CANADIAN OREBODIES

Management's Discussions and Analysis

of the Financial Condition and Results of Operations

Year Ended January 31, 2011

May 10, 2011

Canadian Orebodies Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This management's discussion and analysis ("MD&A") has been prepared based on information available to Canadian Orebodies Inc. ("Orebodies" or the "Company") as at May 10, 2011. The MD&A of the operating results and financial condition of the Company for the 3 months and 12 months ended January 31, 2011, should be read in conjunction with the Company's audited financial statements and the related notes for the years ended January 31, 2010 and 2011, all of which have been prepared in accordance with Canadian generally accepted accounting principles. All amounts referred to in this MD&A are expressed in Canadian dollars, unless otherwise stated. Additional information relating to the Company can be found on SEDAR at ***www.sedar.com****.*

MANAGEMENT'S ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING ("ICFR")

Management is 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.

CAUTIONARY NOTE

This document contains or refers to forward-looking information. Such forward-looking information includes, among other things, statements regarding targets, estimates and/or assumptions in respect of future production, capital costs and future economic, market and other conditions, and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to: the grade and recovery of ore which is mined varying from estimates; exploration and development costs varying significantly from estimates; inflation; fluctuations in commodity prices; delays in the development of the any project caused by unavailability of equipment, labour or supplies, climatic conditions or otherwise; termination or revision of any debt financing; failure to raise additional funds required to finance the completion of a project; and other factors. Forward-looking statements are subject to significant risks and uncertainties and other factors that could cause actual results to differ materially from expected results. Readers should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and we assume no responsibility to update them or revise them to reflect new events or circumstances, except as required by law. Also refer to the ***Risks and uncertainties*** section of this MD&A.

Canadian Orebodies Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Corporate information

Orebodies was incorporated pursuant to the provision of the *Business Corporations Act* (of Alberta) on January 10, 2008. The Company 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 amounts carried in the financial statements 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.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has interests, 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.

Company highlights

Acquisition 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 comprising 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, Gordon McKinnon, 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.

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:

1. 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.

2. 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 Company'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 kilometers 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.

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 proceeds will be released subject to certain conditions

(i) disinterested shareholders' approval on the acquisition 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 compensation options, which is equal to 6% of the number of Subscription Receipts sold under the Offering, with each such compensation option 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 acquisition.

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, 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.

Additional staked claims

On March 2, 2011 the Company staked additional claims covering over 11,500 hectares ("Staked Claims") contiguous to the Haig Inlet Iron Ore Project.

Disposition of Webequie Property

On May 11, 2010, the Company closed on the purchase and assumption agreement (the "Transaction") previously announced on April 29, 2010, with Ring of Fire Resources Inc. (Formerly Hawk Uranium Inc.) ("ROF") to sell its interests in the Company's eight 100%-owned properties (subject to a 10% NPI retained by the Company), and its 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. In total, the properties consist of 444 (100%-owned) claim units comprising 7,104 hectares and 891 (50%-owned) claim units comprising 14,256 hectares, all of which are located in the James Bay Lowlands' "Ring of Fire" area in the province of Ontario.

As consideration of the Transaction, the Company has received 5,000,000 common shares of ROF, 4,000,000 warrants of ROF to purchase ROF commons 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.

Appointment

On August 1, 2010 the Company appointed Mr. Joseph Heng, C.A., to the position of Chief Financial Officer and Corporate Secretary.

Overall performance

As at January 31, 2011, the Company had assets of $4,112,512 and a net equity position of $3,543,122. This compares with assets of $4,216,873 and a net equity position of $3,584,224 at January 31, 2010.

Total assets decreased by $104,361. The Company's cash position and marketable securities increased by $340,757 and $624,700 respectively while write down and disposition of mineral properties were $1,115,893.

During the year ended January 31, 2011, cash increased by $340,757 as compared to $46,149 for the corresponding period of the preceding year.

