



July 12, 2010

DRILLING EXTENDS HIGH-GRADE SULPHIDES AT MCLEOD DEEP

Vancouver, B.C., July 12, 2010 – Mr. Harvey Keats, Chief Executive Officer of Donner Metals Ltd. (TSXV-DON), reports drill results from the exploration program on the Matagami Camp project which are highlighted by the expansion of the McLeod Deep Discovery by new intersections of high-grade massive sulphides. Sulphide intersections which comprise the current extent of McLeod deep Zone occur between 200 metres and 450 metres down-dip from the planned mine development of the McLeod Zone which is part of the recently announced Bracemac-McLeod mine (see separate news releases by Donner and Xstrata dated July 9, 2010). In conjunction with the program at McLeod Deep, exploration drilling continued throughout the 4,750 square kilometre Matagami Project area with drilling on a potential open pit resource at the historical PD1 deposit and on a number of targets elsewhere on the property. All results are reported in the attached tables. A total of 3 drills are currently active on exploration.

Highlights

DDH (Depth)	Horizon	From	To	Core Length (metres)	ETW (metres)	Zn %	Cu %	Ag g/t	Au g/t
MCL-09-02W5	KT	1215.10	1235.90	20.80	14.8	10.40	0.58	30.77	*1.41
MCL-09-02W6	Silca cap	1295.70	1305.55	9.85	5.60	0.05	0.44	51.82	1.26**
	KT	1305.55	1325.25	19.70	11.30	15.17	1.06	39.73	1.09
MCL-10-03W1	KT	1088.32	1093.25	4.93	2.60	11.58	0.51	16.63	0.67
MC-08-34W1	KT	1247.05	1255.00	7.95	4.60	8.57	0.92	30.09	0.68

*MCL-09-02W5 - A 10 g/t gold cut-off value was applied to one sample that returned 48 g/t gold over 0.9m

**MCL-10-09-W6 - A 10 g/t gold and 500 g/t silver cut-off value was applied to one sample that returned 39.2 g/t gold and >1500 g/t silver over 0.45m

McLeod Deep:

Drilling on the McLeod Deep discovery, located at the Key Tuffite stratigraphic marker horizon, continued with the completion of one drill hole from surface and seven wedge cuts from holes previously drilled. Spacing of the intercepts in the zone is in the order of 100 to 185 metres. Zinc, copper, silver and gold-bearing sulphide mineralization has now been intersected in seven drill holes over an area measuring approximately 250 by 250 metres. Extension of sulphides is not well known and it is not yet known if sulphides connect with mineralization in the McLeod Zone, 200 metres up-dip. Sulphides are typically underlain by well developed “Pipe” alteration characterized by intensely altered footwall rocks with base metal stringers which is indicative of proximity to hydrothermal vents that can produce massive sulphides. This alteration can be traced from McLeod Deep up through the McLeod Zone and to surface, making this particular system one of the largest in the Matagami camp. Mineralization in the McLeod Deep zone is open up-dip towards the McLeod Zone, down-dip and to the northwest. Mineralization to the southeast appears to be truncated by a felsic dyke underlain by Pipe alteration; however there has been no drilling to determine the potential for extension of mineralization past the dyke.

A total of four additional wedge cuts were completed from parent drill hole MCL-09-02 (6.05% zinc, 1.85% copper, 65.5g/t silver and 1.56g/t gold over 21.60 metres). Drill hole MCL-09-02W3 tested the Key Tuffite stratigraphic interval 170 metres east and down-dip of MCL-09-02 where it intersected a felsic dyke occupying the position of the Key Tuffite. MCL-09-02W4, located 90 metres east and down-dip of MCL-09-02W2 (10.27% Zn, 3.44% Cu, 50.71g/t Ag, 1.12g/t gold over 7.5 metres) also intersected a

NEITHER THE TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN THE POLICIES OF THE TSX VENTURE EXCHANGE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS NEWS RELEASE.

Donner Metals Ltd.

Suite 2150, 885 West Georgia Street, Vancouver, British Columbia, Canada V6C 3E8
Telephone: (604) 683-0564 Fax: (604) 602-9311 or Toll Free: 1-800-909-8311
E-mail: donner@bed-rock.com or Web: <http://www.donnermetals.com>

dyke at the Key Tuffite horizon similar to that intersected in MCL-09-02W3. MCL-09-02W4 contained a significant intersection of footwall Pipe alteration and stringer sulphides below the dyke sequence while MCL-09-02W3 did not penetrate the projected footwall to the Key Tuffite. MCL-09-02W5 intersected 20.80 metres of massive and semi-massive sulphides that graded 10.40% zinc, 0.58% copper, 30.77g/t silver and 1.41g/t gold from 1215.10 to 1235.90 metres. This mineralization was intersected 110 metres up-dip and to the west of MCL-09-02. MC-09-02W6 intersected 19.70 metres of massive sulphides that graded 15.17% zinc, 1.06% copper, 39.73g/t silver and 1.09g/t gold from 1305.55 - 1325.25 metres. This drill hole intersected mineralization 127 metres west of MCL-09-02. Mineralization was underlain by extensive Pipe alteration with stringer sulphides and overlain by a silica cap that returned 51.82g/t silver and 1.26g/t gold over 9.85 metres.

