

The Bull & Bear

FINANCIAL REPORT

June 12/06

Adanac Moly Corp. Nears Production Decision on Billion-Dollar Ruby Creek Molybdenum Property

Amid growing global demand and ever-limited supply, molybdenum prices are skyrocketing – and don't appear inclined to reach apogee for some time to come. The reasons are many for this versatile, yet largely unnoticed metal to emerge from a decades-long slumber to outpace the price performance of virtually every other metal – including uranium, gold, silver, copper and nickel.

Never mind gold hitting a 17-year high. Forget silver and uranium prices leaping off the charts. Molybdenum continues to outshine these royal metals – big time. In just three years, molybdenum prices soared more than 1000% to become the brightest, rising new star in the resource sector universe.

This incredible performance creates a significant opportunity for resource companies which, not surprisingly, are scrambling to find promising "moly" properties.

But one company – Adanac Moly Corp. (TSX.V: AUA) – got there first to gobble up an immense, proven molybdenum deposit that has been waiting more than three decades for its moment to shine.

Adanac Moly's Ruby Creek deposit in British Columbia is not a new discovery. The 10,000-acre property, extensively explored since the 1960s, has had three feasibility studies, only to have its then-owners back away because of low prices.

Now, encouraged by soaring moly prices, Adanac Moly is only months away from completing its own final feasibility study it expects to lead to a positive production decision.

As a result, Adanac Moly has the clear potential to possibly earn more than a billion dollars in profits over the next two decades.

That part of the story should undoubtedly intrigue those on the hunt for the next big thing in the mining sector. But first, let's take a look at why molybdenum should be front and center in investor telescope crosshairs.

Molybdenum – The Metal of the Future

First, investors must understand the unique properties of molybdenum. The most important characteristic of this silvery-white metal is its extremely high melting point – 2,000 degrees higher than steel. When added to steel, molybdenum increases pitting and corrosion resistance. Moly is also an important catalyst used by

the nuclear power, oil/gas/coal, high tech, water handling, construction, and food and beverage industries.

Molybdenum was first identified in 1778 by a Swedish scientist, but not recognized for its industrial value for nearly a century. Today, molybdenum strengthens automotive, high-speed, and structural steels, and is used to create superalloys, nickel base alloys, lubricants, chemicals, and in electronics.

Molybdenum-based catalysts are used in the petroleum industry to remove sulphur found in crude oil, and in the liquification of coal.

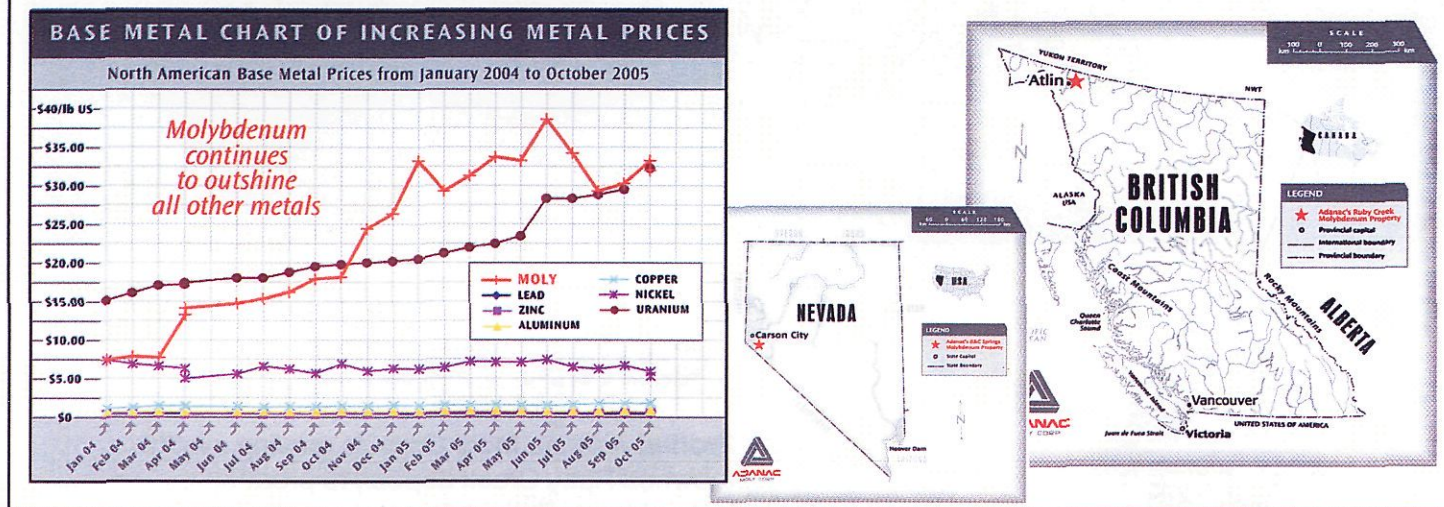
Here are just two examples of growing global demand for moly:

