



July 9, 2010

**XSTRATA ZINC ANNOUNCES CONSTRUCTION OF THE BRACEMAC-MCLEOD MINE
IN THE MATAGAMI CAMP IN CENTRAL QUÉBEC**

Vancouver, B.C., July 9, 2010 – Mr. Harvey Keats, Chief Executive Officer of Donner Metals Ltd. (TSXV-DON), reports that the Company has received notice from Xstrata Canada Corporation - Xstrata Zinc Canada Division ('Xstrata Zinc') that they will immediately begin development of the Bracemac-McLeod deposit. In an official public statement made today at 11:30am (EST) in Matagami, Xstrata Zinc announced this exciting next step for the Matagami Mining Camp and credited the success of the combined Xstrata-Donner exploration team that made the discovery of this deposit. Xstrata Zinc's expedient decision to develop Bracemac-McLeod was made in order to meet a timeline that is expected to enable production from Bracemac-McLeod to replace production from Xstrata's wholly owned Perseverance mine without a gap in feed to the Matagami mill. Donner can earn a 35% interest in the Bracemac-McLeod deposit subject to the conditions of the Matagami Lake Option and Joint Venture Agreement ("MLOJVA", see below).

Under the MLOJVA, Donner has the right to earn an initial 50% interest in the Matagami Project by completing exploration expenditures of CDN \$25 million and selecting claims to be included in five joint venture areas by May 31, 2011. To date, Donner has provided \$24.1 million towards exploration, and has in its treasury, the balance of the funds required to exercise the option. Following earn-in, Xstrata Zinc has a right in each of the five joint venture areas to earn-back a 15% interest by completing a feasibility study or incurring a maximum of CDN \$20 million towards a feasibility study. Upon Donner receiving the feasibility study for Bracemac-McLeod, Xstrata Zinc will have met its earn-back right for the South Flank joint venture area that, upon Donner completing its earn-in requirements, will become an Xstrata (65%)-Donner (35%) joint venture. Donner will review a decision to vest in advance of May 31, 2011 following receipt of the feasibility study on Bracemac-McLeod and arrangement of its share of project financing.

Over the past eight months, Xstrata Zinc has conducted a definition drill program focused on the Bracemac-McLeod indicated resources of 3.62 million tonnes grading 11.52% zinc, 1.60% copper, 31.55g/t silver, 0.49g/t gold (announced February 25, 2009). This program was financed by Xstrata Zinc towards its back-in right on the South Flank area with the objective moving this indicated resource to the measured category. The definition drill program did not focus on upgrading inferred resources or delineating the limits of known mineralization that occurs beyond the boundaries of the indicated resources, particularly in the area of the McLeod zone. The results of this program will provide a mining reserve base case for the feasibility study currently under way by Genivar Engineering. The timing of delivery of the feasibility study on Bracemac-McLeod to Donner is expected to be approximately one month.

Concurrent with delineation drilling and efforts on the feasibility study, the Donner-funded exploration program has been conducting exploration drilling in the immediate vicinity of Bracemac-McLeod and elsewhere throughout the Matagami Camp. In addition to the discovery of Bracemac-McLeod, exploration conducted by the joint Xstrata-Donner exploration team has been successful in discovering new mineralization at McLeod Deep, Daniel 1, and Bell Channel. Three exploration drills are currently active on the project and are focused on McLeod Deep and extensions to resources in the McLeod Zone and new targets throughout the Matagami Camp.

PROJECT OVERVIEW

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

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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. 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 including Exploration and the current 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.

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", "is expected" and apply specifically to the possible future construction of the Bracemac-McLeod mine, future production from the Bracemac-McLeod mine, 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 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 do not provide any certainty that new discoveries can be made. Further, characteristics of historical deposits 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.

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