Drill hole MCL-10-03 was drilled from surface and tested the Key Tuffite horizon 285 metres up-dip and to the west of MCL-09-02. It intersected a thick dyke at the Key Tuffite level which was followed by well developed footwall Pipe alteration. MCL-10-03W1 was drilled as a short step-out wedge cut 25 metres down-dip and to the east of the parent drill hole. It intersected massive sulphides over 4.93 metres that graded 11.58% zinc, 0.51% copper, 16.63g/t silver and 0.67g/t gold from 1088.32 to 1093.25 metres. Mineralization was truncated by the felsic dyke from 1093.25 to 1108.45 metres. Well developed Pipe alteration with stringer sulphides was intersected to 1131.65 metres.

MC-08-34W1 was completed to the Key Tuffite 110 metres up-dip from parent drill hole MC-08-34. This drill hole intersected semi-massive and massive sulphides over 7.95 metres that graded 8.57% zinc, 0.92% copper, 30.09g/t silver and 0.68g/t gold from 1247.05 to 1255.00 metres. Mineralization was underlain by well developed "Pipe" alteration and base metal stringers to 1294.50 metres. This intersection is located 190 metres to the west of MCL-09-02. A second wedge, MC-08-34W2 intersected an unusually thick, but unmineralized Key Tuffite over 13.80 metres from 1148.10--1161.90 metres. The intersection is located 130 metres up-dip from MC-08-34W1 and 90 metres northwest of MCL-10-3W1.

Perseverance North - DJV Area

A single stratigraphic drill hole was completed 1.5 kilometres northwest of the currently producing Perseverance Mine (100% Xstrata Zinc) to test for the presence of the Key Tuffite marker horizon in a poorly explored area. Drill hole DJV-10-83 successfully intersected the Key Tuffite from 332.45 - 333.15 metres. The presence of the Key Tuffite increases the geological potential of the area northwest of the Perseverance Mine and provides a vector for future exploration.

PD1-Historical Deposit and Area:

A total of eight diamond drill holes were completed in the near-surface portions of the PD1 deposit which is located 36 kilometres from the Matagami Mill Complex. The objective of the program was to confirm historical drill results and interpretations. In general, massive and semi-massive sulphides were intersected where expected with some areas of variation in thicknesses and geometry in comparison to historical results and interpretations. Zinc grades returned from the new drilling were consistently below grades reported from near-by historical drill holes that defined the upper portion of the deposit. Copper values were within comparable ranges of historical data.

Diamond drill hole PD1-10-21 was drilled to test an InfiniTEM electromagnetic anomaly 0.9 kilometres southwest of the PD1 deposit. The hole intersected the favorable mafic-felsic contact; however the Key Tuffite was not present. The targeted anomaly was not explained.

PD2 Area:

Three diamond drill holes were completed in the vicinity of the PD2 Zone 3 (Cavelier) Deposit in the West Camp Project area to test for the extension of the Key Tuffite along strike from the Cavelier deposit. PD2-10-34 was drilled 500 metres northwest of known sulphide mineralization and intersected the Key Tuffite over 5.4 metres from 116.80 to 122.20 metres. The first 0.60 metres of this interval exhibited strongly disseminated sphalerite. Drill hole PD2-10-35, drilled 1.5 kilometres northwest of the deposit, and drill hole PD2-10-36, drilled 250 metres to the southeast of the deposit, did not intersect significant mineralization.

One historical drill hole was extended to test for the presence of the Key Tuffite, 300 metres northwest of the PD2 Zone 1 (PD2) deposit. Diamond drill hole PD2-04-33 was extended by 138 metres and successfully intersected mineralized Key Tuffite from 357.80 to 360.88 metres that contained 10% sulphides.

NEITHER THE TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN THE POLICIES OF THE TSX VENTURE EXCHANGE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS NEWS RELEASE.

Donner Metals Ltd.

