



**January 14, 2011**

**1.74 MILLION TONNES GRADING 4.55% ZINC, 1.16% COPPER AND 19.88G/T SILVER IDENTIFIED AT THE PD1 DEPOSIT**

**Vancouver, B.C., January 14, 2011** – Mr. Harvey Keats, Chief Executive Officer of Donner Metals Ltd. (TSXV-DON), reports that the Company has received a NI 43-101 compliant resource calculation for the PD1 deposit from partner Xstrata Canada Corporation - Xstrata Zinc Canada Division ('Xstrata Zinc'). The combined mineral resource (measured and indicated) is 1.74 million tonnes grading 4.55% zinc, 1.16% copper and 19.88g/t silver located between 25 and 515 metres vertical depth and is based on 24 new holes drilled in 2010 in the upper portion of the deposit, above 100 metres vertical depth, and 50 historical drill holes completed between 1973 and 1976 that defined the previous extent of mineralization. Measured resources of 0.6 million tonnes grading 4.34% zinc, 0.83% copper, 19.59g/t silver and 0.12g/t gold occur between 25 and 100 metres vertical depth. The remaining indicated resources are based solely on a re-evaluation of historical drill results.

The completion of this program resulted in the definition of a measured resource at PD1 above 100 metres vertical depth. On this basis, a decision can now be made to conduct a feasibility study on the exploitation by open pit of this portion of the deposit as feed to Xstrata’s Matagami mill that could supplement production from Bracemac-McLeod.

<b>Table 1: PD1 Measured and Indicated Resources</b>							
<b>Category</b>	<b>Tonnes</b>	<b>Zinc %</b>	<b>Copper %</b>	<b>Silver g/t</b>	<b>Gold g/t</b>	<b>Specific Gravity</b>	<b>Vertical Depth metres</b>
Measured	596,193	4.34	0.83	19.59	0.12	4.26	25 to 100
Indicated	262,387	4.26	0.91	19.95	NS	4.33	100 to 200
Indicated	528,925	4.25	1.59	21.13	NS	4.30	200 to 300
Indicated	272,211	5.48	1.41	20.27	NS	4.30	300 to 400
Indicated	71,895	6.32	0.77	12.44	NS	4.30	400 to 500
Indicated	5,762	2.64	0.19	8.14	NS	4.30	500 to 515
<b>Total Measured and Indicated Resources</b>	<b>1,737,373</b>	<b>4.55</b>	<b>1.16</b>	<b>19.88</b>	<b>-</b>	<b>4.29</b>	<b>25 to 515</b>

The definition drill program on PD1 is now finished with a total of 13 new holes completed into the upper portion of the deposit since the last news release. The measured resource calculated for the upper portion of the deposit is based on 24 drill holes completed in 2010, combined with 14 historical drill holes completed between 1973 and 1976. Combined average drill spacing for the measured resource is approximately 20 metres. All remaining indicated resources are based solely on 36 historical drill holes with an average drill spacing of approximately 60 metres. The historical drill holes were included in the new resource estimate on the opinion of Xstrata Zinc Qualified Persons that these data give a reasonable representation of deposit geometry and assay results based on comparison with the 2010 drilling. Drill collar locations have been confirmed for most of the historical drill holes. A specific gravity of 4.3 is applied to all massive sulphide mineralization intersected by historical drilling on the basis of measurements taken from similar mineralization intersected by the 2010 drilling. No direct specific gravity measurements were taken during historical programs.

Table 2 provides composite results for 2010 drilling not previously reported.

The PD1 deposits is located 31.4 kilometres west-northwest of the operating Matagami mill via a paved and gravel all weather road. The deposit occurs in the north-western end of the West Camp trend which is a 30 kilometre long belt of volcanic rocks

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that correlate well with the Matagami sequence. The deposit is interpreted to occur within the Wabasse group, stratigraphically above the Key Tuffite, at a stratigraphic position broadly similar to the Bracemac and Upper Bracemac zones. Mineralization is composed of massive sulphides dominated by pyrite with lesser sphalerite, chalcopyrite, and pyrrhotite which subcrop below approximately 20-25 metres of overburden. Mineralization at PD1 dips at approximately 65 degrees to the northeast.

Additional geological information, including maps and sections, is available at [www.donnermetals.com](http://www.donnermetals.com).

### Qualified Persons

The resource estimate for the PD1 deposit was conducted by Xstrata Zinc. Qualified Persons for Xstrata Zinc responsible for the technical information are Gilles Roy, P.Geol. and Patrick M. Carr, Ph.D., P.Geol..

