the Bayonne Magmatic Belt. Some of the syenite and quartz monzonite stocks carry appreciable pyrite, pyrthotite and chalcopyrite and tend to be associated with anomalous gold; gold mineralization has been found within intrusions, proximal to them and at some distance from known intrusions.

In a broad regional manner, structure of the Cranbrook area is dominated by a series of NNE oriented faults, at least some of which are believed to have been active during sedimentation in the Precambrian and thus have locally modified the type, distribution and thickness of late Proterozoic and Paleozoic rocks (Leech, 1958; Lis and Price, 1976). These structures extend eastward across the Rocky Mountain Trench into the Rocky Mountains and are believed to be a factor in mineralizing processes.

The Rockies Block claims cover the northeastern portion of a sructurally complex area that is more or less centered on the three prominent placer gold streams in the Cranbrook area, namely Perry Creek and the Moyie River in the Purcell Mountains and the Wild Horse River to the northeast in the Rocky Mountains. A series of NNE to NE oriented shear zones and a series of east to NE oriented transverse faults create the structurally complex, block-faulted area within which the placer gold occurs.

3.00 SOIL GEOCHEMISTRY

3.10 Introduction

Widespread soil sampling was undertaken in a number of areas on the Rockies Block of claims in 2006. This work included reconnaissance contour lines, grids and detailed follow-up of previously indicated anomalies.

Approximately 1886 soil and silt samples were collected from parts of the Rockies Block claims in 2006. The soil samples were taken at intervals 25 meters apart on both grid and contour lines. Line locations were determined by using a Garmin 76 hand held GPS receiver; non-contour lines were run by compass and sample spacing was measured by hip chain. Sufficient GPS readings were taken during the surveys to provide confidence in plotting soil locations. Soils were taken from the B Horizon at an approximate depth of 15 cm, placed in Kraft paper bags, dried and shipped to Acme Analytical Laboratories Ltd. at 852 East Hastings Street, Vancouver, B.C., where they were analyzed for a 30 element ICP package plus geochemical gold by standard analytical techniques. Samples from the Tiger property were analyzed only for geochemical gold. Soil survey lines and sample locations are shown on Figures A-1 (Tiger property), B-1, B-2 (Wild Horse property), C-1 (Tac property), D-1, D-2, D-3, D-4, D-5 (Jacleg property), E-1, E-2 and E-3 (Loose Leg property). Complete geochemical analyses are provided in Appendix 1 and GPS locations of the samples are summarized in Appendix 2.

3.20 Results

A. Tiger Property

The Tiger property is in the Lusier River drainage at the northern end of the Rockies Block of claims and covers 2 small Cretaceous felsic intrusions. Previous soil geochemistry by Dragoon Resources Ltd. identified anomalous levels of "gold indicator elements" (AR's 19,419 & 20,754) and the 2006 soil geochemical survey was intended to confirm and follow up on previously-obtained elevated gold values.

Four hundred fifty-eight soil samples were collected along 11 reconnaissance lines (Fig. A-1). Generally, gold values are low and only a few samples show anomalous levels. Maximum gold value obtained is 83 ppb. Further work is required to define areas to focus additional exploration effort on.

B. Wild Horse Property

The Wild Horse portion of the Rockies Block property is situated at the headwaters of the Wild Horse River and covers a felsic Cretaceous intrusion which was the focus of exploration by Placer Dome Ltd. In the mid 1980's (AR's 13,901, 18,159, & 20,202).









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A series of five lines totaling 327 soils and 4 silts were sampled. The main intrusion occurs west of the Wild Horse River and three lines tested this area (Fig. B-1 and B-2). Copper is moderately anomalous across much of the area and is more strongly concentrated in two locations. The southern 500 meters of Line L2 displays anomalous copper values up to 238 ppm (Fig. B-1). The very southern end of the line also has anomalous lead and zinc values.

An east-west soil survey line (L500N) just north of 5520500N has strong copper values along most of its 800 meter length with very strong copper values near the western end of the line; up to 2289 ppm Cu. Some anomalous lead is associated with the area of high copper. This area of high copper in soil is a promising target for follow-up exploration.

Two short contour lines (L2020 and L2080) were sampled east of the Wild Horse River to cover an area where 2 smaller intrusive exposures exist. Generally, copper, gold and zinc values are low but with locally elevated lead and silver.

Although elevated copper is common on the lines west of the Wild Horse River, initial follow-up exploration should focus on the high values defined on line 500N.

C. Tac Property (Tackle Creek)

In the mid 1980's, Placer Dome Ltd. carried out an exploration program in the general Tackle Creek area, consisting initially of geological mapping and soil and rock geochemistry, and eventually including ground geophysics and diamond drilling. Placer Dome's soil grid has been re-drafted and included in Figure C-1; gold values determined by Placer Dome are shown along with gold values obtained by the 2006 soil geochem survey.

