parker simone LLP

Financial Statements

Canadian Orebodies Inc.

January 31, 2011

(Audited)

MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of Canadian Orebodies Inc., or the Company, have been prepared by management in accordance with accounting principles generally accepted in Canada and contain estimates based on management’s judgement. Management maintains an appropriate system of internal controls to provide assurance that transactions are authorized, assets safeguarded and proper records maintained.

The Audit Committee of the Board of Directors has reviewed with the Company’s independent auditors the scope and results of the annual audit and the financial statements and related financial reporting matters prior to submitting the financial statements to the Board for approval.

The Company’s independent auditors, parker simone LLP, are appointed by the shareholders to conduct an audit in accordance with Canadian generally accepted auditing standards and their report follows.

MANAGEMENT’S ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING (“ICFR”)

Management is also responsible for establishing and maintaining adequate internal control over the Company’s financial reporting. The internal control system was designed to provide reasonable assurance to the Company’s management regarding the preparation and presentation of the financial statements.

As the Company is a Venture Issuer (as defined under under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings) (“NI 52-109”), the Company and Management are not required to include representations relating to the establishment and/or maintenance of disclosure controls and procedures (“DC&P) and/or ICFR, as defined in NI 52-109.

“Gordon McKinnon”

Gordon McKinnon
President and Chief Executive Officer

“Joseph Heng”

Joseph Heng
Chief Financial Officer

May 9, 2011

parker simone LLP

Chartered Accountants
129 Lakeshore Road East
Suite 201 Mississauga Ontario
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Independent Auditors' Report

To the Shareholders of
Canadian Orebodies Inc.

We have audited the accompanying financial statements of Canadian Orebodies Inc., which comprise the balance sheets as at January 31, 2011 and 2010, and the statements of operations and deficit, other comprehensive loss and accumulated other comprehensive loss and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Canadian Orebodies Inc. as at January 31, 2011 and 2010, and its financial performance and its cash flows for the periods then ended in accordance with Canadian generally accounting principles.

Emphasis of Matters

Without qualifying our opinion, the accompanying financial statements have been prepared assuming the Company will continue as a going concern. As more fully described in the notes to these financial statements, the Company has not generated revenues to date. This condition raises substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that may result from the outcome of this uncertainty.

parker simone LLP.

Mississauga, Canada.
May 9, 2011

Chartered Accountants
Licensed Public Accountants

Canadian Orebodies Inc.
Balance Sheets

As at January 31,	2011	2010
Assets		
Current Assets		
Cash and cash equivalents	**$ 716,001**	$ 375,244
HST recoverable	**52,567**	4,643
Prepaid insurance	**8,927**	10,693
Marketable securities *(note 6)*	**624,700**	-
	1,402,195	390,580
Mineral Properties and deferred exploration expenditures *(Note 7)*	**2,710,317**	3,826,293
	$ 4,112,512	$ 4,216,873
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	**$ 336,355**	$ 277,614
Due to related party *(Note 12)*	**233,035**	233,035
	569,390	510,649
Future income tax liabilty *(Note 14)*	**-**	122,000
	569,390	632,649
Shareholders' Equity		
Capital Stock *(Note 8)*	**5,844,894**	4,785,836
Contributed surplus *(Note 11)*	**1,688,121**	1,324,821
Accumulated other comprehensive income	**67,640**	-
Deficit	**(4,057,533)**	(2,526,433)
	3,543,122	3,584,224
	$ 4,112,512	$ 4,216,873

Subsequent events *(Note 15)*

Approved by the Board of Directors

(signed) "Gordon McKinnon"
Director

(signed) "John Harvey"
Director

The accompanying notes are an integral part of these financial statements

Canadian Orebodies Inc.
Statement of Operations and Deficit

Years ended January 31,	2011	2010
Expenses		
Professional and consulting	$ 135,242	$ 129,417
Management and administrative services	122,487	123,143
Office and administration	91,042	100,263
Shareholder information	74,721	34,942
Representation and travel	3,475	5,229
Stock based compensation *(Note 10)*	122,900	111,000
Write-off of mineral properties and deferred exploration expenditures *(Note 7)*	1,151,893	1,982,046
	1,701,760	2,486,040
Loss before other items	(1,701,760)	(2,486,040)
Loss before income taxes	(1,701,760)	(2,486,040)
Future income taxes	170,660	564,000
Net loss for the year	$ (1,531,100)	$ (1,922,040)
DEFICIT, beginning of year	(2,526,433)	(604,393)
DEFICIT, end of year	$ (4,057,533)	$ (2,526,433)
Loss per share-basic and fully diluted	$ (0.02)	$ (0.03)
Weighted average number of shares (000's)	66,461	54,651

The accompanying notes are an integral part of these financial statements

Canadian Orebodies Inc.
Statement of Other Comprehensive Loss and Accumulated Other Comprehensive Income

Years ended January 31,	2011	2010
Net loss for the period	$ (1,531,100)	$ (1,922,040)
Unrealized gain on marketable securities (net of future income taxes of $9,660)	67,640	-
Other Comprehensive Loss	$ (1,463,460)	$ (1,922,040)
Other comprehensive income	67,640	-
Accumulated Other Comprehensive Income	67,640	-