### Technical Report

A technical report on the PD1 resource estimate will be filed by Donner on SEDAR within 45 days of this press release.

### PROJECT OVERVIEW

The PD1 deposit is covered by the terms of the Matagami Option and Joint Venture Agreement which has an area of mutual interest of 4,753 square kilometres. The Matagami project presently includes 2,986 mineral claims covering 644 square kilometres including 9 contiguous mineral claims covering the PD1 deposit that are subject to cash and royalty payments to Phelps Dodge Corporation of Canada.

Donner has the option to earn a 50% participating joint venture interest in the Matagami Project by incurring a total of \$25 million of expenditures on exploration and related work on or before May 31, 2011. To date, Donner has provided \$24.9 million towards exploration and has the balance of the funds at hand required to exercise the option. Following earn-in, five separate joint venture ("JV") areas will be formed with initial interests of 50% Xstrata Zinc and 50% Donner. The JV areas are: South Flank JV area (includes Bracemac-McLeod, McLeod Deep, Orchan West), North Flank JV area, Central Camp JV area; West Camp JV area (includes the PD1 deposit - Phelps Dodge Corporation of Canada holds a 15% net carried interest and cash payments in the 9 claims covering the PD1 deposit under a 1976 agreement) and the Regional JV area - see web site for map locations. Following earn-in, Xstrata Zinc has a right in each of the five JV areas to earn back a 15% interest by completing a bankable feasibility study or incurring a maximum of CDN \$20 million towards a bankable feasibility study. The area of mutual interest remains in effect for two years following earn-in.

The Matagami Project covers the Matagami Mining Camp, a world-class mining district, with 18 known Volcanogenic Massive Sulphides (VMS) deposits including 10 past producers of varying sizes, including the giant Matagami Lake Deposit (25.64 million tonnes of 8.2% zinc, 0.56% copper, 20.91g/t silver and 0.41g/t gold) discovered in 1957 and mined from 1963 to 1988. The area is host to historical production of 8,600 million pounds of zinc and 853 million pounds of copper. The Matagami area is well serviced by established infrastructure including the town of Matagami, power, a permitted tailings facility, railway, airport and well-developed road and highway networks. Xstrata Zinc is currently producing from its low-cost and wholly-owned Perseverance Deposit which feeds its refurbished 2,600 tonnes per day Matagami mill complex. Any future development under the Donner-Xstrata agreement will support the established infrastructure and facilities. Zinc concentrates produced at Matagami are refined at the Noranda Income Fund zinc refinery in Valleyfield, Québec. Copper concentrates are smelted at Xstrata's Horne smelter in Rouyn-Noranda and refined at Xstrata's Canadian Copper Refinery in Montréal, Québec.

The Company's strategy is to explore for and discover zinc-copper deposits in the Matagami Camp and to leverage the general infrastructure and existing processing facilities within a known and well-established cost structure for developing VMS deposits. Donner's exploration objective is to investigate multiple stratigraphic horizons with potential for VMS mineralization including the prolific Key Tuffite horizon throughout the Matagami Camp. To date, Donner has discovered new mineralization at Bracemac-McLeod, Daniel1, Bell Channel, McLeod Deep and down-dip from Radior. Within the extensive project area there are numerous exploration targets with excellent potential for additional discoveries.

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## **SUPPLEMENTARY INFORMATION**

Xstrata Zinc is the project operator for the Matagami Project and is responsible for both fieldwork and resource evaluation including, but not limited to, sampling, submittal of samples for assay, assay verification, metallurgical evaluation and QA/QC. Sample preparation and assaying of samples that form the basis of the resource calculation were carried out and certified by ALS Chemex-Chimitec, of Val D'Or, Québec (zinc, copper and silver by atomic absorption, and gold by standard fire assay procedures).

Robin Adair (VP of Exploration) is the Qualified Person for Donner Metals Ltd. and is relying on the information provided by the Qualified Persons from Xstrata Zinc, as noted above, for the technical information reported in this news release.