Thirteen contour lines (T-1 to T-13; Figure C-1) were sampled for a total of 447 soils. The lines were located to confirm and augment some of the gold-in soil anomalies defined by Placer Dome.

In general, the 2006 sampling both confirms and augments the broad, general NNW trend of anomalous gold defined by Placer Dome. Although anomalous gold-in -soil is widespread across the Tackle Creek area, one stronger anomaly indicated by Line T-6 where high gold values up to 500 ppb occur on both sides of a narrow northeast-trending ridge. This area can be accessed utilizing the reconstructed Tackle Creek trail and then using old skid trails on the north side of the ridge.

D. Jacleg Property

Four areas on the Jacleg property (Fig. 2) were evaluated with contour soil sampling in 2006.

Wolf Creek

Two contour lines were sampled adjacent to Wolf Creek, in the vicinity of historic workings and sulfide-mineralized breccias. Line and sample locations are shown in Figure D-1 with values for copper, lead and zinc in ppm and gold in ppb at each sample site. Complete ICP analyses are in Appendix 1.

A few isolated copper highs are present, with one cluster of 7 samples (175 meter line lengthy) on the southern line having values from 53 to 111 ppm Cu, along with one sample at 22 ppm Cu.

Lead values show isolated highs, up to 117 ppm on the northern line as well as a cluster of higher values overlapping the area of high copper on the southern line.

Only 5 samples have zinc values above 150 ppm; these are generally not coincident with higher copper, lead or gold values; the highest zinc value of 204 ppm, at 150E on line WC2 (Fig. D-1) is with a weaker anomalous copper value of 58 ppm.

Gold values are generally low; only one sample is ≥ 10 ppb (11 ppb) on the southern line. Five samples on line WC1 are ≥ 10 ppb Au with a maximum of 29 ppb.

Lazy Lake

One longer contour line was sampled just north of Lazy Lake, at an elevation of 970 meters (L970); line location and sample sites along with values for copper, lead and zinc in ppm and gold in ppb at each sample site are shown in Figure D-2.

Weak to moderately anomalous copper occurs along the northern 800 meters of the line with values up to 98 ppm; a few elevated copper values also occur near 800-900N and near the very southern end of the line.

Lead values are weakly anomalous with some of the higher copper values but maximum lead value is only 80 ppm. Zinc is similarly weakly anomalous, generally with copper and lead; maximum zinc value is 397 ppm; only two samples have zinc values above 300 ppm; an additional 7 samples are between 200 and 290 ppm zinc.

Weakly elevated gold occurs mostly along the northern part of the line. Only 10 of the 81 samples have >10 ppb Au with 5 of these >20 ppb Au; maximum gold value is 83 ppb. Elevated gold is generally associated with elevated values of copper, lead or zinc.

Lewis Creek

One contour line was sampled just north of the major bend in Lewis Creek, at an approximate elevation of 1440 meters (L1440); line location and sample sites along with copper, lead and zinc values in ppm and gold values in ppb are shown in Figure D-3

A few isolated samples have high values of coincident copper, lead and zinc and one has weakly elevated gold. Maximum values are: copper 368ppm; lead 522 ppm; zinc 347 ppm and gold 15 ppb. Weaker copper and lead are present along other parts of the line. The higher soil values should be evaluated with prospecting.

Tracy Creek

Four additional grid lines were soil geochem sampled on a copper-gold soil anomaly previously detected by Chapleau Resources Ltd. The anomalies occur in low elevation, subdued terrain near the Lazy Lake road; line locations, sample sites and values for copper in ppm are shown in Figure D-4; gold values in ppb are in Figure D-5.

Weaker elevated copper values were detected primarily on line 58N with copper values up to 63 ppm; a few higher gold values are also present, also mainly on line 58N, with a maximum value of 53 ppm gold. The area of the anomaly is entirely overburden-covered but should be underlain by the Fort Steele formation, a unit of extensive massive quartzites which is known to locally carry disseminated copper.

E. Loose Leg Property

Four contour lines were sampled across a previously identified zone of anomalous lead, zinc and gold. Line location, sample sites and values for zinc, lead and gold are shown in Figures E-1, E-2 and E-3 respectively.

Coincident lead, zinc and gold values occur in 3 main areas on the contour lines. A strong trend of mineralization occurs just northeast of the northwest-trending stream gully in the northern portion of the survey area. The trend of the mineralization appears to be northwest. Zinc values are up to 538 ppm, lead values are up to 784 ppm and gold values are up to 373 ppb.

