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## **Adanac Moly Corp grants Traxys the exclusive right**

*Thursday, 07 Jul, 2005*

Adanac Moly Corp reports it has entered into an agreement with Traxys S.A. Luxembourg as its exclusive representative to discuss/market potential molybdenum product from its Ruby Creek deposit over the next six months up to December 15, 2005 in order to determine the feasibility of an Offtake Agreement with Adanac.

An Offtake Agreement is an agreement where a customer for molybdenum product agrees to buy a part or the total output of molybdenum from a producing mine at pre-determined prices and conditions over a number of years.

Offtake agreements can be used by a producer to provide enough funds to repay project financing debt and to pay necessary operating costs and expenses. Offtake Agreements are often requested by banks providing project financing to mitigate the market risk of financing a project.

Adanac's British Columbia project (Ruby Creek) is in the final stages of Socio-Economic and Environmental studies and Feasibility to be completed by year end. The company expects to begin permit applications in September, 2005.

Feasibility is aimed at a 20,000 TPD mining and milling operation expected to produce 12,000,000 lb. of Moly per year over the next 5 years on a 20 year mine life plan.

Traxys is owned by Arcelor (50%) a world leader in steel production and Umicore (50%) a leading value added materials producer. Arcelor has 95,000 employees and Umicore has 12,000 employees. Traxys in turn owns 100% of Sogem Group and Considar Group.

An Offtake Agreement with Adanac would give Traxys a required source of moly and would give Adanac a guaranteed end user purchaser for part of its production.

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