

**IN THE MATTER OF THE PROPOSED
PLAN OF COMPROMISE AND ARRANGEMENT**

Involving

ADANAC MOLYBDENUM CORPORATION

MEETINGS OF AFFECTED CREDITORS

to be held pursuant to an Order of the Supreme Court of British Columbia made on October 18, 2010, (the “**Creditors’ Meeting Order**”) in connection with the Plan of Compromise and Arrangement (as amended from time to time, the “**Plan**”) of Adanac Molybdenum Corporation (“**Adanac**”) pursuant to the *Companies’ Creditors Arrangement Act* (Canada) and the *Business Corporations Act* (British Columbia)

on November 9, 2010 at 10:30 a.m. (Vancouver time)

at the office of the Monitor, KPMG Inc. (the “**Monitor**”), located at
9th Floor, 777 Dunsmuir Street, Vancouver, British Columbia, V7Y 1K3, Canada,

and at any adjournment, postponement or other rescheduling thereof with respect to each class of Affected Creditors (the “**Creditors’ Meeting**”).

**PROXY, AFFECTED CREDITORS’ INSTRUCTIONS
AND ELECTION NOTICE**

COMPLETE, SIGN AND DATE THIS FORM AND RETURN IT TO KPMG INC., IN ITS CAPACITY AS THE MONITOR OF ADANAC, SO THAT IT IS ACTUALLY RECEIVED BY 5:00 P.M. (VANCOUVER TIME) ON NOVEMBER 8, 2010 OR DEPOSIT THIS FORM WITH THE CHAIR AT YOUR CREDITORS' MEETING BEFORE THE BEGINNING OF SUCH CREDITORS' MEETING (THE "VOTING DEADLINE").

Please complete Part 1 of this Form if you do not wish to attend your Creditors' Meeting to vote in person but wish to appoint a proxyholder to attend your Creditors' Meeting, vote your Affected Claim to accept or reject the Plan and otherwise act for and on your behalf at your Creditors' Meeting and any adjournment(s), postponement(s) or rescheduling(s) thereof.

Please complete Part 2 of this Form if you wish to make an election regarding your Affected Unsecured Claim as set forth in Part 2 below.

You may complete either, neither or both Part 1 and/or Part 2 of this Form.

The Plan is Schedule "I" to the Plan Information Letter of Adanac dated October 20, 2010 (the "**Plan Information Letter**"), a copy of which you have received. All capitalized terms used but not defined in this Form shall have the meanings ascribed to such terms in the Plan Information Letter.

You should review the Plan Information Letter and the Plan before you vote. In addition, on October 18, 2010, the Supreme Court of British Columbia issued an order (the "**Creditors' Meeting Order**") establishing certain procedures for the conduct of the Creditors' Meetings to be held in respect of each Affected Creditor Class, a copy of which is posted on the Monitor's website at www.kpmg.ca/adanac. The Creditors' Meeting Order contains important information regarding the voting process. Please read the Creditors' Meeting Order and the instructions sent with this Form prior to submitting it.

If the Plan is sanctioned by the Supreme Court of British Columbia, it will be binding on you whether or not you vote on the Plan.

PART 1. APPOINTMENT OF PROXYHOLDER AND VOTE

By checking one of the two boxes below, the undersigned Affected Creditor hereby revokes all proxies previously given and nominates, constitutes and appoints either:

_____ (insert name of intended proxyholder); or

a representative of KPMG Inc., in its capacity as Monitor,

as proxyholder, with full power of substitution, to attend, vote and otherwise act for and on behalf of the undersigned at the undersigned's Creditors' Meeting(s) and any adjournment(s), postponement(s) or rescheduling(s) thereof, and to vote the amount of the undersigned's Affected Claim(s). Without limiting the generality of the power hereby conferred, the person named as proxyholder is specifically directed to vote as shown below. The person named as proxyholder is also directed to vote at the proxyholder's discretion and otherwise act for and on behalf of the undersigned with respect to any amendments or variations to the Plan and to any matters that may come before the undersigned's Creditors' Meeting(s) or any adjournment(s), postponement(s) or rescheduling(s) thereof and to vote the amount of the undersigned's Affected Claim(s) for voting purposes or as otherwise permitted pursuant to the Creditors' Meeting Order and the Plan as follows (mark only one):

Vote **FOR** approval of the Plan

Vote **AGAINST** approval of the Plan

Please note that if a proxyholder is appointed but no specification is made hereinabove, the Affected Creditor will be deemed to have voted FOR approval of the Plan.

