

**April 20, 1998**

VSE Symbol: DML

Mobilization for \$14.8 million 1998 Program Underway

Harvey Keats, President, reports that the Company, as South Voisey Bay Project operator, has now received budget approval for the 1998 program from all of its joint venture partners. Mobilization for the \$14.8 million 1998 program is well underway and drilling is expected to begin by mid-May.

The program will consist primarily of diamond drilling, regional-style and detailed gravity surveys, borehole Pulse EM surveys, and detailed geological mapping. Surveys will further test prospective areas identified in 1997 as well as develop additional targets. As in 1997, work will focus on areas known to be underlain by prospective gabbro, however, additional surveys will be completed over adjacent areas where gabbro may occur at shallow depths beneath gneissic cover rocks. The Program is comprised of two components, a Phase 1 program consisting of field surveys and diamond drilling, and a Phase 2 program consisting of follow-up diamond drilling.

Phase 1

Phase 1 totals \$9.2 million in expenditures and includes \$6.6 million for the initial field programs and diamond drilling as well as a \$2.6 million contingency budget. The initial \$6.6 million program will consist of 22,500 m of diamond drilling, approximately 185 line km of linecutting, 146 line km of detailed geological mapping and gravity surveys, as well as coverage of 906 claims by regional gravity surveys.

Diamond drilling will test several types of targets including areas of favorable geology, areas associated with inadequately tested gravity anomalies which are underlain by prospective gabbro, offhole Pulse EM anomalies detected during the 1997 program, and areas where significant mineralization has been identified.

Linecutting, detailed geological mapping and gravity surveys will be completed over the central portion of the project to provide continuous coverage between the north and south gabbros as well as cover several exposures of prospective gabbro between these gabbros. These exposures remain poorly understood, but may represent erosional remnants or windows exposing gabbro which may join the north and south gabbros.

Regional-style surveys will be extended outside the established grids to cover areas beyond the exposed limits of prospective gabbro. Areas requiring additional gravity surveys include the north and eastern margins of the north gabbro as well as the west margin of the south gabbro. These surveys would be effective for identification of thick accumulations of prospective gabbro beneath overlying gneiss, as opposed to direct detection of near-surface massive sulphide accumulations. Coverage will be extended to 3.5 to 5 km beyond the exposed limits of the prospective gabbro using a station density of 400 m.

The Phase 1 contingency budget will be used to conduct (i) orientation geophysical surveys over mineralized areas, (ii) follow-up geophysical surveys, (iii) detail surveys of gravity anomalies detected by initial regional gravity surveys, and (iv) drilling of new targets as required.

Phase 2

Phase 2 of the 1998 program consists of additional drilling for an expenditure of \$5.6 million, which will be undertaken should a significant discovery be made during Phase 1. Phase 2 doubles the drilling budgets proposed under the initial portion of the Phase 1 program.

The maximum total proposed budget for Phase 1 and 2 is \$14.8 million, however, Phase 2 expenditures would be conditional upon the success of Phase 1.

Additional Claims Acquired

The Vancouver Stock Exchange has accepted for filing documentation pertaining to a Letter Agreement dated February 27, 1998, whereby the Company has the option to acquire from Thistle Creek Resources Inc., the remaining 50% interest in 317 mineral claims known as the Thistle 2 Claims, located in the South Voisey Bay Project area. Consideration is 500,000 shares of the Company in two equal tranches. The first tranche of 250,000 shares will be subject to a hold period expiring August 16th, 1998, the second tranche will be issued upon completion of expenditures of \$1,000,000 on the Property and filing an acceptable technical report with the Exchange recommending further work on the Property. The purchase will give the Company a 100% interest in the Property subject to a 1% net smelter return royalty retained by Thistle Creek Resources Inc.

The Company has entered into an agreement with a private individual, whereby the Company will acquire a 100% interest in a total of 200 claims (the 'New Property') that are contiguous to the South Voisey Bay Project. In consideration of acquiring the New Property, the Company will issue 50,000 common shares and make a cash payment of \$60,000. Upon the completion of \$1,000,000 in exploration work on the Property the Company will

issue an additional 50,000 common shares. The Property is subject to a 2% Net Smelter Royalty of which the Company has the option to buy back half for \$1,000,000.

#### Advanced Status

The Company is pleased to announce that it was recently granted Advanced Company status by the Vancouver Stock Exchange.

#### Stock Options Granted

The Company has granted incentive stock options to certain of its directors, officers, and employees entitling them to purchase an aggregate of 1,250,000 common shares in its capital stock. These options are exercisable for a period of ten years at a price of \$2.60 per share, being the average trading price of the Company's shares over the last ten trading days. The granting of these stock options will be subject to the terms of the Company's Stock Option Plan which will be presented to its shareholders for approval at the Annual General Meeting expected to be held in August 1998. The exercise of these options will be subject to shareholder approval and the Vancouver Stock Exchange approval of the Plan.

ON BEHALF OF THE BOARD OF DONNER RESOURCES LTD.

Harvey Keats  
President

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