



September 1, 2010

INFERRED RESOURCES AT BRACEMAC-MCLEOD EXPAND BY 2.07 MILLION TONNES OF MASSIVE SULPHIDES GRADING 10.66% ZINC, 1.33% COPPER, 41.72G/T SILVER AND 1.21 G/T GOLD IDENTIFIED IN THE MCLEOD DEEP ZONE

Vancouver, B.C., September 1, 2010 – Mr. Harvey Keats, Chief Executive Officer of Donner Metals Ltd. (TSXV-DON), reports that the Company has received a NI 43-101 compliant inferred resource for the McLeod Deep Zone from its partner Xstrata Canada Corporation - Xstrata Zinc Canada Division ('Xstrata Zinc') on the Matagami Project in central Québec. Based on eight diamond drill holes with an intercept spacing of approximately 100 metres, an inferred mineral resource for the McLeod Deep zone massive sulphides currently stands at 2.07 million tonnes grading 10.66% zinc, 1.33% copper, 41.72g/t silver and 1.21g/t gold. This resource is contained within a mineralized envelope comprised of massive, semi-massive and stringer sulphides that have an inferred tonnage of 2.47 million tonnes grading 9.21% zinc, 1.22% copper, 39.81g/t silver and 1.12g/t gold. Gold and silver values have been cut to accommodate possible nugget effects. The extent of mineralization in the McLeod Deep zone is not defined nor has a connection of mineralization with the McLeod Zone been investigated.

Mineralization occurs between 1075 and 1380 metres vertical depth with the uppermost intersection located 175 metres down-dip from planned underground infrastructure in the McLeod Zone which is currently under development (*see news release dated July 9, 2010*). The McLeod Deep inferred resource was calculated by 3D polygonal method. The McLeod Deep deposit is open up-dip towards the McLeod Zone, down-dip and to the northwest. Drilling on McLeod Deep has stopped and further drilling will continue once underground infrastructure is established at McLeod. The possibility of developing McLeod Deep will be assessed under a separate feasibility study as it will entail additional capital costs.

Table1: McLeod Deep Zone Inferred Resources

	Mineralization type	Tonnes (millions)	Zinc %	Copper %	Silver g/t	Gold g/t	Specific Gravity
Mineralized Envelope	Massive, semi-massive and stringer mineralization	2.47	9.21	1.22	39.81*	1.12*	3.75
including	Massive Sulphides	2.07	10.66	1.33	41.72*	1.21*	3.87

*Cut values

Complimenting mine construction at Bracemac-McLeod, exploration activities are continuing throughout the 4750 square-kilometer Matagami Project. On-going exploration is planned in parallel with the development of, and eventual production from, Bracemac-McLeod with the objective of identifying 15 years of resource base for the Matagami mill. The latest exploration results are provided below and in the attached assay Table 2. Two drills are currently active on the project and focused on exploration.

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

Exploration

McLeod Deep and McLeod Area

Two holes were completed in the McLeod Deep zone. Diamond drill hole MCL-09-02W7 intersected 2.85 metres grading

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12.20% zinc, 2.58% Copper, 50.69g/t silver and 1.46g/t gold from 1388.70 to 1391.55 metres at a vertical depth of 1390 metres. This hole was drilled to test the down-dip continuation of sulphides and pierced mineralization 100 metres down-dip of previously intersected mineralization. Drill hole MCL-10-03W3 intersected four zones of anomalously mineralized Key Tuffite followed by well developed Pipe alteration with stringer sulphides. This hole intersected the Key Tuffite 100 metres to the east and up-dip from previous drilling at vertical elevation of 1060 metres.

One drill hole was drilled to the northwest of the McLeod Zone to test for possible mineralization in the stratigraphic hanging wall to the Key Tuffite. MCL-10-04 intersected weakly mineralized hanging wall tuffites. It was continued to the Key Tuffite where it intersected weak mineralization and altered footwall rocks 240 metres northwest of the McLeod Zone.