PART 2. ELECTIONS FOR AFFECTED UNSECURED CLAIMS

A. **If your Affected Unsecured Claim exceeds CDN\$50,000** (being equivalent to US\$40,733 on December 19, 2008), by checking the box below, you may irrevocably **elect to reduce your Affected Unsecured Claim to an amount equal to CDN\$50,000 (US\$40,733)** and thereby receive payment, if your Affected Unsecured Claim becomes a Proven Claim under the Plan, in cash in an amount equal to CDN\$5,000 in full satisfaction of such claim. **If you fail to check the box below, you will be deemed not to have made such election.**

ELECT TO make this election and reduce your Affected Unsecured Claim that is greater than CDN\$50,000 to an Affected Unsecured Claim of CDN\$50,000 and, if your Affected Unsecured Claim becomes a Proven Claim, thereby receive payment in cash of an amount equal to CDN\$5,000 in full satisfaction of such claim. This election once delivered to the Monitor will be final, unconditional and irrevocable and no creditor shall be entitled to change, revoke or withdraw its election after receipt by the Monitor of this Form.

B. **If your Affected Unsecured Claim is equal to or less than CDN\$50,000** (being equivalent to US\$40,733 on December 19, 2008), by checking the box below, you may elect **not** to receive a cash distribution on account of your Affected Unsecured Claim in an amount equal to the lesser of 10% of the face amount of your Proven Claim and CDN\$5,000 and, if applicable, receive your *pro rata* share of Outstanding Common Shares in accordance with the terms of the Plan. **If your Affected Unsecured Claim is equal to or less than CDN\$50,000 and you do not check the box below, you will receive a cash distribution (if your Affected Unsecured Claim becomes a Proven Claim under the Plan) in an amount equal to the lesser of 10% of the face amount of your Proven Claim and CDN\$5,000.**

ELECT NOT TO receive a cash distribution AND accordingly receive, if applicable, your *pro rata* share of Outstanding Common Shares in accordance with the terms of the Plan. This election once delivered to the Monitor will be final, unconditional and irrevocable and no creditor shall be entitled to change, revoke or withdraw its election after receipt by the Monitor of this Form.

Dated this _____ day of _____, 2010.

Print Name of Affected Creditor

Amount of Claim

Signature of Affected Creditor or, if the Affected Creditor is a corporation, partnership or trust, signature of an authorized signing officer of the corporation, partnership or trust

Title of the authorized signing officer of the corporation, partnership or trust, if applicable

E-mail address of Affected Creditor

Telephone number of Affected Creditor or authorized signing officer

Mailing Address of Affected Creditor

No fees, commissions, or other remuneration will be payable to any broker, dealer, or other person for soliciting votes on the Plan. This Form is not a letter of transmittal and may not be used for any purpose other than to appoint a proxyholder and to cast votes to accept or reject the Plan and/or to make the elections as set forth in Part 2.

YOUR PROXY AND/OR ELECTION NOTICE MUST BE ACTUALLY RECEIVED BY THE MONITOR AT THE COORDINATES LISTED BELOW ON OR BEFORE 5:00 P.M. (VANCOUVER TIME) ON NOVEMBER 8, 2010 OR DEPOSIT IT WITH THE CHAIR OF YOUR CREDITORS' MEETING PRIOR TO THE COMMENCEMENT OF YOUR CREDITORS' MEETING, OTHERWISE YOUR PROXYHOLDER APPOINTMENT AND VOTE, AND/OR ELECTION, IF ANY, WILL NOT BE COUNTED.

BY MAIL:

**KPMG Inc.
Monitor of Adanac Molybdenum Corporation
777 Dunsmuir Street
P.O. Box 10426
Vancouver, British Columbia
V7Y 1K3, Canada
Attention: Mark Kemp-Gee**

BY FACSIMILE:

604.691.3036

BY EMAIL:

mkempgee@kpmg.ca

IF YOU HAVE ANY QUESTIONS REGARDING THIS FORM OR THE VOTING PROCEDURES, OR IF YOU NEED AN ADDITIONAL COPIES OF THE ENCLOSED MATERIALS, PLEASE CONTACT THE MONITOR AT 604.691.3397 OR VISIT THE MONITOR'S WEBSITE AT www.kpmg.ca/adanac