Review of operations

Recent activity

Between January 1, 2011 and May 6, 2011, 2,474,755 share purchase warrants were exercised at prices between $0.15 per share and $0.20 per share for proceeds aggregating $427,078.

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 proceeds will be released subject to certain conditions

On March 2, 2011 the Company staked additional claims covering over 11,500 hectares ("Staked Claims") contiguous to the Haig Inlet Iron Ore Project.

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 Property with an area of approximately 2,680 hectares, located on the Belcher Islands, Nunavut, Canada (the "Property").

On November 19, 2010, the Company closed a non-brokered private placement for net proceeds of $1,097,886.

On May 11, 2010, the Company closed on the purchase and assumption agreement with Ring of Fire Resources Inc. (Formerly Hawk Uranium Inc.) ("ROF") announced on April 29, 2010. The final terms of the agreement were consistent with that previously reported and are summarized above in the ***Company highlights*** section of this MD&A.

On December 16, 2010, 9,667,200 warrants and broker units expired, unexercised. The exercise prices of the expired warrants and broker units ranged from $0.25 to $0.50.

On July 28, 2010, 200,000 stock options were exercised for gross proceeds of $6,000 and shortly after another 600,000 stock options were exercised for gross proceeds of $18,000.

Portfolio of properties

Lithium / Rare metals properties

	Cresent Lake Area					Georgia Lake Area		Greenbush Area
	Zigzag (Ultra Lithium Option)	**Falcon**	**Despard**	**Dempster**	**EW Ketchican**	**Vegan**	**Niemi South**	**Greenbush**
Interest	Option to earn 80% interest	100% Interest	100% interest	100% interest	100% interest	100% Interest	100% Interest	100% Interest
Location	Crescent Lake, ON	Falcon Lake, ON	Falcon Lake, ON	Crescent Lake, ON	Falcon Lake, ON	Barbara Lake, ON	Barbara Lake, ON	Greenbush Lake, ON
Mining claims	Interest in129 claim units	Interest in 60 claim units	Interest in 16 claim units	Interest in 16 claim units	Interest in 49 claim units	Interest in 16 claim units	Interest in 16 claim units	Interest in 15 claim units
Area	2,064 hectares	960 hectares	256 hectares	256 hectares	784 hectares	256 hectares	256 hectares	240 hectares
Exploration minerals	Lithium /Rare Metals	Lithium /Rare Metals	Lithium /Rare Metals	Lithium /Rare Metals	Lithium /Rare Metals	Lithium /Rare Metals	Lithium /Rare Metals	Lithium /Rare Metals
Vendor net smelter return (NSR)	2% NSR[1]	2% NSR[1]	2% NSR[1]	N/A	N/A	2% NSR[1]	2% NSR[1]	2% NSR[1]

[1] 50% of the royalty may be purchased for $1.0 million.

Iron Ore and other properties

	Trump Property	Hawkins	Coral Rapids	Haig Inlet	
				NTI Agreement	Claims Staked
Interest	80% Interest	100% Interest	100% Interest	Option to earn100% Interest	100% Interest
Location	McFaulds Lake, ON	Sault Ste. Marie, ON	Porcupine, ON	Belcher Islands, NU	Belcher Islands, NU
Mining claims	Interest in 96 claim units	111 claim units	13 claim units	NTI Mineral Exploration Agreement	19 Claims
Area	1,536 hectares	1,776 hectares	208 hectares	2,685 hectares	11,529 hectares
Exploration Minerals	Nickel-copper-PGE	Gold	Diamonds, uranium, VMS base metals, limestone	Iron Ore	Iron Ore
Vendor net smelter return (NSR)	N/A	3% on all minerals and base metals mined and removed and sold	3% on all minerals, base metals and other materials (except diamonds and limestone)	N/A	N/A
Vendor gross production royalty	N/A	N/A	40¢/tonne on limestone	3% on all minerals[2]	3% on all minerals[2]
Vendor net sales return royalty	N/A	N/A	10% on diamonds mined, removed and sold	N/A	N/A
Net Profits Royalty (NPI)	N/A	N/A	N/A	12% (with available deductions from gross revenues capped at 83%)	N/A

