



Adanac outlines new common share distribution

January 25, 2011 - Vancouver, British Columbia.

Adanac Molybdenum Corporation (“Adanac” or the “Company”, - TSX: AUA) is pleased to update current and prospective shareholders with the following new share information.

As outlined in the Information Letter regarding Adanac’s Plan of Compromise and Arrangement, Adanac expects to consolidate its issued and outstanding common shares at a rate of 150:1 and then issue approximately 24,698,667 post-consolidation common shares to creditors upon exit from CCAA. Existing shareholders will be provided with further instructions to exchange their current share certificates for new ones when the Plan is implemented.

Adanac’s new shares are expected to settle electronically, in Canadian dollars, through CDS Clearing and Depository Services Inc. (“CDS”). Adanac will not apply for listing of the new shares on any stock exchange in the United States. As a result, the Company may no longer be eligible for book-entry and depository services of The Depository Trust & Clearing Corporation (“DTC”). If electronic settlement of transactions in the new shares is no longer available through DTC, United States holders will need to arrange with the brokerage firm holding their shares to settle the new shares via CDS, or will need to deposit physical certificates in a brokerage firm that will settle the new shares in Canadian dollars.

Information and documents relating to Adanac’s CCAA proceedings, including the Sanction Order and the Plan, are available on the website of Adanac’s Court-appointed Monitor, KPMG Inc.: www.kpmg.ca/adanac.

About Adanac Molybdenum Corporation

Adanac Molybdenum Corporation owns the Ruby Creek Project, which is located in northwest British Columbia. Adanac has advanced this primary molybdenum property through feasibility studies, a production decision and an updated resource estimate. Upon emergence from protection from its creditors under the CCAA, Adanac will have minimal debt and will be positioned to resume its efforts to develop the Ruby Creek Project.

Information Contact

Leonard J. Sojka – Chief Restructuring Officer
Suite #200 – 2055 152 Street, Surrey, B.C. V4A 4N7
Telephone: (604) 535-6834 Facsimile: (604) 536-8411
Email: info@adanacmoly.com



Cautionary Notice: *This news release contains "forward-looking information" within the meaning of applicable Canadian securities legislation and United States securities laws including the implementation of the Plan. 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, 2010 for the Company available at 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 such registration is available.