



**Donner Metals Ltd**

July 14, 2009

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## BRACEMAC/MCLEOD ADVANCES TO FEASIBILITY

**Vancouver, B.C., July 14, 2009** – 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 it is advancing the Bracemac-McLeod discovery to the feasibility stage effective immediately. This decision is based on a positive outcome of the recently completed scoping study conducted by Xstrata Zinc. Under the Matagami Option and Joint Venture Agreement, Xstrata Zinc has the right to conduct an “Accelerated Feasibility Study” prior to Donner completing its earn-in requirements. Under the agreement, Donner can earn a 50% interest in each of five separately designated project areas with Xstrata Zinc having five separate rights to earn-back a 15% interest in each project area by incurring up to \$20 million on a bankable feasibility study. Upon completion of this Accelerated Feasibility Study, and upon Donner completing its earn-in requirements, Xstrata Zinc will vest its back-in right in the South Flank area of the Matagami Property which will become a 65% Xstrata Zinc, 35% Donner Metals joint venture. The remaining four project areas will remain 50/50 joint ventures between the two companies subject to Xstrata Zinc’s remaining back-in rights.

The Bracemac-McLeod discovery is located 6 kilometres southeast of Xstrata’s 2,600 tonne per day operating Matagami Mill Complex. Indicated resources are currently calculated at 3,623,000 tonnes grading 11.52% zinc, 1.60% copper, 31.6 g/t silver and 0.49 g/t gold, with additional inferred resources of 512,000 tonnes grading 1.28% zinc, 1.85% copper, 12.17 g/t silver and 0.18 g/t gold, calculated separately for the less well-defined McLeod West Zone and the Copper Zone. Mineralization is open in a number of areas around these resources.

The Bracemac-McLeod Feasibility Study will be carried out by Xstrata Zinc’s development team who were responsible for the successful development of the Perseverance Mine that was opened in 2008. Continued exploration in the immediate vicinity of Bracemac-McLeod will be conducted as part of the feasibility stage. In conjunction with the effort at Bracemac-McLeod, the Xstrata Zinc-Donner exploration team is currently focusing on drilling high priority targets elsewhere in the Matagami Camp (*see news release dated May 25, 2009*). The overall objective of the Matagami Project is to supplement and replace production from the Perseverance Mine, and to identify a resource base to support the Matagami Mill over the long term.

**Québec Support of Mining:** The discovery and advancement of Bracemac and McLeod, as well as the ongoing exploration in the Matagami Camp is supported by the Québec Government through their exploration incentive programs. Donner has consistently used the rebates to advance the Matagami Project which in turn supports the regional community and employment. Through this support, additional opportunity for new discoveries is made possible with potential for long-term impact on the Abitibi region.

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## **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. Expenditures to date total \$17 million. 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 by incurring up to \$20 million on a bankable feasibility study.

The Matagami Project currently has an area of mutual interest of 4,750 square kilometres and presently includes 3,116 mineral claims covering 663 square kilometres. The project covers the Matagami Mining Camp which is a world-class mining district, with 18 known 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, 20.91 g/t silver and 0.41 g/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 t/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.

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, Bell Channel, and Daniel 1. Within the extensive project area there are numerous exploration targets with excellent potential for additional discoveries. Additional information, including maps and sections, is available at [www.donnermetals.com](http://www.donnermetals.com).

## **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. Robin Adair, VP of Exploration for the Company, is the Qualified Person for Donner Metals and is responsible for the technical information reported in this news release.

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

“Harvey Keats”  
Chief Executive Officer

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