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## **Canadian Orebodies Inc.**

141 Adelaide Street West, Suite 520, Toronto, Ontario M5H 3L5

### **PRESS RELEASE**

#### **Canadian Orebodies Announces Completion of Purchase Agreement of Haig Inlet Iron Ore Project and Release of Escrowed Proceeds**

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TORONTO, June 15, 2011 -- Canadian Orebodies Inc. (TSXV: CO) ("Orebodies") is pleased to announce the closing (the "Closing") of its previously announced non-arm's length acquisition of a 10% legal and beneficial interest in the Inuit Owned Lands Mineral Exploration Agreement (the "NTI Agreement") with Nunavut Tunngavik Incorporated ("NTI") which covers the Haig Inlet Iron Ore Project, located on the Belcher Islands, Nunavut, Canada (the "Property"). The acquisition was made pursuant to a Purchase Agreement (the "Agreement") that entitles Orebodies to acquire up to a 100% legal and beneficial interest (subject to a 3% GOR retained by the Vendors, of which 1/3<sup>rd</sup> can be purchased by Orebodies for a maximum of \$3,000,000)

Approvals obtained as conditions precedent to the Closing included (i) an ordinary resolution being passed by the disinterested shareholders of Orebodies approving the entering into and closing of the Agreement and the completion of all transactions and share issuances contemplated therein, as previously announced by Orebodies in its press release dated April 13, 2011, (ii) receipt of approval by NTI and (iii) receipt of approval by the TSX Venture Exchange.

Pursuant to the Agreement, Orebodies has acquired a 10% interest in the NTI Agreement and issued an aggregate of 3,000,000 common shares to Donald McKinnon, Gordon McKinnon, and Randall Salo (the "Vendors"). The Agreement is a non-arm's length transaction as Gordon McKinnon is President & CEO of Orebodies and Donald McKinnon is the Chairman and a director of Orebodies. The 3,000,000 common shares issued today pursuant to the Closing of the Agreement are subject to a hold period expiring on October 16, 2011.

In addition to, and pursuant to the Agreement, Orebodies is entitled to acquire the remaining 90% interest in the NTI Agreement by:

- (i) issuing to the Vendors an aggregate of 4,000,000 common shares on June 15, 2012, to earn an additional 15% interest in the NTI Agreement.
  - (ii) issuing to the Vendors an aggregate amount of 7,000,000 common shares on June 15, 2013, to earn the remaining 75% interest in the NTI Agreement.
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Alternatively, Orebodies may elect to not proceed with the further share issuances outlined above, in which case it will not be entitled to acquire the remaining interest in the NTI Agreement.

Orebodies and the Vendors have today entered into a joint venture agreement (the "JVA") which governs the activities of Orebodies and the Vendors in respect of the Property and the NTI Agreement, until such time as Orebodies may acquire a 100% interest in the NTI Agreement.

Orebodies and the Vendors have also entered into a 3% Gross Overriding Royalty ("GOR") agreement, pursuant to which 1/3<sup>rd</sup> of the GOR may be purchased at anytime by Orebodies for \$3,000,000 in the event that Orebodies has acquired the 100% interest in the NTI Agreement. If Orebodies has elected not to purchase a 100% interest in the NTI Agreement, the consideration for a purchase of such 1/3<sup>rd</sup> of the GOR shall be pro-rated to Orebodies' interest in the NTI Agreement at such time.

Furthermore, the GOR grants an aggregate \$250,000 advance royalty, commencing on the earlier of (i) the date on which a production lease is entered into pursuant to the NTI Agreement, or (ii) on June 15, 2017. If Orebodies 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 Orebodies' interest in the NTI Agreement at such time.

A special committee comprised of all independent directors of Orebodies, which previously reviewed and unanimously approved Orebodies entering into the Agreement, also reviewed and unanimously approved Orebodies entering into (i) the JVA, (ii) the GOR, and (iii) an Assignment and Amendment Agreement to the NTI Agreement, entered into with NTI and the Vendors, which documents Orebodies' 10% interest in the NTI Agreement as at the date hereof.

As a result of the Closing, and further to the press release dated March 10, 2011, in connection with the completion of a private placement of 15,000,000 subscription receipts ("Subscription Receipts"), the gross proceeds from the sale of the Subscription Receipts previously deposited in escrow with an escrow agent until the satisfaction of certain conditions have been released to Orebodies (less the aggregate 6% cash commission (the "Cash Commission") paid to Primary Capital Inc., Pope & Company Limited and Jones, Gable & Company (the "Agents") related to the sale of the Subscription Receipts).

Each Subscription Receipt will therefore be automatically converted today into one unit of Orebodies (a "Unit") without payment of additional consideration and without any further action by the holder thereof, with each Unit consisting of one common share in the capital of Orebodies (each a "Common Share") and one-half of one Common Share purchase warrant (each whole Common Share purchase warrant, a "Warrant"), with each Warrant entitling 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 from the date hereof.

In addition to the Cash Commission, Orebodies has previously issued to the Agents, in aggregate, 900,000 compensation options representing 6% of the number of Subscription Receipts sold in the private placement, with each such compensation option entitling the holder to purchase one Unit of Orebodies at a price of C\$0.35 for a period of 18 months from the date hereof.

All securities issued today in connection with the completion of the private placement are subject to a hold period expiring on July 11, 2011. The net proceeds released from escrow will be used by Orebodies to cover the expenses associated with the transactions described above and for general corporate purposes.

*This news release does not constitute an offer to sell or solicitation of an offer to sell any securities in the United States. The securities (and the underlying Units) have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or any state securities laws and may not be offered or sold within the United States unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.*

#### **About Canadian Orebodies Inc.**

Canadian Orebodies is a junior natural resource exploration and development company with its mineral properties located in Canada. The Company is dedicated to its properties and prides itself on the extensive research it devotes to them. The Company’s management team is its foundation which brings together diverse, knowledgeable members with decades of exploration and development experience. The Company is currently evaluating several exploration projects situated in northern Ontario.

For more information please contact:

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#### *Forward Looking Information:*

*Some of the statements and information contained herein may be forward-looking information which involves known and unknown risks and uncertainties, including statements respecting the Agreement. Without limitation, statements regarding the potential acquisition of the remaining 90% interest in the NTI Agreement, statements regarding future potential advance royalty and Gross Overriding Royalty payments, statements regarding potential mineralization and resources, proposed exploration activities and future plans and objectives of Orebodies are forward looking statements that involve various degrees of risk. The following are important factors that could cause*

*Orebodies actual results to differ materially from those expressed or implied by such forward looking statements: changes in the world wide price of mineral commodities, general market conditions, the uncertainty of access to capital. In particular, there can be no assurance that Orebodies will undertake any or all of the issuances necessary to complete the acquisition of the 100% interest in the NTI Agreement. Orebodies disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law.*