

December 15, 1997

VSE Symbol: DML

Caratax Flow-Through Financing

The Company is pleased to announce it has entered into an agreement with the Caratax Limited Partnership ("Caratax"), whereby Caratax has agreed to acquire 250,000 flow-through common shares in the capital of the Company at a price of \$1.00 per share for an aggregate amount of \$250,000. Such funds are to be held in escrow by the Montreal Trust Company of Canada ("Montreal Trust"), and are to be released to the Company as the Company incurs resource expenditures on its Labrador Properties (the "Property").

Upon receipt from the Company, from time to time, of certificates setting out actual resource expenditures incurred by the Company on the Property on or before May 31, 1998, which date may be extended by the parties, Caratax will cause Montreal Trust to pay to the Company the amount specified in each certificate. The Company will in turn issue to Caratax that number of flow-through shares equal to the amount paid divided by \$1.00.

In the event the Company is unable to incur a total of \$250,000 in resource expenditures on the Property before May 31, 1998, Caratax shall have the option, up to and including December 31, 1998, to subscribe for such number of common shares of the Company at a price of \$1.00 per share equal to that amount being the difference between \$250,000 and the total amount of resource expenditures incurred by the Company.

In addition, upon closing of the private placement, the Company shall issue to Caratax, 250,000 share purchase warrants, each warrant entitling the holder thereof to purchase one (1) additional common share in the capital of the Company at an exercise price of \$1.25 per share, until February 28, 2000. Such warrants shall be transferable, subject to applicable securities laws.

This transaction is subject to receipt of regulatory approval.

ON BEHALF OF THE BOARD OF DONNER MINERALS LTD.

"David Patterson"
Chief Executive Officer

The Vancouver Stock Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release