

**CANADIAN OREBODIES INC.**  
**Form 51-102F3**  
**MATERIAL CHANGE REPORT**

1. **Name and Address of Reporting Issuer:**

Canadian Orebodies Inc. (the “**Company**”)  
141 Adelaide St. West, Suite 301  
Toronto, Ontario M5H 3L5

2. **Date of Material Change:**

April 24, 2012

3. **News Release:**

The press release reporting the material change was released via Marketwire on April 24, 2012, a copy of which has been filed on SEDAR.

4. **Summary of Material Change:**

The Company announced that its Board of Directors has determined, in principle, to proceed with a restructuring of its assets. The objective of such restructuring is to enhance shareholder value by, among other things, improving the recognition and value of its iron ore and lithium and rare metals assets by separating such assets between two companies.

5. **Full Description of Material Change:**

The Company announced that its Board of Directors has determined, in principle, to proceed with a restructuring of its assets by spinning out the non iron ore assets into a new company to be incorporated (“**SpinCo**”). The objective of such restructuring is to enhance shareholder value by, among other things, improving the recognition and value of its iron ore and lithium and rare metals assets by separating such assets between two companies (as described below).

The Company's Board believes that:

- The Company's current capitalization understates the intrinsic value of its iron ore and lithium and rare metals assets.
- Market participants tend to prefer ‘pure play’ single commodity focused entities for undertaking valuations and market comparisons.
- Providing shareholders with a shareholding in a new company that holds the lithium and rare metals assets, pro-rata to their shareholding in the Company (which will continue to hold the iron ore assets), will offer exposure to the potential value to be created from each set of assets.
- Following the completion of the Arrangement (as defined below), each of the Company and SpinCo (as defined below) will be better positioned to finance their respective businesses and grow through exploration and acquisition.

## The Company's current principal assets are:

### Iron Ore Assets

- The Haig Inlet iron ore project (10% interest with the option to acquire up to 100%) in Nunavut, Canada. As reported previously in the press releases dated February 6, 2012 and March 20, 2012, the Haig Inlet iron ore project has a National Instrument 43-101 (“**NI 43-101**”) mineral resource estimate of 230 million tonnes of indicated mineral resources at a grade of 35.17% Fe and a further 289 million tonnes of Inferred mineral resources at a grade of 35.47 % Fe (collectively, the “**Resource Estimate**”).

The Resource Estimate has been completed in compliance with NI 43-101 standards and the corresponding technical report entitled “Haig Inlet Iron Project Technical Report, Belcher Islands, Qikiqtaaluk Region, Nunavut, Canada” dated effective February 5, 2012 (the “**Technical Report**”) is filed under the Company's profile on SEDAR and is also available on the Company's website. The Technical Report containing the Resource Estimate was prepared by George H Wahl, P.Geo, Principal Geologist of G H Wahl & Associates Consulting, who is a Qualified Person as defined by NI 43-101 and is independent of the Company.

- The Haig West property (100% interest), consisting of 13 staked claims totalling 10,172 hectares on the west side of Flaherty Island, approximately 10km west of Haig Inlet.

### Lithium, Rare Metals and Other Assets

- The Crescent Lake project (comprised of the Zig-Zag property option to earn up to 80% interest, Outer Zig-Zag claims 100% interest, Despard property 100% and Falcon Lake property 100% interest), in Ontario, Canada.
- The Hawkins property (100% interest), in Ontario, Canada.
- The Trump property (in which Orebodies holds an 80% interest through a joint venture agreement).
- The Company's interest in Noble Mineral Exploration Inc. (“**Noble**”) (TSXV: NOB), consisting of 5,000,000 common shares in the capital of Noble and 4,000,000 warrants to acquire common shares in the capital of Noble.

## The Arrangement

The Company proposes to complete the reorganization by way of a plan of arrangement (the “**Arrangement**”), which will be subject to regulatory, shareholder and court approval. Pursuant to the Arrangement, as currently proposed, the Company's lithium and rare metals assets and any related liabilities (as well as an estimated \$400,000 in cash and cash equivalents, and certain other assets) will be transferred to a holding company that will become a wholly-owned subsidiary of a new company to be incorporated (“**SpinCo**”), with the Company retaining its current interest in its iron ore assets. Under the Arrangement, holders of the Company's common shares will be entitled to receive new common shares of the Company and common shares of SpinCo in exchange for the common shares of the Company held by such holders on the record date of the Arrangement. Upon completion of the Arrangement, the Company's shareholders will continue to hold a 100% indirect interest in the assets of both the Company and SpinCo, through their separate shareholdings in each of the Company and SpinCo. It is expected that neither the Company nor SpinCo will hold shares in the other.

While the proposed Arrangement remains subject to further review and approval by the Company's Board of Directors, it is anticipated that the Company will structure the transactions contemplated under the Arrangement on a tax neutral basis for the Company and its shareholders.

The completion of the Arrangement will be conditional upon, among other matters, approval by the Ontario Superior Court of Justice, confirmation, in form and substance satisfactory to the Company, with respect to the tax consequences of the Arrangement and receipt of all other required regulatory and third party consents and approvals required in connection with the Arrangement, including receiving TSX Venture Exchange conditional approval of the listing thereon of the SpinCo common shares to be received by the Company's shareholders pursuant to the Arrangement.

The Arrangement will also be subject to shareholder approval by at least two-thirds of the votes cast by shareholders of the Company at a meeting of shareholders called for such purpose. The Company expects to deliver to shareholders an information circular, describing the proposed Arrangement in greater detail, with a view to holding a special meeting of shareholders to approve the Arrangement and completing the Arrangement in Q3/2012. Further particulars relating to the Arrangement, including the record and meeting dates for such shareholders' meeting, will be announced in due course by press release.

All current directors and the officers of the Company are expected to remain the same following the completion of the Arrangement. In addition, Gordon McKinnon has been appointed as the Chief Executive Officer of SpinCo. Certain of the directors and officers of the Company are expected to serve on the Board of Directors of SpinCo following the completion of the Arrangement.

6. **Reliance on Subsection 7.1(2) of National Instrument 51-102:**

Not applicable.

7. **Omitted Information:**

None.

8. **Executive Officer:**

Gordon McKinnon  
President and Chief Executive Officer  
Phone: (705) 268-9000

9. **Date of Report:**

May 2, 2012