ON BEHALF OF THE BOARD OF  
**DONNER METALS LTD.**

“Harvey Keats”  
Chief Executive Officer

### **Cautionary Statement:**

Certain phrases in this news release are “forward-looking statements”. Forward-looking statements are identified by wording such as “will”, and “could” applicable specifically to the possible future completion of the Matagami Option, development and production from the Bracemac-McLeod Deposit or potential future decisions related to the PD1 Deposit. With respect to Donner earning an interest in the Matagami Project, Donner’s ability to meet the requirements of the Option and Joint Venture Agreement can be negatively affected by financial markets and Donner’s ability to raise financing, among others. “*Forward-looking statements*” involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. This press release refers to information about Xstrata’s Perseverance mine and mine property on which the Company has no right to explore or mine. This press release also refers to information about historical production from land covered by the Matagami Project. Investors are cautioned that mineral deposits on other properties and/or historical production on lands under option are not necessarily indicative of characteristics of new mineral deposits discovered on the Matagami Project or future discovery potential. Further discussion of “forward looking statements” and “future oriented financial information” and the risks inherent to mineral exploration and development, in relation to Donner’s activities, can be found on the Company’s website at [www.donnermetals.com](http://www.donnermetals.com). The reader is cautioned not to place any undue reliance on any forward-looking statement, reference to other properties or historical production from the Matagami Project area.

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**Donner Metals Ltd.**

Table 2: PD1 Definition Drill Program:

DDH (Depth)	UTM Location NAD 83 Zone 18	Angle / direction (True N)	From	To	Core Length (metres)	ETW (metres)	Zn %	Cu %	Ag g/t	Au g/t	SG
PD1-10-30 (144m)	273688E, 5516854N	-57°/195°			Unmineralized – no significant assays						
PD1-10-31 (162m)	273717E, 5516842N	-57°/197°	131.70	133.00	1.30	1.10	0.08	2.54	8.00	0.14	4.03
			141.60	142.30	0.70	0.59	0.05	1.95	3.20	0.21	4.57
PD1-10-32 (156m)	273744E, 5516835N	-52°/195°	122.00	123.20	1.20	1.06	4.03	0.39	20.80	0.04	4.50
			130.20	130.90	0.70	0.62	3.76	0.11	5.80	0.06	4.27
PD1-10-33 (159m)	273775E, 5516818N	-50°/198°	109.80	118.10	8.30	7.56	5.94	0.38	28.21	0.08	4.06
			121.00	125.10	4.10	3.74	0.80	1.13	9.89	0.16	4.64
PD1-10-34 (165m)	273799E, 5516810N	-50°/194°	125.60	135.00	9.40	8.50	3.49	0.34	14.79	0.05	4.24
			136.50	141.00	4.50	4.07	0.79	0.95	13.46	0.12	4.33
PD1-10-35 (102m)	273704E, 5516799N	-58°/197°	55.80	69.90	14.10	11.92	6.00	0.72	21.31	0.07	3.93
			80.10	88.80	8.70	7.38	4.11	0.25	14.77	0.10	4.20
PD1-10-36 (111m)	273758E, 5516777N	-56°/201°	68.00	83.20	15.20	13.00	5.66	0.56	13.29	0.08	4.40
			84.00	91.10	7.10	6.07	1.94	0.66	8.71	0.08	3.92
PD1-10-37 (111m)	273787E, 5516767N	-55°/200°	70.90	99.70	28.80	24.91	4.21	0.64	30.50	0.14	4.47
			101.40	102.50	1.10	0.95	0.55	1.56	24.90	0.17	4.37
PD1-10-38 (63m)	273651E, 5516794N	-65°/196°	42.00	43.50	1.50	1.14	2.19	0.74	7.40	0.10	4.46
			43.80	48.00	4.20	3.21	0.14	2.05	17.19	0.14	4.63
PD1-10-39 (75m)	273721E, 5516765N	-45°/196°	28.40	48.20	19.80	18.46	5.58	1.00	18.06	0.12	4.12
			48.20	52.50	4.30	4.01	0.10	1.33	12.91	0.12	4.04
PD1-10-40 (66m)	273741E, 5516756N	-45°/194°	31.30	48.70	17.40	16.16	3.53	0.90	26.96	0.10	4.13
			57.00	59.30	2.30	2.14	0.69	1.75	14.46	0.14	4.38
PD1-10-41 (60m)	273783E, 5516716N	-56°/191°			Unmineralized – no significant assays						
PD1-10-42 (66m)	273628E, 5516809N	-55°/202°			Unmineralized – no significant assays						

ETW = Estimated True Width.

Depth = Total depth drilled in metres (metres).

**Note:** Composite assays reported for PD1 are calculated using specific gravity weighting.**Donner Metals Ltd.**

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