The accompanying notes are an integral part of these financial statements

Canadian Orebodies Inc.
Consolidated Statement of Cash Flows

Years ended January 31	2011	2010
Operating Activities		
Net loss	$ (1,531,100)	$ (1,922,040)
Adjustments to reconcile net loss to cash flow from operating activities:		
Stock-based compensation	122,900	111,000
Future income tax recovery	(170,660)	(564,000)
Write-off of mineral properties	1,151,893	1,982,046
Debt settlement (*Note 8*)	164,570	-
Changes in non-cash working capital items		
HST recoverable	(47,924)	124,260
Prepaid insurance	1,766	4,043
Accounts payable and accrued liabilities	(171,678)	(32,345)
Cash flow used in operating activities	(480,232)	(297,036)
Financing Activities		
Equity financings, net of issue costs	1,097,888	598,238
Proceeds from exercise of options	24,000	-
Proceeds from exercise of warrants	24,000	-
Cash flow provided from financing activities	1,145,888	598,238
Investing Activities		
Mineral Properties and deferred expenditures	(324,899)	(255,053)
Cash flow used in investing activities	(324,899)	(255,053)
Increase in cash and cash equivalents	$ 340,757	$ 46,149
Cash and cash equivalents, beginning of year	375,244	329,095
Cash and cash equivalents, end of year	$ 716,001	$ 375,244
Supplemental cash flow information		
Changes in non-cash investing and financing activities		
Shares issued for mineral properties	$ 28,000	$ 178,200
Warrants issued for purchase of mineral properties	$ 174,700	$ 104,000
Shares issued for settlement of debt	$ 164,570	$ 182,500

The accompanying notes are an integral part of these financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Canadian Orebodies Inc. (the "Company" or "Orebodies") was incorporated pursuant to the provision of the Business Corporations Act (of Alberta). Orebodies is in the process of exploring its mineral properties and has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of the amount shown for mineral properties is dependent upon the existence of economically recoverable reserves, the ability of Orebodies to obtain the necessary financing to complete exploration and development, and upon future profitable production or proceeds from disposition of such properties. The Company is an exploration stage entity as defined by the Canadian Institute of Chartered Accountants (the "CICA") Accounting Guideline 11.

Although the Company has taken to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

As at January 31, 2011, the Company had a working capital of $832,805 (January 31, 2010 - $120,069 deficiency) and an accumulated deficit of $4,057,533 (January 31, 2010 - $2,526,433). The working capital at January 31, 2011, includes amounts due to related parties (Note 12) that accrue no interest and have no fixed term of repayment. In order to meet its short to medium-term working capital obligations, the Company will require and seek further financing to ensure that those obligations are properly discharged. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The Company's ability to continue operations and fund its mineral property expenditures is dependent on management's ability to secure additional financing. Management is actively pursuing such additional sources of financing, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to contiune as a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying audited financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Mineral Properties and Deferred Exploration Expenditures

The Company records its interest in mineral properties at cost net of accumulated impairment write-downs. Direct costs relating to the acquisition, exploration and development of mineral properties, less recoveries, are deferred until such time as the properties are either put into commercial production, sold, determined not to be economically viable or abandoned. If the property is placed into production, deferred costs will be amortized and depleted using the straight line method over the estimated economic life of the mine. The deferred costs would be written off if the property is sold, abandoned or otherwise determined to be uneconomic.

The amounts shown for mineral properties and deferred exploration expenditures represent costs incurred to date, less write offs and recoveries, and do not necessarily reflect present or future values of the particular properties.

Asset Retirement Obligations
The Company adopted CICA 3110, "Asset Retirement Obligations" which requires that the estimated fair value of liabilities for asset retirement obligations be recognized in the period in which they are incurred. A corresponding increase to the carrying amount of the related asset is recorded and amortized over the life of the asset. The estimates used in the valuations are based primarily on legal and regulatory requirements. It is possible that the Company's estimates of its ultimate reclamation and closure liabilities could change as a result of changes in regulations, the extent of enviromental remediation required, and the means of reclamation or cost estimates. Changes in estimates are accounted for prospectively from the period the estimate is revised.

An obligation has not been recorded with respect to asset retirement obligations (i.e. environmental remediation) for the Company's exploration and development properties. This is based on the fact that the mining and processing activities that give rise to the legal obligation have not yet occurred and/or the environmental disturbance which has occurred is not yet significant.

As at January 31, 2011 and 2010, the Company has not incurred or committed to any asset retirement obligations.

Impairment of Long-lived Assets

The Company reviews mineral properties and deferred costs for impairment on a periodic basis or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment losses on long-lived assets are recognized when events or changes in circumstances indicate that the undiscounted cash flows estimated to be generated by such assets are less than their carrying value and, accordingly, all or a portion of such carrying value may not be recoverable. Impairment losses then are measured by comparing the fair value of assets to their carrying amounts.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results may differ from those estimates. Areas where management uses subjective judgment include, but are not limited to, recoverability of mineral properties and related deferred costs, future income taxes and the valuation of warrants and options. Management believes that these estimates are reasonable.

Income Taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, future income tax assets and liabilities are determined based on the differences between the carrying amount of assets and liabilities on the balance sheet and their corresponding tax values, using the substantively enacted tax rates expected to apply when these temporary differences are expected to reverse. Future income tax assets are recorded to recognize tax benefits only to the extent that, based on available evidence, it is more likely than not that they will be realized.

Loss per share

Loss per share is calculated based on the weighted average number of shares issued and outstanding during the year. In the years when the Company reports a net loss, the effect of potential issuances of shares under options and warrants would be anti-dilutive and, therefore, basic and diluted loss per share is the same.

Flow-through Shares

Canadian tax legislation permits a company to issue flow-through shares whereby the deduction for tax purposes relating to qualified resource expenditures is claimed by the investors rather than the Company. Recording these expenditures for accounting purposes gives rise to taxable temporary differences.
The Company recognizes a the future income tax liability upon filing renunciation documents with the tax authorities and to treat it as a cost of issuing the flow-through shares.