A few high geochemical values occur near the stream gully at ~5516050N; zinc values are up to 367 ppm, lead values are up to 118 ppm and gold values are up to 100 ppb.

These areas of high geochemical values warrant follow-up exploration.

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4.00 2006 EXPLORATION TRAIL RECONSTRUCTION

An exploration access trail into the Tackle Creek drainage in the Wild Horse River watershed was constructed by Placer Dome Ltd. in the early 1980's. This access trail was extended by Cominco Ltd. to provide access for ground geophysics. In 2006 the access trail up Tackle Creek was opened up as much of the trail was overgrown and parts of it had sloughed and been covered by windfall and debris. The re-constructed access trail is shown in Figure C-1.

5.00 VLF-EM GEOPHYSICS

5.10 Introduction

Two areas on the Loose Leg property were ground surveyed with VLF-EM in 2006. One area covered part of the larger soil geochem anomaly indicated in Figures E-1, 2 & 3. The second area covered part of a north-trending series of UTEM geophysics anomalies detected by Cominco Ltd., near the major deviation in Lewis Creek. In total, just over 9 kilometers of line were surveyed.

5.20 VLF-EM Survey

The VLF-EM (Very Low Frequency Electromagnetics) 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. However, 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 249° from the survey area, was used as the transmitting station for the survey.

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.

Survey lines on the grids were initially located by using a Garmin 76 hand-held GPS, then run by compass. All survey lines were measured with a hip-chain with VLF-EM readings (field strength and dip angle) taken at 25 meter spacings. Sufficient GPS readings were taken during VLF-EM surveying to provide confidence in plotting all survey lines on the base maps. A total of 9.075 kilometers of VLF-EM surveying was completed on the Loose Leg property in 2006.

Results were reduced by applying the Fraser Filter and both dip angle and Fraser Filter values are shown on the survey lines in Figures E-4 and E-5.

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.

VLF-EM surveying was done on the ridge between the west-flowing portion of Lewis Creck and the Estella Mine road. An old road and a series of 9 NE oriented grid lines were surveyed for a total of 5500 meters (Fig. E-4). Five separate anomalies were detected on the road and the 9 lines; one anomaly near 5518000N 599300E coincides with a NNW trending creek draw which hosts a series of old adits and shafts on mineralized quartz veins; this VLF-EM anomaly should be expanded.

On the 8 line grid, one persistent WNW anomaly was detected on all but the northwest-most line. This anomaly coincides with anomalous lead, zinc and gold values (Figs. E-1 to E-3) and may reflect a structural control for the mineralization. Three separate anomalous VLF-EM responses were detected on the southern portion of line LC2 and these warrant expansion with additional surveying, given their proximity to the soil geochem anomalies.

Nine east-west lines (Figure E-5), totaling 3575 meters, were surveyed near Lewis Creek where it changes direction from north-flowing to west-flowing. Cominco Ltd. acquired a north-trending series of UTEM anomalies in this area (AR 20,554), but with lines spaced at 200 to 300 meters. VLF-EM surveying was utilized in an attempt to provide detail on the UTEM cross-over points. Anomalous VLF-EM responses were only detected on 2 lines (L845 and L855; Fig. E-5), with both anomalies apparently north-trending.

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4.00 STATEMENT OF COSTS

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Access trail re-construction; backhoe; Fiorentino Bros., Cranbrook, B.C.	\$14,644.90 🧭				
VLF-EM surveying 6 days @ \$300 (includes 4x4 vehicle)	1,800.00 1				
VLF-EM rental 6 days @ \$30.00/day	180.00 🗸				
Tiger soils (gold only) 458 samples @ \$17.45/sample	7,992.10 V				
Tac soils 447 samples @ \$22.85	10,213.95 🗸				
Wild Horse soils 327 samples @ \$23.40	7,651.80 🗸				
Loose Leg soils 550 samples @ \$21.00	11,550.00 🧹				
Drafting and compilation; Kevin Franck and Associates	3,700.00				
Geologist; P. Klewchuk; trail access re-construction supervision, soil and VLF-EM surveys;					
planning and supervision, report; 25 days @ \$400/day	10,000.00				
4x4 truck 20 days @ \$115.10	2,302.00				
Sub-total	\$70,034.75				
15% Administration overhead	10,505.00				
Total cost	\$80,539.75				

5.00 AUTHOR'S QUALIFICATIONS

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

- 1 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. 1 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 31 years.
- I have been employed by major mining companies and provincial government geological departments.

Dated at Kimberley, British Columbia, this 28th day of March, 2007.

Peter Klewchuk P. Geo.

6.00 REFERENCES

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