Suite 2150, 885 West Georgia Street, Vancouver, British Columbia, Canada V6C 3E8
Telephone: (604) 683-0564 Fax: (604) 602-9311 or Toll Free: 1-800-909-8311
E-mail: donner@bed-rock.com or Web: <http://www.donnermetals.com>

Daniel-1 Area:

Drill investigation of the Daniel 1 area was continued with three follow-up drill holes completed in the vicinity of DAN-09-10 (2.20% Cu over 3.95 metres). Drill hole DAN-10-12 was drilled 100 metres southwest of DAN-09-10 and intersected pyrite over 6 metres without appreciable grades. DAN-10-15 was drilled 135 metres northeast and down-dip from DAN-09-10 and returned semi massive pyrite and lesser chalcopyrite over 6.0 metres. A 0.32 metre interval within this mineralization returned 2.17% Cu. One stratigraphic drill hole was completed 250 metres east of the Daniel 1 discovery. DDH DAN-10-14 intersected massive and semi massive sulphides over 9.6 metres with one interval returning 2.32% copper over 0.68 metres.

Assay results are reported in accompanying tables.

Additional geological information, including maps and sections, is available at www.donnermetals.com.

PROJECT OVERVIEW

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. Upon earn-in by Donner, five separate joint ventures will be formed, covering the property and the area of interest. In each of the five joint venture areas, Xstrata Zinc has the option to earn-back a 15% interest in each area by incurring up to \$20 million on a bankable feasibility study. By electing to conduct a bankable feasibility study on Bracemac-McLeod, Xstrata Zinc has triggered its back-in right in the South Flank project area, subject to Donner completing its earn-in requirements by May 31, 2011.

The Matagami Project has an area of mutual interest of 4,750 square kilometres and presently includes 2,986 mineral claims covering 644 square kilometres. The 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 benefit from 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 and down-dip from the McLeod Zone. Within the extensive project area there are numerous exploration targets with excellent potential for additional discoveries.

SUPPLEMENTARY INFORMATION

Xstrata Zinc is the project operator for the Matagami Project and the Accelerated Feasibility Study. Xstrata Zinc 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 for the Company, is the Qualified Person for Donner Metals Ltd. and is responsible for the technical information reported in this news release.

ON BEHALF OF THE BOARD OF

NEITHER THE TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN THE POLICIES OF THE TSX VENTURE EXCHANGE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS NEWS RELEASE.

Donner Metals Ltd.

Suite 2150, 885 West Georgia Street, Vancouver, British Columbia, Canada V6C 3E8
Telephone: (604) 683-0564 Fax: (604) 602-9311 or Toll Free: 1-800-909-8311
E-mail: donner@bed-rock.com or Web: <http://www.donnermetals.com>

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 apply specifically to the possible future completion of the Matagami Option, or potential future decisions related to the Bracemac-McLeod Deposit and the feasibility study currently underway on this 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. With respect to the feasibility study underway on Bracemac-McLeod, there is no certainty that the study will be positive and there are numerous factors that may impact the outcome of the study either positively or negatively. These factors are being evaluated as part of the feasibility study. “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. Further discussion of “forward looking statements” 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. 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.

Donner Metals Ltd.

Suite 2150, 885 West Georgia Street, Vancouver, British Columbia, Canada V6C 3E8
Telephone: (604) 683-0564 Fax: (604) 602-9311 or Toll Free: 1-800-909-8311
E-mail: donner@bed-rock.com or Web: <http://www.donnermetals.com>

TSX Venture Exchange Symbol: DON
Frankfurt Stock Exchange Symbol: D4M

Table 1: McLeod Deep.

DDH (Depth)	UTM Location NAD 83 Zone 18	Angle / direction (True N)	Horizon	From	To	Core Length (metres)	ETW (metres)	Zn %	Cu %	Ag g/t	Au g/t
MCL-09-02W3 (1417m)	308351E, 5504746N	- 86°/027°		1032.00	1085.12		KT interval occupied by felsic dyke (Pipe alteration in stratigraphic footwall)				
MCL-09-02W4 (1344m)	308351E, 5504746N	- 86°/027°		1225.60	1247.85		KT interval occupied by felsic dyke (Pipe alteration in stratigraphic footwall)				
MCL-09-02W5 (1290m)	308351E, 5504746N	- 86°/027°	KT	1215.10	1235.90	20.80	14.80	10.40	0.58	30.77	1.41*
MCL-09-02W6 (1395m)	308351E, 5504746N	- 86°/027°	Silica Cap	1295.70	1305.55	9.85	5.60	0.05	0.44	51.82	1.26**
			KT	1305.55	1325.25	19.70	11.30	15.17	1.06	39.73	1.09
MCL-10-03 (1164m)	308298E, 5504874N	- 85°/033°		1064.70	1085.12		KT interval occupied by felsic dyke (Pipe alteration in stratigraphic footwall)				
			Pipe	1108.75	1133.50	24.75	14.70	0.48	0.20	1.79	0.02
MCL-10-03W1 (1174m)	308298E, 5504874N	- 85°/033°	KT	1088.32	1093.25	4.93	2.60	11.58	0.51	16.63	0.67
				1093.25	1094.90		Felsic Dyke				
			Pipe	1094.90	1109.50	14.60	7.80	2.37	0.2	2.91	0.09
MC-08-34W1 (1344m)	308138E, 5504888N	- 89°/022°	KT	1247.05	1255.00	7.95	4.60	8.57	0.92	30.09	0.68
MC-08-34W2 (1233m)	308138E, 5504888N	- 89°/022°	KT	1148.10	1161.90	13.80	Unmineralized Key Tuffite				

Stratigraphic Horizon: KT = Key Tuffite

ETW = Estimated True Width.