Stock based compensation

The Company applies the fair-value based method to all stock options granted and warrants issued. Accordingly, compensation cost is measured at fair value at the date of grant and is expensed on a straight line basis over the vesting period, with the related credit included in contributed surplus. The applicable amount of contributed surplus is transferred to share capital, if and when stock options are exercised. Any consideration paid on the exercise of stock options and warrants are credited to capital stock.

The Company uses the Black-Scholes option pricing model to determine the value of all issued options and warrants.

Other stock-based payments

The Company accounts for other stock-based payments based on the fair value of services granted or the equity instruments issued in exchange for the receipt of goods and services from non-employees by using the stock price and other measurement assumptions at the measurement date, whichever is the more reliably measured.

Foreign exchange

Monetary assets and liabilities have been translated at the exchange rate prevailing at the balance sheet dates. Income and expenses are translated at rates prevailing at the dates of the related transactions. Non-monetary assets, liabilities are translated at historic rates. Losses on foreign exchange for the year are included in the statements of operations.

Revenue recognition

Interest revenue is accrued at the fair value interest rate of the financial assets held on deposit.

Cash and cash equivalents

Cash and cash equivalents is comprised of cash held on deposit at a major Canadian financial institution

Other Comprehensive Income

Comprehensive income represents the change in net assets during the year from temporary changes in the fair value of certain types of transactions that are the result of events and other circumstances from non-owner sources. It includes unrealized gains and losses, such as: changes in currency translation adjustment relating to self-sustaining foreign operations; unrealized gains or losses on available-for-sale investments; and the effective portion of gains or losses on derivatives designated as cash flow hedges or hedges of the net investment in self-sustaining foreign operations.

Financial Instruments

All financial assets and liabilities are initially recognized at fair value. In subsequent periods, financial assets and liabilities which are held for trading are recorded at fair value with gains and losses recognized in net income; financial assets which are loans and receivables or held to maturity are recorded at amortized cost using the effective interest rate method and gains and losses recognized in net income; financial assets which are available for sale are recorded at fair value with gains and losses recognized (net of applicable future income taxes) in other comprehensive income; financial liabilities that are not held for trading are recorded at amortized cost using the effective interest rate method and recognized in net income.

The Company adopted the amendment to CICA Handbook Section 3862, financial instruments, which requires disclosure about inputs to fair value measurements within fair value measurement hierarchy as follows:

i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
ii) Level 3: inputs for the asset or liability that are not based on observable market data.

The Company classifies cash as Level 2.

Going concern

The Company adopted Section 1400 - General standards of financial statement presentation, and it has since been amended to include going concern requirements. The amendments require management to make an assessment of the Company’s ability to continue as a going concern and to disclose material uncertainties related to events or conditions that may cast doubt upon the Company’s ability to continue as a going concern. The Company’s disclosures in note 1 reflect such assessments.

Business combination, financial statements & Non-controlling interests

In October 2008, the CICA issued Section 1582, "Business Combination", Section 1601, "Consolidated Financial Statements" and Section 1602, "Non-Controlling Interest". Section 1582 establishes standards for the measurement of a business combination and the recognition and measurement of assets and liabilities assumed. Section 1601 carries forward the existing Canadian guidline on aspects of the preparation of financial statements subsequent to acquistion other than non-controlling interests. Section 1602 establishes guidance for the treatment of non-controlling interests subsequent to acquistion through a business combination. These new standards were effective for the Company in the first quarter of fiscal 2011. The adoption of these new Sections did not have a material impact on the Company's financial statements.

3. FUTURE CHANGES IN ACCOUNTING POLICIES

Future Accounting Pronouncements

Convergence with International Financial Reporting Standards ("IFRS")
In 2006, the Canadian Accounting Standards Board ("AcSB") published a strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AsSB strategic plan outlines the convergence of Canadian GAAP with International Financial Reporting Standards ("IFRS") over an expected five year transitional period. In February 2008, AcSB" announced that 2011 is the changeover date for publicly listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of February 1, 2011, will require the restatement for comparative purposes of amounts reported by the Company for the year ended January 31, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS is currently being evaluated.

4. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustment to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital to include its shareholders' equity. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the year ended January 31, 2011. The Company is not subject to externally imposed capital requirements.

The Company considers its capital to be shareholders' equity, which is comprised of capital stock, contributed surplus, accumulated comprehensive income and accumulated deficit which at January 31, 2011 totaled $3,543,122 (January 31, 2010 - $3,584,224).

The Company's objective when managing capital is to obtain adequate levels of funding to support its exploration activities, to obtain corporate and administrative functions necessary to support organizational functioning and obtain sufficient funding to further the identification and development of precious metals deposits.

The Company raises capital, as necessary, to meet its needs and take advantage of perceived opportunities and, therefore, does not have a numeric target for its capital structure. Funds are primarily secured through capital equity raised by way of private placements. There can be no assurance that the Company will be able to continue raising equity capital in this manner.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company is reasonable.

The Company invests all capital that is surplus to its immediate operational needs in short term, liquid and highly rated financial instruments, such as cash, all held with a major Canadian financial institution.

5. FINANCIAL RISK FACTORS

Credit risk
The Company's credit risk is primarily attributable to cash and HST recoverable. Cash is held with a reputable Canadian chartered bank, from which management believes the risk of loss to be minimal. Financial instruments included in HST recoverable consist of sales tax receivable from government authorities in Canada. Management believes that the credit risk concentration with respect to financial instruments included in HST recoverable is minimal.

Market risk
Interest rate risk
The Company has no interest-bearing debt and no interest bearing assets. The Company's current policy is to invest excess cash in certificates of deposit or interest bearing accounts at major Canadian chartered banks. The Company has no material exposure to changes in interest rates.