[2] 1/3 of the royalty can be purchased for $3,000,000

McFaulds Lake 'Ring of Fire' Royalty and Equity Interests

In May 2010 the Company entered into an agreement with Ring of Fire Resources Inc. ("ROF") (formally Hawk Uranium Inc.) by which the Company sold its interest in eight 100% owned northern properties (the "Northern Properties") and seven 50% owned southern properties (the "Southern Properties"). The agreement entitles the Company to a 10% NPI royalty on the Northern Properties and a 10% NPI royalty on the portion of the Southern Properties acquired by ROF, which would be converted to a 0.15% NSR royalty if ROF's interest in the Southern Properties is reduced to less than 10% and therefore converted to a NSR royalty.

Additionally, the Company holds 5,000,000 common shares of ROF and 4,000,000 share purchase warrants of ROF, each warrant entitling the Company to acquire one common share of ROF at an exercise price of $0.15 per share prior to May 9, 2014. The termination of the share purchase warrants could be accelerated in the third and fourth year of their term if the closing price of ROF's common shares is at or above $0.30 per share in the third year, and $0.40 in the fourth year, for ten consecutive trading days.

Summary of quarterly results

	November 1, 2010 to January 31, 2011 ($)	August 1, 2010 to October 31, 2010 ($)	May 1, 2010 to July 31, 2010 ($)	February 1, 2010 to April 30, 2010 ($)
Total revenues		-	-	-
Net loss and other comprehensive loss	986,932	68,554	438,011	105,243
Net loss and comprehensive net loss per share – basic and fully diluted	(0.02)	0.00	0.00	0.00
Total assets	4,112,512	3,826,624	3,735,506	4,075,790
Long-term debt	Nil	84,000	96,200	130,000
Shareholders' equity	3,543,122	3,099,001	3,149,555	3,457,981
Cash dividends declared per common share	Nil	Nil	Nil	Nil

	November 1, 2009 to January 31, 2010 ($)	August 1, 2009 to October 31, 2009 ($)	May 1, 2009 to July 31, 2009 ($)	February 1, 2009 to April 30, 2009 ($)
Total revenues	-	-	-	294
Net loss and other comprehensive loss	1,671,491	135,142	62,680	52,727
Net (income) loss and comprehensive net (income) loss per share – basic and fully diluted	0.03	0.00	0.00	0.00
Total assets	4,216,873	5,448,079	5,520.673	5,595,952
Long-term debt	122,000	486,483	531,531	552,000
Shareholders' equity	3,584,224	4,471,577	4,537,819	4,578,099
Cash dividends declared per common share	Nil	Nil	Nil	Nil

Results of operations

For the year ended January 31, 2011, the Company incurred a loss of $1,531,100 compared to $1,922,040 for the corresponding period of the prior year. The decrease of $ 390,940 in loss is primarily attributed to two captions: a decrease in write down of mineral properties aggregating $830,153 and an increase in future tax recoveries of $393,340.

Results of Operations for the year ended January 31, 2011 as Compared to the year ended January 31, 2010

During the year ended January 31, 2011, the Company expensed $135,242 in professional and consulting expenses as compared to $129,417 in the corresponding period of the preceding year for an increase of $5,825.

For the year ended January 31, 2011, the Company incurred $122,487 (2010 - $123,143) for management and administrative expenses with respect to payroll.

Office and administrative expenses was $91,042 for the year ended January 31, 2011 as compared to $100,263 for the corresponding period of the preceding year for a net decrease of $9,221.

Shareholder information expense for the year ended January 31, 2011 was $74,721 (2010 - $34,942) and is an increase of $39,779 over the corresponding period of the preceding year. This increase is the result of the Company engaging an investor relation firm during the first quarter to assist in filing and shareholder news dissemination.

