

The Walker Report recommends further work that should consist essentially of a continuation of recently employed exploration methods which have successfully located surface gold mineralization and outlined potential diamond drilling targets. The Walker Report recommended a two phase exploration program with a proposed budget of \$229,322. Ruby Red completed the first phase in the fall of 2005 which consisted of soil sampling, rock sampling, very low frequency-electromagnetic ("VLF EM") ground surveys, geological mapping, trenching and diamond drilling. Ruby Red has commenced the second phase of the exploration program, which will consist of additional soil sampling, rock sampling, VLF-EM ground surveys, geological mapping, trenching and diamond drilling on the OBFS. It is expected that the second phase of the exploration program will be completed in the fall of 2006.

The Walker Report is currently being reviewed by the TSX Venture Exchange Inc. (the "TSX Venture") and, in accordance with the request of the TSX Venture, information in the Walker Report is being updated by Mr. Walker prior to its acceptance.

Ruby Red's Loose Leg Property

Ruby Red's Loose Leg property includes four mineral claims (1042.777 hectares) located approximately 32 kilometres north-northeast of Cranbrook, British Columbia. These claims are held 100% by Ruby Red, have no underlying interests and have not been legally surveyed. The Loose Leg property is situated immediately northwest (and on strike) of the former producing Estella silver-lead-zinc mine at the head of Tracey Creek. Previous exploration activity focused on quartz veins which carry anomalous lead, copper, zinc, silver and gold. Minimal exploration work done by Ruby Red between 2002 and 2005 has included prospecting, geologic mapping and soil and rock geochemistry. A number of areas have been targeted for more detailed work, which includes a large Proterozoic vent complex (with similarities to the giant former-producing Sullivan lead-zinc-silver orebody at Kimberley) that straddles the boundary between the Loose Leg claims and the Super Group claims. A detailed but limited soil geochemistry grid completed over part of the vent complex indicates strong base metal values as well as a strong overprinting by gold-mineralizing processes. During the 2006 fiscal year, Ruby Red proposes to conduct a minimal exploration program in this property which will consist of geological mapping, rock sampling and soil sampling.

Ruby Red's Spirit Dream Property

Ruby Red's Spirit Dream property includes four mineral claims (572.144 hectares) located within the Wild Horse River drainage approximately 27 kilometres northeast of Cranbrook, British Columbia. These claims are held 100% by Ruby Red, have no underlying interests and have not been legally surveyed. The Wild Horse River historically has produced around a half million ounces of placer gold and exploration on the Spirit Dream property (and Super Group claims contiguous to the north). Exploration work to date by Ruby Red has defined multi-gram gold with altered and brecciated quartzites. Gold on the Spirit Dream property and nearby on the Super Group claims in the Rocky Mountains is now recognized as being related to low angle thrust faults and high angle cross-cutting fault structures. The strong gold-in-soil anomaly on the Spirit Dream property is permitted for trenching and drilling. During the 2006 fiscal year, Ruby Red proposes to conduct a minimal exploration program in this property which will consist of geological mapping, rock sampling and soil sampling.

Properties Acquired from Super Group

Ruby Red entered into a purchase agreement with Super Group dated August 3, 2005 (the "Super Group Agreement") pursuant to which Ruby Red agreed to acquire certain mineral claims and exploration data from Super Group. The closing of the transactions contemplated by the Super Group Agreement occurred on November 30, 2005. The purchase price for these assets was satisfied by the issuance to Super Group of a number of Ruby Red Common Shares at a deemed price of \$0.25 per share that is equal to 25% of the total issued and outstanding Ruby Red Common Shares after taking into account the issuance of such Common Shares, the closing of the Ruby Red Private Placement (as described below) and the completion of the transactions contemplated by the Business Combination (as described below). Notwithstanding the above, the Super Group Agreement provided that in the event that Ruby Red is unsuccessful, in whole or in part, in completing the Ruby Red Private Placement, a number of Ruby Red Common Shares issued to Super Group will be cancelled and returned to the treasury of Ruby Red such that Super Group will own 25% of the total issued and outstanding Ruby Red Common Shares after taking into account the closing of the Ruby Red Private Placement and the completion of the transactions contemplated by the Business Combination.

Ruby Red. - Jan. 13/08