INSTRUCTIONS FOR COMPLETION OF PROXY AND ELECTION NOTICE

1. All capitalized terms used but not defined in this Proxy and Election Notice shall have the meanings ascribed to such terms in the Plan Information Letter of Adanac dated October 20, 2010, a copy of which you have received. Please read and follow these instructions carefully.
2. You are entitled to vote the amount of your Affected Claim as accepted or revised, or as may be determined by the Court. If your Affected Claim is disputed and cannot be resolved prior to the Voting Record Date, your Affected Claim (or such disputed portion thereof) will be treated as a Disputed Claim and your Proxy will be dealt with as set out in paragraph 31 of the Creditors' Meeting Order.
3. In order to appoint a proxyholder for your Creditors' Meeting and for your vote to accept or reject the Plan to count and/or to make an election set forth in Part 2, you must:
 - (a) If you wish to vote by proxy rather than in person at your Creditors' Meeting, check the appropriate box in Part 1, and either write in the name of your proxyholder or, if you would like a representative of the Monitor to act as your proxyholder, leave that space blank;
 - (b) If you appoint a proxyholder in Part 1, check the appropriate box in Item 1 indicating how you wish your proxyholder to vote in respect of the Plan (NOTE: if you do not check either box, you will be deemed to have voted **FOR** approval of the Plan);
 - (c) If you wish to make one of the elections set forth in Part 2, check the appropriate box. All such elections once delivered to the Monitor will be final, unconditional and irrevocable and no creditor shall be entitled to change, revoke or withdraw its election after receipt by the Monitor of such election. You may not subdivide your Affected Claim into multiple Affected Unsecured Claims of CDN\$50,000 or less;
 - (d) Sign this Form - your original signature is required on this Form in order to appoint a proxyholder and vote at your Creditors' Meeting as set forth in Part 1 and/or if you would like to make an election as set forth in Part 2;
 - (e) If you are completing this Form as a duly authorized representative of a corporation or other entity, indicate your relationship with such corporation or other entity and the capacity in which you are signing, and if subsequently requested, provide proof of your authorization to so sign. In addition, please provide your name and mailing address; and
 - (f) If you wish to appoint a proxyholder pursuant to Part 1 and/or make one of the elections pursuant to Part 2, return the completed Form to the Monitor at the coordinates set out below, so that it is actually received no later than 5:00 p.m. (Vancouver time) on November 8, 2010 or deposit the form with the Chair at your Creditors' Meeting prior to the commencement of your Creditors' Meeting.

By registered mail: KPMG Inc.
Monitor of Adanac Molybdenum Corporation
777 Dunsmuir Street
P.O. Box 10426
Vancouver, British Columbia
V7Y 1K3, Canada

Attention: Mark Kemp-Gee

By facsimile: 604.691.3036

By email: mkempgee@kpmg.ca

4. Each Affected Creditor who has a right to vote at a Creditors' Meeting has the right to appoint a person (who need not be an Affected Creditor) to attend, act and vote for and on behalf of the Affected Creditor and such right may be exercised by either inserting in the space provided the name of the person to be appointed or checking the box to indicate that you would like to a representative of the Monitor to act as your proxyholder. Your proxyholder will have power to attend on your behalf of and act for you at your Creditors' Meeting and at any and all adjournments, postponements or other rescheduling thereof.
5. If you elected in Part 2A to receive a cash distribution, you will receive in full and final satisfaction of your Affected Unsecured Claim (if it becomes a Proven Claim), payment in cash of CDN\$5,000.
6. If you elected in Part 2B not to receive a cash distribution in an amount equal to the lesser of 10% of the face amount of your Proven Claim and CDN\$5,000 (or if you are not eligible to do so), you will receive, in full and final satisfaction of your Affected Unsecured Claim (if it becomes a Proven Claim), your *pro rata* share of Outstanding Common Shares in accordance with the terms of the Plan.
7. If you make an election in Part 2, you cannot change, revoke or withdraw that election once the Form has been received by the Monitor.
8. If you need additional Forms, please immediately contact the Monitor.
9. If multiple Proxies are received from the same person with respect to the same Affected Claims prior to the Voting Deadline, the latest dated, validly executed Proxy timely received will supersede and revoke any earlier received Proxy. However, if a holder of Affected Claims casts Proxies received by the Monitor dated with the same date, but which are voted inconsistently, such Proxies will not be counted. If a Proxy is not dated in the space provided, it shall be deemed dated as of the date it is received by the Monitor.
10. If the Affected Creditor validly appoints a proxyholder pursuant to Part 1 of the Form and subsequently attends its Creditors' Meeting and votes in person inconsistently, the Affected Creditor's vote at its Creditors' Meeting will supersede and revoke the earlier received appointment.
11. Any Form that is illegible or contains insufficient information to permit the identification of the claimant shall not be counted.
12. Any Form that attempts to partially accept and partially reject the Plan will not be counted.
13. After the Voting Deadline, no Proxy may be withdrawn or modified, except by voting in person at your Creditors' Meeting, without the prior consent of Adanac and the Monitor.
14. If you hold Affected Claims in more than one class under the Plan, you may receive more than one Proxy for each different class. Each Proxy votes only your Affected Claims for which you indicate a claims number on that Proxy. You may indicate multiple claim numbers on a single Proxy.

**IF YOU HAVE ANY QUESTIONS REGARDING THIS FORM OR THE
PROCEDURES GENERALLY, OR IF YOU NEED ADDITIONAL COPIES OF
THE ENCLOSED MATERIALS, PLEASE CALL THE
MONITOR AT 604.691.3397 OR VISIT THE MONITOR'S WEBSITE AT
www.kpmg.ca/adanac**