The Company granted 1,925,000 (2010: 1,300,000) stock options to directors, officers and consultant as incentives. The value of the stock options aggregating $122,900 (2010 - $111,000) were derived by using the Black-Scholes model for options pricing.

For the year ended January 31, 2011, the Company wrote off $1,151,893 with respect to the Webequie and Coral Rapids properties. For the comparative period, the write down was $1,982,046 related to the Webequie property.

During the year ended January 31, 2011 income tax recovery was $170,660 compared to $564,000 for the comparative period.

Results of Operations for the three Months Ended January 31, 2011 as Compared to the three Months Ended January 31, 2010

During the three months ended January 31, 2011, the Company expensed $29,242 in professional and consulting expenses as compared to $29,321 in the corresponding period of the preceding year.

For the three months ended January 31, 2011, the Company incurred $30,010 (2010 - $30,723) for management and administrative expenses with respect to payroll.

Office and administrative expenses was $23,532 for the three months ended January 31, 2011 as compared to $33,175 for the corresponding period of the preceding year for a net decrease of $9,643.

Shareholder information expense for the three months ended January 31, 2011 was $16,757 (2010 - $12,590) and is an increase of $4,167 over the corresponding period of the preceding year. This increase is the result of filings and press releases for shareholder dissemination

For the three months ended January 31, 2011, the Company wrote off $1,107,910 with respect to the Webequie and Coral Rapids properties. For the comparative period, the write down was $1,982,046 related to the Webequie property.

During the three months ended January 31, 2011 income tax recovery was $83,660 compared to $480,483 for the comparative period.

Objectives and milestones

The objectives of the Company are to (i) enhance its geological knowledge of its recently acquired Haig Inlet Iron Ore Project and its Lithium/Rare Metals Properties (ii) develop targets on the properties for future sampling and drilling programs; and (iii) target, review and, if desirable, acquire and develop additional mineral assets in order to augment and strengthen its current mineral property portfolio.

In conducting its search for additional mineral properties, the Company may consider acquiring properties that it considers prospective based on criteria such as the exploration history or location of the properties, or a combination of these and other factors. Risk factors to be considered in connection with the Company's search for and acquisition of additional mineral properties include the significant expenses required to locate and establish mineral reserves; the fact that expenditures made by the Company may not result in discoveries of commercial quantities of minerals; environmental issues; land title; competition; and, the potential failure of the Company to generate adequate funding for any such acquisitions. See the ***Risk factors*** section of this MD&A.

Liquidity and capital resources

As at January 31, 2011, the Company had a working capital of $832,805 (January 31, 2010 – capital deficiency of $120,069). See ***Risks and uncertainties – Liquidity risk***, below). The working capital at January 31, 2011 and at January 31, 2010 includes $233,035 due to related parties that accrues no interest and has no fixed term of repayment. In March 2011, the Company completed a brokered private placement for gross aggregating $5,250,000 through the issuance of 15,000,000 subscription receipts at $0.35 per subscription receipt. The proceeds were held in escrow which will be released subject to certain conditions as outlined in the narrative on the acquisition of the Haig Inlet Iron Ore Property. In November 2010, the Company raised $1,097,886 in net proceeds from a non-brokered private placement. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future from the end of the reporting period. The Company believes it has sufficient working capital to meet its short-term obligations over the next six months. In order to meet its medium to long-term working capital obligations, the Company will require and is actively seeking further financing to ensure that those obligations are properly discharged. There can be no assurance that the Company will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the Company. 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 continue as a going concern. Accordingly, the Company's interim financial statements 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 interim financial statements.

The exploration and development of the Company's properties depends on the ability of the Company to obtain financing. If the Company's exploration programs are successful, additional funds will be required to develop the Company's properties and, if successful, to place them in commercial production. The only sources of future funds available to the Company are further offerings of either debt or equity capital of the Company, or the sale by the Company of an interest in any of its properties in whole or in part. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of the Company may change and shareholders may suffer additional dilution. If adequate financing is not available, the Company may be required to delay, reduce the scope of, or eliminate one or more exploration activities or relinquish rights to certain of its interests. Failure to obtain additional financing on a timely basis could cause the Company to forfeit its interests in some or all of its properties and reduce or terminate its operations.