- A worldwide boom in construction



Adanac Moly's Ruby Creek Molybdenum Property in British Columbia. has the potential to earn over a billion dollars in profits over the next two decades.

One of the World's Best Molybdenum Investment Opportunities" ... Bob Moriarty, 321gold.com



rapid payback of investment,” says Adanac President Larry W. Reaugh.

Adanac Moly is proposing a 20,000/tpd open pit mine that has a measured and indicated moly reserve of 278-million pounds. The mine is expected to operate for at least 20 years. If ore grades turn out to be higher (a good possibility) and next year’s drilling program brings more resource into the reserve category, Ruby Creek’s mine life could be much, much longer.

Since the 1960s, the Ruby Creek property was variously owned by Kerr Addison Mines, Climax Molybdenum Corporation (Phelps Dodge) and Placer Development. Three feasibility studies were conducted but then-low prices for molybdenum curtailed a move to production.

In 2001, Reaugh recognized signs of growing demand – and rising prices – for molybdenum. Shortly after Adanac Moly acquired the Ruby Creek property, prices had increased enough to warrant new feasibility studies. That final report, as well as socioeconomic/environmental studies, are now nearly complete.

Adanac Moly’s confidence in future demand for molybdenum led to its acquisition of several other promis-

ing properties, chief among them B & C Springs in Nevada. Located in Nye County, the B & C covers a large high-grade molybdenum occurrence.

The company also holds two other molybdenum properties in Nevada – the Pine Nut molybdenum deposit in Douglas County and the Cucomungo Property in Esmeralda County. Both were previously drilled and show significant levels of molybdenum.

“We are a pure moly company and picked up these properties to increase our inventory and give us the ability to open more than one molybdenum mine,” says Reaugh. “We believe there will be a need for more than one major new molybdenum mine in the next decade.”

Investment Considerations

With molybdenum prices now above \$30 a pound, Adanac Moly’s Ruby Creek project has significant room for profit. In fact, the project remains profitable as long as moly prices remain over \$8 a pound – a level few believe will be seen again, given the rising demand and ever-new uses for the versatile metal.

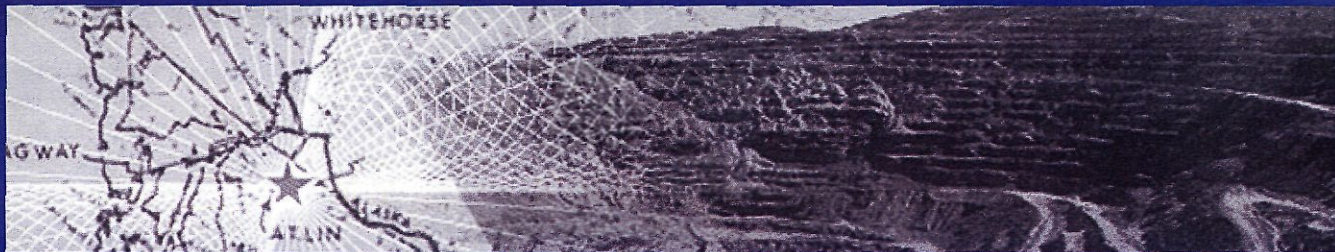
Adanac Moly is well financed with a recently closed \$2.275-million private placement. Assuming a

positive feasibility study (report due in January 2006), its prospects for obtaining bank financing for \$414-million in mine development capital costs are bright – particularly with a possible offtake agreement with the world’s largest molybdenum broker, Traxys S.A. Luxembourg. Traxys is owned by Arcelor, a world leader in steel production, and Umicore, a leading value-added materials producer. The offtake agreement would guarantee Adanac a buyer for a significant percentage of Ruby Creek’s molybdenum concentrate.