Foreign exchange risk
The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company has no material exposure at January 31, 2011.

Equity price risk
Market risk arises from the possibility that changes in market prices will affect the value of the financial instruments of the Company. Except for marketable securities, the Company's other financial instruments (cash, HST recoverable, accounts payable and accrued liabilities and due to related parties) are not subject to price risk.

Fair Value
The Company has, designated its cash as held-for-trading. HST recoverable is classified for accounting purposes as loans and receivables, which are measured at amortized cost which equals fair value. Marketable securities are designated as available-for-sale and are measures at the quoted market bid price as at January 31, 2011. Accounts payable and accrued liabilities and amounts due to related parties are classified for accounting purposes as other financial liabilities, which are measured at amortized cost which also equal fair value. Fair values of accounts receivable, accounts payable and accrued liabilities and amounts due to related parties are determined from transaction values which were derived from observable market inputs. Fair values of these financial instruments are based on Level 2 measurements.

As at January 31, 2011, the carrying and fair value amounts of the Company's financial instruments are approximately equivalent.

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at January 31, 2011, the Company had current assets of $1,402,195 (January 31, 2010 - $390,580) and current liabilities of $569,390 (January 31, 2010 - $510,649). All of the Company's financial liabilities and receivables have contractual maturities of less than one year and are subject to normal trade terms. Current working capital of the Company as of January 31, 2011, is $832,805 (January 31, 2010 - $120,069 deficiency).

Sensitivity Analysis
The sensitivity analysis shown in the notes below may differ materially from actual results. Interest rate risk on cash equivalents is minimal as these have fixed interest rates.

5. FINANCIAL RISK FACTORS - continued

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a one year period:

(i) The Company's cash balance is subject to changes in interest rates. As at January 31, 2011, a change in the interest rate of 1% with all other variables held constant, the loss for the year ended January 31, 2011 would be changed by $7,000, as a result of a change in interest income from cash.

6. MARKETABLE SECURITIES

As at January 31, 2011, the Company classified its marketable securities as available-for-sale which is reported at fair market value based on bid prices with unrealized gains or losses excluded from earnings and reported as other comprehensive loss until the financial instrument is decrecognized or impaired.

7. MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES

Management reviews property exploration costs to ensure deferred expenditures include only costs and projects that are eligible for capitalization. Specific changes to the Company's mineral property portfolio that occured during the year ended January 31, 2011 are as follows:

	Haig Inlet Iron Ore Project	Coral Rapids Project	Hawkins Project	Lithium Rare Metal Project	Webequie Area Project	Total
Janaury 31, 2009	$ -	$1,763,869	$ 687,650	$ -	$2,819,567	$5,271,086
Additions	-	2,747	-	487,675	46,831	537,253
Write-offs	-	-	-	-	(1,982,046)	(1,982,046)
January 31, 2010	-	1,766,616	687,650	487,675	884,352	3,826,293

	Haig Inlet Iron Ore Project	Coral Rapids Project	Hawkins Project	Lithium Rare Metal Project	Webequie Area Project	Total
February 1, 2010	$ -	$ 1,766,616	$ 687,650	$ 487,675	$ 884,352	$ 3,826,293
Additions	60,080	5,648	-	488,780	28,809	583,317
Disposal	-	-	-	-	(547,400)	(547,400)
Write offs	-	(886,132)	-	-	(265,761)	(1,151,893)
January 31, 2011	$ 60,080	$ 886,132	$ 687,650	$ 976,455	$ 100,000	$ 2,710,317

7. MINERAL PROPERTIES AND DEFERRED - continued

Coral Rapids and Hawkins Property

The Coral Rapids property comprised of 33 claim units covering 528 hectares located in Valentine Township, NE of Kapaskasing. As at Janaury 31, 2011, the Company reviewed its carrying value and recorded an impairment charge of $886,132. The Hawkins property is comprised of 86 claim units covering 1,376 hectares located in Hawkins Township, East of Timmins

Trump Property (Webequie)

On July 8, 2008, the Company announced it has entered into a LOI with East West Resource Corporation ("East West") granting it an option to acquire 80% legal and beneficial interest in 96 claim units comprising more than 1,536 hectares in the James Bay Lowlands. In order to earn its 80% legal and beneficial interest, Orebodies is required to:

a. Pay to East West $10,000 (paid);
b. Issue to East West an aggregate amount of 280,000 common shares of Orebodies (issued);
c. Commission a VTEM airborne survey on the property (completed);
d. East West will hold a 20% carried interest in the property until a Bankable Feasibility study is produced.

Lithium & Rare Metals

Falcon Lake Property

On November 20, 2009, the Company entered into an option agreement to acquire a 100% interest in various mining claims known as Falcon Lake, Barbara Lake and Greenbush Lake Properties that make up its lithium and rare metals properties, for 1,600,000 shares of the Company valued at $160,000 and 1,600,000 warrants of the Company valued at $104,000. Each warrant entitles the holder to purchase one common share of the Company at $0.15 for a period of two years from the date of issue. The vendor retains a 2% NSR on the property, one half of which can be purchased for $1,000,000. The fair value of the warrants was calculated using the Black-Scholes option pricing model with the following assumptions: risk free interest rate - 1.47%; expected volatility - 130.6%; expected life of warrants - 2 years and expected dividend yield - Nil.

Ultra Lithium Inc. Option

On March 3, 2010, the Company signed a property option agreement with Ultra Lithium Inc. ("Ultra") and the underlying property owners (the "Owners") to acquire 80% interest in 129 mining claims units located northeast of Armstrong, Ontario. The owners retain a 2% NSR, 50% of which can be purchased by the Company for $1,000,000. Commencing on the fourth anniversary, the Joint venture group will need to pay $10,000 per annum in pre-production royalties in either cash or shares.