Capital management

In managing its capital, the Company's primary objective is to ensure the entity can continue as a going concern as well as to provide optimal returns to its shareholders, in the long term. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of properties for the mining of minerals that are economically recoverable. The Board of Directors does not establish quantitative returns on capital criteria for management due to the nature of the industry, but rather relies on the expertise of the Company's management to sustain future development of the business.

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

The properties in which the Company currently has an interest are in the exploration stage. As such, Orebodies is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed.

Management has chosen to mitigate the risk and uncertainty associated with raising additional capital in current economic conditions by:

1. attempting to maintain a liquidity cushion in order to address any potential disruptions or industry downturns;
2. minimizing discretionary disbursements;
3. reducing or eliminating exploration expenditures that are of limited strategic value; and
4. exploring alternative sources of liquidity.

As such, 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, the Company's relative size, 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.

Critical accounting policies and estimates

Mineral properties and deferred exploration expenditures

The Company records its interest in mineral properties at cost. 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 or abandoned.

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.

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.

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 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.

Future accounting pronouncements

Convergence with International Financial Reporting Standards

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with International Financial Reporting Standards ("IFRS") over an expected five year transitional period. In February 2008, the 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 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. The Company has begun assessing the adoption of IFRS for 2011 and the reader is directed to the ***Transition to IFRS*** section later in this MD&A.

Related-party transactions

For the year ended January 31, 2011, Keshill Consulting Associates Inc. ("KCA") charged the Company a total of $24,500 (2009 - $51,000), respectively for consulting services as well as the services of Stephen Gledhill to act as Chief Financial Officer of the Company (resigned on July 28, 2010). Stephen Gledhill beneficially owns KCA.

The Company paid Red Pine Exploration Inc $18,000 for services rendered by Joseph Heng to act as the Chief Financial Officer effective for the period from August 1, 2010 to January 31, 2011.

As at January 31, 2011, a balance due to a company controlled by a director, related to corporate and administrative expenses acquired on behalf of the Company, totalled $233,035 (2009 - $233,035).

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

Off balance sheet transactions

During the year ended January 31, 2011, there were no off-balance sheet transactions. The Company has not entered into any specialized financial agreements to minimize its investment risk, currency risk or commodity risk.

Dividends

The Corporation has neither declared nor paid any dividends on its Common Shares. The Corporation intends to retain its earnings, if any, to finance growth and expand its operations and does not anticipate paying any dividends on its Common Shares in the foreseeable future.

Risks and uncertainties

Credit risk

The Company deposits cash with financial institutions it believes to be creditworthy. In some circumstances, cash balances at these financial institutions may exceed the federally guaranteed amount. The Company's current credit risk is primarily attributable to cash and HST recoverable. Cash is held with a reputable, Tier A Canadian chartered bank and as such, management believes the risk of loss to be minimal. HST recoverable is due from the federal government of Canada. Management believes that the credit risk with respect to financial instruments included in GST recoverable is minimal and remote.

Liquidity risk

The Company's ability to remain liquid over the long term depends on its ability to obtain financing necessary to complete exploration and development of its mineral properties and their future profitable production or, alternatively, upon the Corporation's ability to dispose of its interest on an advantageous basis.

As mentioned previously in this MD&A, as at January 31, 2011, the Company had a working capital of $832,805 (January 31, 2010 – $120,069 deficiency). The Company is also seeking additional capital to increase its liquidity over the medium to long term. All of the Company's accounts payable and accrual liabilities have contractual maturities of less than 60 days and are subject to normal trade terms. As such, the Company believes that its liquidity risk is minimal.

Market risk

Currency risk

The Company has no foreign currency denominated assets or liabilities. Major purchases are transacted in Canadian dollars and therefore the Company has no material foreign currency exposure at January 31, 2011.