Depth = Total depth drilled in metres (metres).

Note: MCL-09-02W1 – this wedge cut was completed as a by-pass wedge below mineralization reported in MCL-09-02 (see news release January 13, 2010) for the purpose of geophysical surveying. It is therefore not reported as a separate drill hole.

*MCL-09-02W5 - A 10 g/t gold cut-off value was applied to one sample that returned 48 g/t gold over 0.9m

**MCL-10-09-W6 - A 10 g/t gold and 500 g/t silver cut-off value was applied to one sample that returned 39.2 g/t gold and >1500 g/t silver over 0.45m

NEITHER THE TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN THE POLICIES OF THE TSX VENTURE EXCHANGE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS NEWS RELEASE.

Donner Metals Ltd.

Suite 2150, 885 West Georgia Street, Vancouver, British Columbia, Canada V6C 3E8

Telephone: (604) 683-0564 Fax: (604) 602-9311 or Toll Free: 1-800-909-8311

E-mail: donner@bed-rock.com or Web: <http://www.donnermetals.com>

Table 2: Exploration Drilling Results

DDH (Depth)	UTM Location NAD 83 Zone 18	Angle / direction (True N)	Horizon	From	To	Core Length (metres)	ETW (metres)	Zn %	Cu %	Ag g/t	Au g/t
DJV-10-83 (469m)	298960E, 5516970N	- 85°/030°	KT	332.45	333.1	0.65	Unmineralized Key Tuffite				
PD1-10-18* (111m)	273729E, 5516753N	- 84°/202°		34.00	81.00	47.00	23.48	2.45	0.66	13.08	0.10
PD1-10-19* (108m)	273728E, 5516717N	- 84°/202°		69.50	71.10	1.60	0.81	0.41	3.41	25.35	0.31
PD1-10-20* (92m)	273657E, 5516779N	- 84°/202°		32.20	61.40	29.2	14.73	3.44	0.66	11.50	0.10
PD1-10-22* (78m)	273754E, 5516736N	- 45°/201°		31.70	37.10	5.40	5.08	2.61	1.42	12.52	0.14
PD1-10-23* (60m)	273700E, 5516757N	- 45°/199°		26.00	39.00	13.00	12.23	2.49	1.39	11.81	0.10
PD1-10-24* (84m)	273679E, 5516793N	- 45°/202°		46.50	57.00	10.50	9.75	1.67	1.00	18.05	0.07
PD1-10-25* (78m)	273676E, 5516786N	- 45°/202°		37.50	50.40	12.9	12.23	2.64	0.74	16.64	0.09
PD1-10-26* (69m)	273780E, 5516759N	- 45°/202°		34.40	55.40	21.00	19.78	3.19	0.69	10.82	0.14
PD1-10-21 (457m)	272965E, 5516616N	- 60°/220°					No significant assays				
PD2-04-33ext (138m)	285223E, 5506880N	- 50°/025°		357.80	358.80	1.00		0.72	0.12	5.40	0.13
PD2-10-34 (198m)	287215E, 5505425N	- 55°/030°	KT	116.80	118.70	1.90		3.08	0.09	2.77	0.17
PD2-10-35 (523m)	286365E, 5505705N	- 55°/040°					No significant assays				
PD2-10-36 (512m)	287791E, 5504703N	- 50°/048°					No significant assays				
DAN-10-12 (480m)	285703E, 5524601N	- 70°/164°	D1				No significant assays				
DAN-10-14 (450m)	285467E, 5524527N	- 65°/162°	D1	314.90	315.58	0.68		0.01	2.32	7.30	0.12
DAN-10-15 (534m)	285851E, 5524750N	- 70°/160°	D1	473.18	473.5	0.32		0.07	2.17	4.90	0.10

Stratigraphic Horizon: KT = Key Tuffite, D1=Daniel-1

ETW = Estimated True Width.

Depth = Total depth drilled in metres (metres).

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

Suite 2150, 885 West Georgia Street, Vancouver, British Columbia, Canada V6C 3E8

Telephone: (604) 683-0564 Fax: (604) 602-9311 or Toll Free: 1-800-909-8311

E-mail: donner@bed-rock.com or Web: <http://www.donnermetals.com>