PD1 Open Pit

Three holes were completed in the upper portion of the PD1 deposit which is being assessed for potential open pit exploitation. Three drill holes, PD1-10-27, 28 and 29 were drilled to twin historical drill holes for verification of grade and geometry of mineralization. All three holes returned mineralized intervals and grades that confirmed historical results.

Regional Exploration

One regional stratigraphic hole was drilled 4 kilometres southeast of Bracemac-McLeod. Drill hole MCL-10-06 intersected amphibolite grade metamorphic rocks within the Bell River Complex.

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. 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. Under the JV, Donner is subject to costs adjustment related to the purchase of its share of any equipment Xstrata Zinc provides to the project and related to a per tonne capital cost recovery charge with respect to the use of the mill and tailings facility. Donner may decide to vest in the project anytime up to May 31, 2011. Following receipt of the feasibility study on Bracemac-McLeod Donner has until May 31, 2011 to arrange of its share of project financing.

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

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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 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, QA/QC and resource calculation. 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). Sample preparation was done by ALS Chemex of Val D'Or, Québec.

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 with reliance on Qualified Persons from Xstrata Zinc (Gilles Roy, Géo. and Pat Carr, Géo.).

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 “planned”, 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 of developing of McLeod Deep. 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.

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Table 2: Cut and uncut inferred resources-McLeod Deep

McLeod Deep Zone Inferred Resources (cut)							
	Mineralization type	Tonnes (millions)	Zinc %	Copper %	Silver g/t	Gold g/t	Specific Gravity
Mineralized Envelope	Massive, semi-massive and stringer mineralization	2.47	9.21	1.22	39.81*	1.12*	3.75
including	Massive Sulphides	2.07	10.66	1.33	41.72*	1.21*	3.87
McLeod Deep Zone Inferred Resources (uncut)							
	Mineralization type	Tonnes (Millions)	Zinc %	Copper %	Silver g/t	Gold g/t	Specific Gravity
Mineralized Envelope	Massive, semi-massive and stringer mineralization	2.47	9.21	1.22	43.26	1.55	3.75
including	Massive Sulphides	2.07	10.66	1.33	41.72	1.60	3.87

Table 3: 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
MCL-09-02W7 (788m)	308351E, 5504746N	-86°/027°	KT	1388.70	1391.55	2.85	2.0	12.20	2.58	50.69	1.46
MCL-10-03W2 (709m)	308298E, 5504874N	-86°/027°	KT	1125.20	1126.0	0.8	0.6	0.11	2.84	25.7	0.13
			KT	1128.60	1129.6	1.0	0.7	7.22	0.60	5.1	0.07
PD1-10-27 (105m)	273739E, 5516778N	-48°/027°	PD1	53.50	84.20	30.70	27.6	4.16	0.62	10.02	0.09
				53.50	69.60	16.10	14.5	6.43	0.50	12.11	0.08
				78.50	84.20	5.70	5.1	3.50	1.27	7.47	0.09
PD1-10-28 (102m)	273768E, 5516769N	-45°/027°	PD1	58.10	85.80	27.70	24.9	3.51	1.21	28.42	0.15
				58.10	75.50	17.40	15.7	5.16	1.39	34.38	0.14
				75.50	85.80	10.30	9.3	0.98	0.94	19.29	0.18
PD1-10-29 (174m)	273725E, 5516822N	-55°/334°		99.70	103.00	3.30	3.0	20.34	0.18	34.35	0.07
MCL-10-04 (879m)	308104E, 5505000N	-72°/334°						No significant results			
MCL-10-06 (353m)	312183E, 5504373N	-72°/334°						No significant results			

All PD1 results are weighted by SG

Stratigraphic Horizon: KT = Key Tuffite

ETW = Estimated True Width.

Depth = Total depth drilled in metres (metres).

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