In order for the Company to earn its interest it is required to:

1) Pay to Ultra $100,000 in cash as follows: $10,000 (paid) on signing, $15,000 (paid) on the first anniversary of signing, $25,000 on the second anniversary of signing, and $50,000 on the third anniversary of signing;
2) Issue to Ultra an aggregate amount of 650,000 common shares of the Company as follows: 200,000 (issued) within 10 days of TSXV approval, 175,000 (issued) on the first anniversary of signing, 150,000 on the second anniversary of signing, and 125,000 on the third anniversary of signing;
3) Issue to the Owners an aggregate amount of 150,000 common shares (issued) of the Company on TSXV approval.
4) Fund $350,000 of exploration expenditures on the property as follows: $50,000 (completed) by October 31 2010, $50,000 by October 31 2011 (completed), $100,000 by October 31 2012, and $150,000 by October 31 2013.

7. MINERAL PROPERTIES AND DEFERRED - continued

Webequie Area Project

On May 11, 2010, the Company completed a purchase and assumption agreement with Ring of Fire Resources Inc. (Formerly Hawk Uranium Inc.) ("ROF") whereby, ROF has acquired the 100% legal and beneficial interest in the Company's eight 100% owned properties (subject to a 10% NPI retained by the Company), and 100% interest in the Company's seven 50% owned properties (subject to a 10% NPI retained by the Company on the portion of those properties to be acquired by ROF, which would be converted to a 0.15% net smelter returns royalty if ROF's interest in those properties is reduced to less than 10% and therefore converted to a net smelter returns royalty) held through a joint venture with Macdonald Mines Exploration Ltd. and Temex Resources Corp.. The Properties in total consist of 444 (100% owned) claim units comprising 7,104 hectares and 891 (50% owned) claim units comprising 14,256 hectares, all which are located in the James Bay Lowlands 'Ring of Fire', Ontario. As consideration for the sale, the Company has received 5,000,000 common shares of ROF, 4,000,000 warrants of ROF to purchase shares at a price of $0.15 for four years valued at $563,850. The expiry can be accelerated in year three if the share price trades above $0.30 for 10 consecutive days and in year four if the share price trades above $0.40 for 10 consecutive days.

8. SHARE CAPITAL

Authorized: Unlimited number of Common shares
Issued and outstanding

	Shares	Amount
Balance, January 31, 2009	52,638,899	$ 4,056,898
Issued for mineral properties	1,880,000	178,200
Private placements	5,735,333	657,440
Issued on settlement of debt	2,433,333	182,500
Cost of issue	-	(85,202)
Future income tax benefits on share issue costs	-	15,000
Fair value assigned to warrants issued	-	(26,331)
Future tax liability pursuant to flow through share renunciation	-	(131,000)
Balance, January 31, 2010	62,687,565	$ 4,785,836
Issued for mineral property acquistion	350,000	28,000
Private Placement, issued for cash	12,651,332	1,138,619
Issued on settlement of debt	1,828,558	164,570
Exercise of options, issued for cash	800,000	152,000
Exercise of warrants, issued for cash	400,000	24,000
Cost of issue	-	(26,331)
Fair value to warrants issued	-	(372,800)
Future tax liability pursuant to flow through shares renunciation	-	(49,000)
Balance, January 31, 2011	78,717,455	$ 5,844,894

Private placements - 2010

(i) On December 31, 2009, the Company completed a non-brokered private placement for gross proceeds of $257,440 through the sale of 540,000 units of securities of the Company (each, a "Unit") at a price of $0.10 per Unit and 1,695,333 flow-through units of the Company (each, a "Flow-Through Unit") at a price of $0.12 per Flow-Through Unit.

8. SHARE CAPITAL - continued

Each Unit and each Flow-Through Unit is comprised of one common share of the Company and one-half of one common share purchase warrant of the Company. Each share purchase warrant entitles the holder thereof to purchase one common share until December 31, 2011 at an exercise price of $0.20 per common share. The 2,867,666 share purchase warrants issued were valued at $34,000 using the Black-Scholes option pricing model using the following assumptions: expected dividend yield of 0%, risk-free interest rate of 1.47%, expected volatility of 130.35% and an expected maturity of two years.

The expiry date of the Warrants may be accelerated, at the option of the Company, if the closing price of the common shares on the TSX Venture Exchange or such other exchange, market or trading or quotation facility in Canada exceeds $0.30 for a period of 20 consecutive trading days, by giving notice to the holders thereof, in which case the Warrants will expire on the 20th business day after the date on which such notice is given by the Company.

In connection with the private placement, the Company paid a cash comission of $14,995 and granted 160,200 Agent Warrant. Each Agent Warrant entitles the holder thereof to purchase one Unit (comprised of one common share and one-half of one common share purchase warrant) until December 31, 2011 at an exercise price of $0.12. Each share purchase warrant will entitle the holder thereof to purchase one common share until December 31, 2011 at an exercise price of $0.20 per common share. The value of the 160,200 agent warrants issued were valued at $8,000 using the Black-Scholes option pricing model. The following assumptions were used to determine the value: expected dividend yield of 0%, risk-free interest rate of 1.47%, expected volatility of 130.35% and an expected maturity of two years.

(ii) On December 18, 2009, the Company completed a non-brokered private placement for aggregate gross proceeds of $400,000 through the sale of 1,000,000 units of securities of the Company (each, a "Unit") at a price of $0.10 per Unit and 2,500,000 flow-through units of the Company (each, a "Flow-Through Unit") at a price of $0.12 per Flow-Through Unit.

