

Canadian Orebodies Inc.

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PRESS RELEASE

CANADIAN OREBODIES ISSUES CORPORATE UPDATE

TORONTO, August 3, 2012 -- Canadian Orebodies Inc. (TSXV: CO) (the "Company") announces that in light of current market conditions, it has decided to delay the spin-out transaction that was previously announced on April 24, 2012. The Company planned 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 was to enhance shareholder value by, among other things, improving the recognition and value of its iron ore and lithium/rare metals assets by separating such assets between two companies. The Company will revisit this decision when market sentiment improves, or at such other time that it deems appropriate.

Canadian Orebodies also wishes to announce today that Don McKinnon, has retired as Chairman of the Board and will not stand for re-election at the Company's Annual General Meeting on September 6, 2012, opting to retire and focus on his health. With almost 50 years of experience in mineral exploration, Mr. McKinnon's retirement is well earned. Mr. McKinnon is renowned for the discovery of Hemlo, one of Canada's largest and richest gold mining camps, and he is greatly respected for his research and extensive library. Mr. McKinnon was named prospector of the year in 1983, received the Order of Canada in 1996, the Queen's Golden Jubilee Medal in 2002 and the Queen's Diamond Jubilee Medal in 2012. Gordon McKinnon Canadian Orebodies President and CEO stated "As a company, we would like to thank Mr. McKinnon for his invaluable expertise and guidance since Canadian Orebodies' inception in 2008. We are honoured to have had someone of his calibre on our team."

"It has been a pleasure guiding Canadian Orebodies for the past four years and watching it grow," said Don McKinnon. "I have full confidence that management, the board and the rest of the team will continue to transform the Belcher Islands into Canada's next iron ore district."

For more information please contact:

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