Interest rate risk

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.

Equity price risk

Market risk arises from the possibility that changes in market prices will affect the value of 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.

Commodity price risk

The Company is exposed to price risk with respect to gold and other commodity prices, such prices impacting the future economic feasibility of its exploration properties. The Company closely monitors gold and other commodity prices to determine the appropriate course of action to be taken by the Company.

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 measure at amortized costs which equals fair value. Marketable securities are valued at the 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, marketable securities, 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.

Additional risk factors

The operations of the Company are speculative due to the high-risk nature of its business, which is the acquisition, financing, exploration and development of mining properties. Additional risks not currently known to the Company, or that the Company currently deems immaterial, may also impair the Company's operations. If any of the following risks actually occur, the Company's business, financial condition and operating results could be adversely affected.

Additional capital

The exploration activities of the Company may require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration and development of any of the Company’s properties. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financings will be favourable to the Company. In addition, low commodity prices may affect the Company’s ability to obtain financing.

Environmental and permitting

All aspects of the Company’s operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations, among other things, mandate the maintenance of air and water quality standards, land reclamation, transportation, storage and disposal of hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors, and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Acquisition

The Company uses its best judgment to acquire mining properties for exploration and development. In pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable agreements, including arrangements to finance the acquisitions and development, or integrate such opportunity and their personnel with the Company. The Company cannot assure that it can complete any acquisition that it pursues or is currently pursuing, on favourable terms, or that any acquisition completed will ultimately benefit the Company.

Competition

The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than the Company. Competition in the mining business could adversely affect the Company's ability to acquire suitable producing properties or prospectus for mineral exploration in the future.

Political risk

All of the Company's properties are located in Canada. Accordingly, the Company is subject to risks normally associated with exploration for and development of mineral properties in Canada, which the Company believes to be low. The Company's mineral exploration activities could be affected in varying degrees by future political instability and or government regulation relating to foreign investment and the mining business. Although not expected, operations may also be affected in varying degrees by terrorism, military conflict or repression, crime, extreme fluctuations in currency rates and high inflation.

Business risk

There are numerous business risks involved in the mineral exploration industry, some of which are outlined below. The Company may not always own 100% of the mineral concessions. Similarly, any non-compliance with or non-satisfaction of the terms of the Option by the Company could affect its ability to exercise the Option and earn its interest in the mining concessions and assets relating to properties.

Mining concessions may not include surface rights and there can be no assurance that the Company will be successful in negotiating long term surface rights access agreements in respect of the properties. Failure to obtain surface rights could have an adverse impact on the Company's future operations.

The Company current or future operations, including development activities, are subject to environmental regulations which may make operations not economically viable or prohibit them altogether.

The success of the operations and activities of the Company is dependent to a significant extent on the efforts and abilities of its management, outside contractors, experts and other advisors. Investors must be willing to rely to a significant degree on management's discretion and judgement, as well as the expertise and competence of the outside contractors, experts and other advisors. The Company does not have a formal program in place for succession of management and training of management. The loss of one or more of the key employees or contractors, if not replaced on a timely basis, could adversely affect the Company operations and financial performance.

Canadian Orebodies Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Additional disclosure for venture issuers without significant revenue