Each Unit and each flow-through unit is comprised of one common share of the Company and one-half of one common share purchase warrant of the Company (each such whole common share purchase warrant, a "Warrant"). Each Warrant entitles the holder thereof to purchase one common share until December 18, 2011 at an exercise price of $0.20 per common share. The 1,750,000 share purchase warrants issued were valued at $54,000 using the Black-Scholes option pricing model using the following assumptions: expected dividend yield of 0%, risk-free interest rate of 1.3%, expected volatility of 130.6% and an expected maturity of two years.The expiry date of the Warrants may be accelerated, at the option of the Company, if the closing price of the common shares on the TSX Venture Exchange or such other exchange, market or trading or quotation facility in Canada exceeds $0.30 for a period of 20 consecutive trading days, by giving notice to the holders thereof, in which case the Warrants will expire on the 20th business day after the date on which such notice is given by the Company.

In connection with the private placement, the Company paid cash finders' fees equal to 8% (or $32,000) of the aggregate proceeds of the Financing and granted non-transferable options (each, a "Finders Option") to purchase an aggregate of up to 350,000 units of the Company (each, a "Finders Unit"). Each Finders Option entitles the holder thereof to purchase one Finders Unit until December 31, 2011 at an exercise price of $0.12. Each Finders Unit will be comprised of one common share and one-half of one common share purchase warrant (each such whole common share purchase warrant, an "Finders Unit Warrant"). Each Finders Unit Warrant will entitle the holder thereof to purchase one common share until December 18, 2011 at an exercise price of $0.20 per common share.

8. SHARE CAPITAL - continued

The Agent Warrants were valued at $18,000 using the Black-Scholes model for option pricing. The following factors were used to determine the value: expected dividend yield of 0%, risk-free interest rate of 1.3%, expected volatility of 130.6% and an expected maturity of two years.

Private Placement - 2011

On November 19, 2010, the Company closed a private non-brokered private placements comprising of 12,651,332 units at a price of $0.09 per unit for gross proceeds of $1,138,619.

Each unit consists of one common share and one half share purchase warrant. One whole warrant entitles the holder to purchase one common share at an exercisable price of $0.18 per share for a period of two years from the date of issuance. The exercise date maybe accelerated at the option of the Company, if the closing price on the TSX Venture Exchange if the quoted price exceeds $0.30 per share for a period of 20 consecutive trading days, commencing anytime after the date that is four months and one day after the Closing Date, by giving notice to the holders thereof, in which case the Warrants will expire on the twentieth business day after the date on which such notice has been given.

In connection with the private placement offering, the Company paid a finder's fee of $40,733 and issuance of 283,555 broker options. Each broker option entitles the holder to acquire one unit consisting of one common share and one-half of one common share purchase warrant for $0.09 per share for a period of two years after closing. Each share purchase warrant is exercisable at $0.18 per share for a period of two years from date of issue.

Debt Settlement

On November 19, 2010, the Company issued 1,828,558 common shares valued at $164,570 to settle a debt owing by the Company.

9. WARRANTS

A summary of the Company's outstanding warrants, as at January 31, 2011 and January 31, 2010 are as follows:

	January 31, 2011	**January 31, 2010**
Balance, beginning of the period	15,300,166	10,367,200
Issued	6,609,221	5,232,966
Exercised	(400,000)	-
Expired	(9,667,200)	(300,000)
Balance, end of period	11,842,187	15,300,166

9. WARRANTS - continued

The exercise price and expiry date on thewarrants outstanding as at January 31, 2011 are as follows:

Warrants	Exercise Price	Type	Expiry Date
1,600,000	0.15	Warrants	December 16, 2011
1,750,000	0.20	Warrants	December 18, 2011
350,000	0.12	Finder's unit	December 18, 2011
175,000	0.20	Finder's warrant on unit	December 18, 2011
1,117,666	0.20	Warrants	December 31, 2011
160,200	0.12	Finder's unit	December 31, 2011
80,100	0.20	Finder's warrant on unit	December 31, 2011
6,325,666	0.18	Warrants	November 19, 2012
283,555	0.09	Finder's Warrant on Unit	November 19, 2012
11,842,187			

10. STOCK OPTION PLAN

The Company has a stock option plan (the "Plan") under which the directors of the Company may grant options to qualified directors and officers of the Company and its affiliates. The exercise price to the options cannot be less than the closing price of the Company's shares on the trading day preceding the date of grant and the maximum term of any option cannot exceed five years. The maximum aggregate number of common shares under option at any time under the Plan cannot exceed 10% of the issued shares.

During the year ended January 31, 2011 the Company granted 1,925,000 stock options (2010: 1,300,000) to Directors, officers and consultants with an exercise price of $0.10 per share with an expiry date of July 28, 2015. A summary of the Company's stock option activity is as follows:

	Options	Weighted Avg. Exercise Price
Balance, January 31, 2009	2,950,000	$ 0.14
Granted	1,300,000	0.10
Balance, January 31, 2010	4,250,000	0.14
Granted	1,925,000	0.10
Exercised	(800,000)	0.03
Cancelled	(300,000)	0.15
Balance, January 31, 2011	5,075,000	0.13

Subsequent to year end, on March 23, 2011 the Company granted Directors, Officers and consultants of the Company stock options in the aggregate amount of 925,000 under the terms of the incentive stock option plan of the Company. The options are exercisable at a price of $0.335 per share for a period of five years and are subject to a four month hold period from the date of the issuance thereof.