The company is working closely with British Columbian authorities, the Atlin community and the Taku River Tlingit First Nation in planning mine development – virtually assuring a smooth permitting process. The company plans mine construction for September 2006 and production by late 2007 or early 2008. Once in production, the Ruby Creek mine could generate at least C\$94-million a year in profits.

“Adanac Moly will become the first successful publicly traded primary molybdenum producer in the last 20 years,” says President Larry Reaugh. “If we are successful our shareholders will benefit tremendously.” ■

Disclaimer: This material is for distribution only under such circumstances as may be permitted by applicable law. It has no regard to the specific investment objectives, financial situation or particular needs of any recipient. It is published solely for informational purposes and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. References made to third parties are based on information obtained from sources believed to be reliable but are not guaranteed as being accurate. Recipients should not regard it as a substitute for the exercise of their own judgement. The opinions and recommendations are those of the writers and are not necessary endorsed by The Bull & Bear Financial Report. Any opinions expressed in this material are subject to change without notice and The Bull and Bear Financial Report is not under any obligation to update or keep current the information contained herein. All information is correct at the time of publication, additional information may be available upon request. Adanac Moly Corp. paid The Bull & Bear Financial Report a fee for their advertorials and for promotional services provided by The Bull & Bear Financial Report. The directors and employees of The Bull & Bear Financial Report do not own any stock in the securities referred to in this report.



ADANAC
MOLY CORP

TSX.V: AUA

Frankfurt: A9N

ISIN CA0065031063

Contact:

Larry W. Reaugh, President

2A 15782 Marine Drive
White Rock, BC V4B 1E6

Phone: 604-531-9639

Fax: 604-531-9634

E-Mail:

info@adanacmoly.com

Web Site:

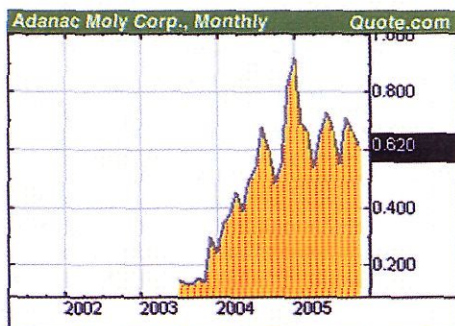
www.adanacmoly.com

Shares Outstanding:

41.2 million

52 Week Trading Range:

Hi: C\$1.05 Low: C\$0.44



Quick *FACTS*

Company Profile: Adanac Moly Corp. is moving swiftly to bring its 100%-owned Ruby Creek deposit to production. The Ruby Creek Molybdenum Project located approximately 24 kilometers northeast of Atlin, British Columbia. The company is proposing a 20,000/tpd open pit mine and concentrator for the production of high quality molybdenite from a low grade measured and indicated moly reserve of 278-million pounds. The mine is expected to operate for at least 20 years. If ore grades turn out to be higher (a good possibility) and next year's drilling program brings more resource into the reserve category, Ruby Creek's mine life could be much, much longer.

Mission Statement: New pressures in molybdenum supply and demand have come to the forefront this millennium where usage of the metal is entering a new era. Asia is finally experiencing an industrial revolution that will strain existing resources for the next several decades. Currently the abundance of existing molybdenum deposits will easily fill increasing demand, but are years away from obtaining production. Adanac's belief is that the first major mining deposit to be brought into production will enjoy the highest prices resulting in rapid payback of investment. Recognizing the moly trend in late 2003 the company implemented its plan to produce their Ruby Creek Molybdenum Deposit by late 2007. Currently the company has an 18 month lead over similar projects.

Highlights:

- Final feasibility study nearing completion and is expected to lead to a positive production decision.
- 100% ownership of several other promising molybdenum properties in Nevada, including B & C Springs in Nevada, a large high-grade molybdenum occurrence; and Pine Nut and Cucomungo properties which show significant levels of molybdenum.
- Clear potential to possibly earn more than a billion dollars in profits over the next two decades.