

Canadian Orebodies Assays High Grade Tantalum on Zigzag Property and Commences Drilling on Falcon Property

December 22, 2010

Canadian Orebodies Inc. has released the assay results from the channel sampling program on the Dempster East showing on its Zigzag lithium/rare metals property under option from Ultra Lithium Inc. The property is subject to an option agreement with Ultra and the underlying property owners to acquire an 80-per-cent legal and beneficial interest (subject to a 2-per-cent net smelter royalty retained by the owners, 50 per cent of which can be purchased by Orebodies for \$1-million).

Highlights:

- Channel No. 3 on Dempster East assayed 543.9 parts per million Ta₂O₅ over 1.95 metres, including 794.9 ppm Ta₂O₅ over 0.96 metre.
- Channel No. 7 on Dempster East assayed 421.1.9 ppm Ta₂O₅ and 1.54 per cent Li₂O over 2.02 metres.
- Channel No. 12 on Dempster East assayed 1.87 per cent Li₂O over 0.99 metre.
- Eighty per cent or 12 of the 15 channels cut on the Dempster East showing had samples that exceeded the upper detection limits for tantalum (greater than 100 ppm) of which three also had samples that exceeded the upper detection limits for cesium (greater than 500 ppm).
- Drilling has commenced on Orebodies 100-per-cent-owned Falcon property.

Zigzag property overview

The property in total consists of 129 claim units comprising 2,064 hectares, located approximately 60 km northeast of Armstrong, Ont. The property is host to five historical lithium and rare metal showings of consequence.

Historical highly anomalous tantalum and cesium values are notably widespread on the property and indicate a high potential for zoned, complex-type pegmatites enriched in tantalum and cesium. Complex-type pegmatites are excellent targets for economic deposits of lithium, tantalum, cesium and rubidium such as the Tanco pegmatite in Manitoba.

Zigzag sampling overview

There were a total of 15 channels cut across the Dempster East showing on the Zigzag property during Orebodies fall program. Results from 12 of the channels on the property indicate there is a zone of strong tantalum enrichment with highly anomalous values for other rare metals.

HIGHLIGHTED CHANNEL ASSAYS FOR DEMPSTER EAST
SHOWING

Channel No.	Width	Ta2O5	Li2O	Be	Cs	Ga	Nb
Rb	Sn	(m)	(ppm)	(%)	(ppm)	(ppm)	(ppm)
(ppm)	(ppm)						
3		1.95	543.9	0.08	101.4	901	64
2353.8	84.6						54
Including		0.96	794.9	0.14	97.1	1640	60.8
3090	92.1						48.8
6		1.00	416.4	1.15	117.0	228	57.3
2240	70.4						155
7		2.02	421.1	1.54	167.8	1119	63.5
2542.7	97.4						55.2
8		0.51	869.4	0.06	144.5	226	41.3
1850	91.7						32.9
9		0.95	438.4	0.84	116	557	51.6
4370	101.5						29.4
10		1.09	125.8	1.60	123	224	63
1960	63.9						79.6

11		1.04	101.8	1.15	177	255	60.7	67.3
2550	66.9							
12		0.99	198.4	1.87	85.5	435	54.9	28.6
3040	54.3							
13		1.05	254	1.59	138	486	55.7	64.1
2570	46.2							

Drilling commences on Falcon property

Orebodies is also pleased to announce that a drilling program has commenced on its Falcon property which has demonstrated high-grade, widespread zones of lithium/rare metals that stretch over 60 metres on surface. The company's initial drilling will consist of three to four short holes designed to test the lithium-rich zones successfully outlined on surface by Orebodies at depth. Results from this program will be used to assess the potential of the Falcon property and if favourable aid in further drilling on the property.

Highlights from work completed to date on the Falcon property include the following (for full results please see news in Stockwatch March 11 and March 18, 2010):

- Channel No. 3 on the Falcon property assayed 1.54 per cent Li₂O over 6.98 metres, including 2.06 per cent Li₂O over one metre.
- Channel No. 9 on the Falcon property which assayed 2.63 per cent Li₂O over 1.5 metres, including 3.19 per cent Li₂O over 0.56 metre.
- Individual grab samples which assayed 2.82 per cent Li₂O, 2.45 per cent Li₂O, 2.30 per cent Li₂O, 2.26 per cent Li₂O.

(Grab samples are selective by nature and are unlikely to represent future average grades on the property.)

Tantalum information

Tantalum is a specialty metal which is highly corrosion resistant and has the highest ability to hold and release electricity. These characteristics make it essential for electronic devices (tantalum capacitors) and specialty applications such as jet engines. Several events in the global market have caused the price of tantalum to increase significantly as of late, mainly the fact that two of the

largest producers have shut down (Tanco deposit in Canada and Talison tantalum in Australia) which represents nearly half of the world market. These shutdowns have led to a global supply that has fallen behind demand and the market now requires additional production from new projects.

The company's Zigzag property is very interesting for the fact that besides high-grade lithium, tantalum could have one of the most considerable economic benefits as historically there have been a significant amount of samples collected that demonstrate widespread, high-grade results. Breaks (2003) stated that individual analysis from the Tebishogeshik lens 3 exceeded 80 weight per cent Ta₂O₅ and were amongst the highest documented in lithium-rich pegmatite of Ontario.(i)

(i) Historical in nature and not 43-101-compliant and therefore should not be relied upon.

It should be noted that typically samples with higher tantalum values tend to have low lithium values as is representative of sodic aplite and albitite-rock units that represent significant host rocks for tantalum mineralization. This is demonstrated by the Tanco mine in Manitoba and the Wodgina and Greenbushes mines of Western Australia. However, there are samples with high lithium values that also carry strong anomalous tantalum.

A thorough quality control program is in effect which includes inserting standards and blanks alternating every 10 samples. All samples were submitted to ALS and analyzed using four-acid digestion and ICP-MS. For more information on assay methodology please visit the ALS Laboratory Group.

This press release has been prepared under the supervision of Don Hains, PGeo, who is an independent consultant to the company and a qualified person (as such term is defined in National Instrument 43-101). Mr. Hains has verified the technical data disclosed in this press release.