Property	January 31, 2010 ($)	Acquisition/ (Disposal) ($)	Write-downs ($)	January 31, 2011 ($)
Haig Inlet				
Staking costs	-	60,080	-	**60,080**
Coral Rapids				
Acquisition costs	1,556,017	-	-	**1,556,017**
Consulting	14,050	-	-	**14,050**
Drilling	253,146	-	-	**253,146**
Mapping	2,980	-	-	**2,980**
Travel	18,499	-	-	**18,499**
Other	6,205	5,648		**11,853**
Recovery of costs	(84,281)	-	-	**(84,281)**
Impairment of property			(886,132)	**(886,132)**
	1,766,616	5,648	(886,132)	**886,132**
Hawkins				
Acquisition costs	672,596	-	-	**672,596**
Consulting	10,450	-	-	**10,450**
Staking	3,100	-	-	**3,100**
Travel	1,504	-	-	**1,504**
	687,650	-	-	**687,650**
Webequie Area				
Acquisition costs	455,760	-	-	**455,760**
Staking costs	59,633	-	-	**59,633**
Airborne surveys	821,632	-	-	**821,632**
Assaying and sampling	16,507	-	-	**16,507**
Camp costs	289,668	-	-	**289,668**
Consulting	68,912	-	-	**68,912**
Drilling	565,134	-	-	**565,134**
Exploration	113,048	-	-	**113,048**
Field operations	395,276	-	-	**395,276**
Insurance	2,500	-	-	**2,500**
Management fees	61,417	-	-	**61,417**
Mapping costs	10,666	-	-	**10,666**
Other costs	72,562	28,809	-	**101,371**
Recovery of costs	(66,316)	-	-	**(66,316)**
Impairment of property	(1,982,046)		(265,761)	**(2,247,807)**
Disposition	-	(547,400)		**(547,400)**
	884,352	(518,591)	(265,761)	**100,000**

Lithium and Rare Metals				
Acquisition costs	274,508	38,750	-	**313,258**
Staking costs	9,380	-	-	**9,380**
Geological surveys	5,889	16,430	-	**22,319**
Consulting	135,738	141,140	-	**276,878**
Mapping costs	6,706	4,866	-	**11,572**
Drilling		265,377		**265,377**
Assay		4,956		**4,956**
Other costs	55,454	17,261	-	**72,716**
	487,675	488,780	-	**976,456**
Total	**3,826,293**	**35,917**	**(1,151,893)**	**2,710,317**

Disclosure of outstanding share information

The following table sets forth information concerning the outstanding securities of the Company as at May 6, 2011:

Common Shares of no par value	**Number**
Shares	81,367,210
Warrants (including finder's unit warrants)	9,367,432
Options	6,000,000

Transition to IFRS

The Canadian Accounting Standards Board has confirmed that International Financial Reporting Standards (IFRS) will replace current GAAP for publicly accountable enterprises, effective for fiscal years beginning on or after January 1, 2011. Accordingly, the Company will report interim and annual financial statements (with comparatives) in accordance with IFRS beginning with the quarter ended April 30, 2011.

The Company has commenced the development of an IFRS implementation plan to prepare for this transition, and is currently in the process of detailed analysis of all relevant IFRS requirements and identification of areas requiring accounting policy changes or those with accounting policy alternatives. While an analysis will be required for all current accounting policies, the initial key areas of assessment will include:

- Exploration and development expenditures;
- Property, plant and equipment (measurement and valuation);
- Provisions, including asset retirement obligations;
- Stock-based compensation;
- Accounting for joint ventures;

- Accounting for income taxes; and
- First-time adoption of International Financial Reporting Standards (IFRS 1).

As the analysis of each of the key areas progresses, other elements of the Company's IFRS implementation plan will also be addressed, including: the implication of changes to accounting policies and processes; financial statement note disclosures on information technology; internal controls; contractual arrangements; and employee training. The table below summarizes the expected timing of activities related to the Company's transition to IFRS.

Initial analysis of key areas for which changes to accounting policies may be required.	Completed
Detailed analysis of all relevant IFRS requirements and identification of areas requiring accounting policy changes or those with accounting policy alternatives.	Completed
Assessment of first-time adoption (IFRS 1) requirements and alternatives.	Completed
Final determination of changes to accounting policies and choices to be made with respect to first-time adoption alternatives	Completed
Resolution of the accounting policy change implications on information technology, internal controls and contractual arrangements	Completed
Management and employee education and training	Throughout the transition process and continuing
Quantification of the Financial Statement impact of changes in accounting policies	Completed

Additional information

Additional information relating to the Company is available on the Internet at the SEDAR website located at www.sedar.com.