

August 10, 1998

VSE Symbol: DML

Donner Announces Private Placement

Donner Minerals Ltd. announces that it has negotiated, subject to the approval of the Vancouver Stock Exchange, a brokered private placement with Union Securities Ltd., in the amount of \$900,000. These funds will be raised by the Company issuing a total of 3,000,000 units at a price of \$0.30 per unit. Each unit is comprised of one common share and one non-transferrable share purchase warrant entitling the holder to purchase one additional common share of Donner at a price of \$0.30 for the first year and \$0.35 for the second year.

The Company has agreed to pay Union Securities Ltd. a five per cent commission and has further agreed to issue class "B" warrants to purchase up to 300,000 shares at \$0.30 per share for a period of one year.

The net proceeds of the offering will be used to further exploration of the Company's South Voisey Bay Project in Labrador.

ON BEHALF OF THE BOARD OF DONNER MINERALS LTD.

Harvey Keats
President

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