10. STOCK OPTION PLAN - continued

Outstanding options at January 31, 2011 are as follows:

	No. of options Outstanding and Exercisable	Average Exercise Price	Expiry Date
	1,200,000	0.10	September 17, 2014
	1,950,000	0.18	March 31, 2013
	1,925,000	0.10	July 28, 2015
	5,075,000	0.13	

The fair value of the 1,925,000 stock options granted (2010: 1,300,000) has been estimated at $ 122,900 (2010: $111,000) using the Black-Scholes model for pricing options. The following weighted average assumptions were used: Risk-free interest rate - 2.59%; Dividend yield - 0%; Expected stock volatility - 127.95% and an expected life of 5 years.

11. CONTRIBUTED SURPLUS

	2011	2010
Balance, beginning of the year (January 31)	$ 1,324,821	$ 995,821
Fair value of issued warrants	372,800	218,000
Stock based compensation granted during the year	122,900	111,000
Fair value of exercised options transferred	(128,000)	-
Fair value of exercised warrants transferred	(4,400)	-
Balance, end of the year (January 31)	$ 1,688,121	$ 1,324,821

12. RELATED PARTY BALANCE AND TRANSACTIONS

a) The financial statements include balance and transactions with directors and/or officers of the Company and/or corporations related to or controlled by them. These transactions are measured and recorded at their exchange amounts, being the amounts agreed to by the related parties.

	2011	2010
Professional and consulting fees	$ 42,500	$ 51,000
Due to related parties	$ 233,035	$ 233,035

These transactions are in the normal course of business and are measured at the exchange amount, which is the amount of consideration established by and agreed to the related parties.

b) During the year ended January 31, 2011, 1,900,000 (2010: 1,275,000) stock options were granted to directors and officers.

13. LOSS PER SHARE

The following table sets out the computation for basic and diluted loss per share:

	2011	**2010**
Numerator		
Net loss attributable to common shareholders - basic and diluted	$(1,531,100)	$(1,922,040)
Denominator		
Weighted average number of common shares outstanding 000's - basic and diluted	66,461	54,651
Basic and diluted loss per share	$ (0.023)	$ (0.030)

The options and warrants for the years ended January 31, 2011 and 2010 were excluded from the computation of basic and diluted earnings (loss) per share as the potential effect was anti-dilutive.

14. INCOME TAXES

Future Income Tax Recovery
The Company's income tax provision differs from the amount resulting from the application of the Canadian statutory income tax rate. A reconciliation of the combined Canadian federal and provincial tax rates with the Company's effective tax rate is as follows:

	2011	**2010**
Loss before income taxes	$(1,701,760)	$(2,486,040)
Combined statutory rate	31.0%	33.0%
Estimated recovery of income taxes	$ (527,500)	$ (820,000)
Difference between current and future tax rates	91,000	190,000
Stock based compensation	38,100	71,000
Other	11,740	(5,000)
Increase in valuation allowance	216,000	-
Future income tax recovery	$ (170,660)	$ (564,000)

The Canadian statutory income tax rate of 31.0% (2010 - 33.0%) is comprised of the federal income tax rate at approximately 18.0% (2010 - 19.5%) and the provincial income tax rate of approximately 13.0% 010 - 14.0%). The primary differences which give rise to the future income tax recoveries at January 31, 2011 and January 31, 2010 are as follows:

	2011	**2010**
Future income tax assets (liability)		
Non-capital losses carried forward	$ 55,000	$ 37,000
Deductible share issue costs and other	35,000	64,000
Deferred exploration expenses	126,000	(223,000)
Less: Valuation Allowance	(216,000)	-
Net future income tax assets (liability)	-	(122,000)

14. INCOME TAXES - continued

The unamortized balance, for income tax purposes, of the share issuance fees amounts to approximately $251,000 (January 31, 2010 - $251,000) and will be deductible in Canada over the next 4 years.

At January 31, 2011, the Company has income tax loss carry forwards expiring as follows:

	Canada
2029	68,000
2030	80,000
2031	68,000
	216,000

15. SUBSEQUENT EVENTS

Acquistion of Haig Inlet Iron Ore Property

On February 14, 2011 the Company entered into a non-arm's length Purchase Agreement (the "Agreement") to acquire up to a 100% legal and beneficial interest (subject to a 3% GOR retained by the Vendors, of which 1/3rd can be purchased by the Company for a maximum of $3,000,000) in the Inuit Owned Lands Mineral Exploration Agreement (the "NTI Agreement") with Nunavut Tunngavik Incorporated ("NTI") which covers the Haig Inlet Iron Ore Project with an area of approximately 2,680 hectares, located on the Belcher Islands, Nunavut, Canada (the "Property").

Terms of Agreement:

The Agreement is a non-arm's length transaction between Donald McKinnon (Director of Canadian Orebodies), Gordon McKinnon (Chief Executive Officer of Canadian Orebodies), Randall Salo (the "Vendors") and the Company, the closing of which is subject to TSX Venture Exchange, NTI and disinterested shareholder approvals.

In order to purchase a 100% interest in the NTI Agreement, the Company is required to:

1. Issue to the Vendors an aggregate amount of 3,000,000 common shares on closing to earn a 10% interest in the NTI Agreement.

2. Issue to the Vendors an aggregate amount of 4,000,000 common shares on the first year anniversary of closing to earn an additional 15% interest in the NTI Agreement.

3. Issue to the Vendors an aggregate amount of 7,000,000 common shares on the second year anniversary of closing to earn the remaining 75% interest in the Agreement.
   After the issuance of 3,000,000 common shares on closing to earn a 10% interest in the NTI Agreement, the Company may elect not to proceed with the share issuances outlined in items 2 and 3 above.

