



## **Adanac Completes Initial Restructuring.**

January 20, 2009 - Vancouver, British Columbia.

**Adanac Molybdenum Corporation** ("Adanac or the Company", - TSX: AUA, Pink Sheets: AUAYF, Frankfurt: A9N) announced today that in connection with its overall restructuring under the *Companies' Creditors Arrangement Act* (the "CCAA"), it has implemented measures to curtail its business operations and substantially reduce its operating costs.

This initial phase of the Company's restructuring included, among other things, reducing employees by approximately 70%, substantially reducing contractors, demobilizing the Ruby Creek site, eliminating or substantially reducing services provided to the Company and repaying a portion of the Company's indebtedness to its Senior Secured Creditors. Adanac expects to further reduce operating costs by consolidating its head and engineering offices to minimize lease payments.

Adanac also announces that Mr. Edward C. Lee and Mr. Neil S. Seldon have resigned from the Board of Directors of the Company. Adanac extends its gratitude to Edward and Neil for their services over many years and wishes them success in their future endeavours.

As stated in prior news releases, Adanac has engaged Golder Associates Ltd. to continue to update the Ruby Creek mineral resources, compliant with NI 43-101, so as to include results from the 2007 and 2008 exploration program. The 2007 and 2008 exploration drilling program was completed prior to demobilization of the Ruby Creek site.

Going forward, Adanac intends to continue to seek investors for the development of the Ruby Creek project while concurrently seeking opportunities relating to the sale of the Company or its assets. Any refinancing or sale will be subject to approval from the Senior Secured Creditors, KPMG Inc. in its capacity as Monitor appointed in Adanac's CCAA proceedings as well as the Supreme Court of British Columbia.

### **About Adanac Molybdenum Corporation**

*Adanac Molybdenum Corporation is listed on the TSX and Frankfurt exchanges and owns the Ruby Creek Project in northern British Columbia. The Company has advanced the project through feasibility studies, a production decision and has previously ordered long-lead equipment, completed permitting for construction, constructed a road to the site and secured US\$80 million in bridge financing.*

### **Adanac Restructuring Process**

Readers are reminded that, on December 19, 2008, Adanac obtained an Initial Order under the CCAA as part of its intention to restructure its business, including primarily its debt.

By Order of the Supreme Court of British Columbia made Friday, January 16, 2009, all of the relief granted in the Initial Order made in Adanac's *Companies' Creditors Arrangement Act* proceedings on December 19, 2008 has been confirmed, including the stay of proceedings which has been extended until April 3, 2009. Further information, including copies of the December 19, 2008 and January 16, 2009 Orders can be found on the website of KPMG Inc. at [www.kpmg.ca/adanac](http://www.kpmg.ca/adanac).

The Initial Order appointed KPMG Inc. as Adanac's Monitor.

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**Cautionary Notice:** *This news release contains "forward-looking information" within the meaning of applicable Canadian securities legislation and United States securities laws. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects", or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "does not anticipate", or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", or "will be taken", "occur", or "be achieved". Forward-looking information is based on the opinions and estimates of management at the date the information is made, and is based on a number of assumptions and subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward looking information. Many of these assumptions are based on factors and events that are not within the control of the Company and there is no assurance they will prove to be correct. Factors that could cause actual results to vary materially from results anticipated by such forward looking information include risk factors discussed in the Annual Information Form for the year ended April 30, 2008 for the Company available at [www.sedar.com](http://www.sedar.com). Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. The Company undertakes no obligation to update forward-looking information if circumstances or management's estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking information.*

*These securities have not been and will not be registered under the United States Securities Act of 1933, as amended, or any state securities law, and may not be offered or sold in the United States unless an exemption from registration is available.*