15. SUBSEQUENT EVENTS - continued

4. Grant a 3% Gross Overriding Royalty ("GOR") of which 1/3rd may be purchased at anytime by the Company for $3,000,000, in the event that the Company has acquired the 100% interest in the NTI Agreement. If the Company has elected not to purchase a 100% interest in the NTI Agreement, the consideration for a purchase of such 1/3rd of the GOR shall be pro-rated to the Company's interest in the NTI Agreement at such time.

5. Grant a $250,000 advance royalty, in the event that the Company has acquired the 100% interest in the NTI Agreement, commencing on the earlier of (i) the date on which a production lease is entered into pursuant to the NTI Agreement, or (ii) on the 6th year anniversary from closing. If the Company does not hold the 100% interest in the NTI Agreement at such time as the advance royalty becomes payable, the advance royalty shall be pro-rated to the Company's' interest in the NTI Agreement at such time.

6. Enter into a joint venture agreement on closing which governs the activities of the Company and the Vendors in respect of the Property and the NTI Agreement, until such time, as the Company acquires a 100% interest in the NTI Agreement.
   In addition, if the Company has acquired a 100% interest in the NTI Agreement, the Company covenants to issue and deliver to the Vendors an additional 14,000,000 common shares on the following basis:

7. Issue an aggregate 7,000,000 common shares (each such common share a "First Milestone Share") in the event that a technical report compliant with NI 43-101, which demonstrates at least 80,000,000 tonnes of Mineral Resources (defined in the Agreement as 'indicated mineral resources' or 'measured mineral resources' as those terms are defined in NI 43-101) grading at least an average of 23% iron.

8. Issue a further 7,000,000 common shares (each such common share a "Second Milestone Share") in the event that a technical report compliant with NI 43-101, which demonstrates at least 200,000,000 tonnes which includes the 80,000,000 tonnes comprising the threshold for the First Milestone Shares, of Mineral Resources grading at least an average of 23% iron.
   In the event that the Company has not acquired a 100% interest in the NTI Agreement at the relevant time that First Milestone Shares or Second Milestone Shares are to be issued, the Company covenants to issue to the Sellers in aggregate a percentage of First Milestone Shares or Second Milestone Shares, as the case may be, that is equal to the Compnay's interest in the NTI Agreement at the relevant time.

The Agreement as provides an extended area concept whereby the 3% GOR and the requirement to issue First Milestone Shares and/or Second Milestone Shares applies beyond the Property to include (i) specified additional areas in proximity to the Property where the Company has staked mineral dispositions, and (ii) any areas or part thereof, lying within a distance of 10 kilometres from the external perimeters of the Property in which the Company has or will stake any mineral dispositions.

Closing of the transaction remains subject to the approval of the TSX Venture Exchange and NTI, and approval of a disinterested shareholder vote.

15. SUBSEQUENT EVENTS - continued

Private placement

On March 10, 2011 (the "Closing Date"), the Company completed a brokered private placement of 15,000,000 subscription receipts ("Subscription Receipts") at a price of C$0.35 per Subscription Receipt for aggregate gross proceeds of C$5,250,000 (the "Offering"). The gross proceeds from the sale of the Subscription Receipts (the "Escrowed Proceeds") were deposited in escrow with an escrow agent (the "Escrow Agent"). The escrowed procceds will be released subject to certain conditions

(i) disinterested shareholders' approval on the acquistion of a 100% legal and beneficial interest in the Inuit Owned Lands Mineral Exploration Agreement (the "Exploration Agreement") with Nunavut Tunngavik Incorporated which covers the Haig Inlet Iron Ore Project, located on the Belcher Islands, Nunavut, Canada (see below) in accordance with applicable corporate and securities laws, including the rules of TSX Venture Exchange (the "TSX-V")

(ii) the Agents have been provided with a favourable opinion regarding legal ownership of the land underlying the Exploration Agreement; and

On the Company delivering to the Agents a certificate confirming that all regulatory and other approvals required in respect of the Acquisition have been obtained, the Escrow Agent will release the Escrowed Proceeds plus any interest or income earned thereon (the "Escrowed Funds") to the Company (less the Agents' commission related to the sale of the Subscription Receipts, which amount shall be released to the Agents) and each Subscription Receipt will be automatically converted into one unit of the Company (a "Unit") without payment of additional consideration and without any further action by the holder thereof.

Each Unit will consist of one common share in the capital of the Company (each a "Common Share") and one-half of one Common Share purchase warrant (each whole Common Share purchase warrant, a "Warrant"). Each Warrant will entitle the holder thereof to purchase one Common Share (a "Warrant Share") at a price of C$0.475 per Warrant Share for a period of 18 months following the date that the Escrowed Funds are released to the Company.

The Company paid to the Agents, in aggregate, a cash fee of 6% of the gross proceeds of the Offering, which commission will be payable upon the Escrowed Funds being released to the Company. Additionally, the Company has issued to the Agents, 900,000 broker warrants, which is equal to 6% of the number of Subscription Receipts sold under the Offering, with each such broker warrant entitling the holder to purchase one Unit of the Company at a price of C$0.35, or such other price as may be required pursuant to the rules of the TSX-V, for a period of 18 months from the date that the Escrowed Funds are released to the Company.

All securities issued in the Offering, including all securities underlying the Units which underlie the Subscription Receipts and the Compensation Options, are subject to a hold period expiring on July 11, 2011.

On April 13, 2011 the Company held a special meeting of Shareholders and approval was obtained with respect to the above acquistion.

Additional stake claims

On March 2, 2011 the Company staked additional claims covering over 11,500 hectares ("Staked Claims") contiguous to the property.