

Donner Metals Ltd.

Quarterly Consolidated Financial Statements For the Nine Months Ended November 30, 2008 (Unaudited)

Notice to Reader

The accompanying unaudited consolidated financial statements of Donner Metals Ltd. ("the Company") have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of the Company's unaudited interim consolidated financial statements as at and for the nine months ended November 30, 2008.

DONNER METALS LTD.
(An exploration stage company)
Consolidated Balance Sheets
(Canadian Dollars)
(Unaudited)

	November 30, 2008	February 29, 2008
ASSETS		
Current		
Cash	\$ 602,688	\$ 2,151,647
Amounts receivable	41,751	52,605
Tax credits recoverable	2,520,164	2,882,552
Advances for exploration	699,758	1,136,221
Prepaid expenses	28,059	21,098
	3,892,420	6,244,123
Property and equipment	14,388	15,791
Long-term tax credits recoverable	1,163,331	622,046
Investment (note 4)	324,930	673,210
	\$ 5,395,069	\$ 7,555,170
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	\$ 50,269	\$ 63,295
Debenture and accrued interest on debenture (note 6)	387,266	-
	437,535	63,295
Debenture (note 6)	2,557,298	-
	2,994,833	63,295
Shareholders' equity		
Share capital	11,313,919	10,712,357
Warrants	538,152	3,579,643
Contributed surplus	4,387,899	1,110,241
Deficit	(13,839,734)	(7,910,366)
	2,400,236	7,491,875
	\$ 5,395,069	\$ 7,555,170

Nature of Operations and Basis of Presentation (note 1)

Contractual obligations (note 5)

Subsequent Events (note 12)

Approved by the Directors:

"Harvey Keats"

"David Patterson"

See accompanying notes to the consolidated financial statements.

DONNER METALS LTD.

(An exploration stage company)

Consolidated Statements of Operations

(Canadian Dollars)

(Unaudited)

	Three months ended November 30,		Nine months ended November 30,	
	2008	2007	2008	2007
Expenses				
Administration and management fees	\$ 103,545	\$ 82,400	\$ 276,708	\$ 212,705
Amortization	1,345	3,315	3,970	9,943
Directors fees	6,000	6,000	18,000	18,000
Exploration expenditures (schedule)	1,191,407	1,541,546	4,144,865	4,317,881
Filing and transfer agent fees	4,560	3,101	13,074	16,939
Office and miscellaneous	31,192	33,184	54,155	55,482
Professional fees	1,449	5,042	20,453	13,893
Promotion	108,832	80,304	253,893	196,134
Rent	9,500	9,500	28,500	26,500
Stock-based compensation	17,658	502,117	28,662	518,039
Telephone and communications	15,480	24,828	46,776	47,566
Travel	52,330	53,535	123,056	96,362
Loss before other items and income taxes	(1,543,298)	(2,344,872)	(5,012,112)	(5,529,444)
Other items				
Interest income	10,919	32,237	33,266	161,365
Interest expense on debenture	(289,372)	-	(602,243)	-
Gain on deemed disposition of investment (note 4)	-	454,893	7,974	824,853
Equity in loss on investment (note 4)	(170,821)	(237,075)	(356,253)	(414,641)
	(449,274)	250,055	(917,256)	571,577
Loss before income taxes	(1,992,572)	(2,094,817)	(5,929,368)	(4,957,867)
Future income tax recovery	-	-	-	718,990
Loss and comprehensive loss for the period	\$ (1,992,572)	\$ (2,094,817)	\$ (5,929,368)	\$ (4,238,877)
Basic and diluted loss per share	\$ (0.04)	\$ (0.05)	\$ (0.13)	\$ (0.11)
Weighted average number of common shares outstanding	46,256,901	39,283,320	45,755,450	39,124,356

See accompanying notes to the consolidated financial statements.

DONNER METALS LTD.

(An exploration stage company)

Consolidated Statements of Shareholders' Equity

(Canadian Dollars)

(Unaudited)

	Common Shares		Warrants	Contributed Surplus	Deficit	Total
	Number	Amount				
Balance at February 29, 2008	44,820,780	\$ 10,712,357	\$ 3,579,643	\$ 1,110,241	\$ (7,910,366)	\$ 7,491,875
Debenture bonus shares	1,435,000	609,875	-	-	-	609,875
Debenture warrants	-	-	210,910	-	-	210,910
Debenture issue costs	-	(9,457)	(3,270)	-	-	(12,727)
Exercise of warrants	1,121	1,144	(135)	-	-	1,009
Expiry of warrants	-	-	(3,248,996)	3,248,996	-	-
Stock-based compensation	-	-	-	28,662	-	28,662
Loss for the period	-	-	-	-	(5,929,368)	(5,929,368)
Balance at November 30, 2008	46,256,901	\$ 11,313,919	\$ 538,152	\$ 4,387,899	\$ (13,839,734)	\$ 2,400,236
Balance at February 28, 2007	39,015,820	\$ 8,079,268	\$ 3,292,063	\$ 672,476	\$ (2,809,306)	\$ 9,234,501
Exercise of warrants	267,500	190,193	(43,068)	-	-	147,125
Stock-based compensation	-	-	-	518,039	-	518,039
Loss for the period	-	-	-	-	(4,238,877)	(4,238,877)
Balance at November 30, 2007	39,283,320	\$ 8,269,461	\$ 3,248,995	\$ 1,190,515	\$ (7,048,183)	\$ 5,660,788

See accompanying notes to the consolidated financial statements.

DONNER METALS LTD.

(An exploration stage company)

Consolidated Statement of Cash Flows

(Canadian Dollars)

(Unaudited)

Cash provided by (used for):	Three months ended November 30,		Nine months ended November 30,	
	2008	2007	2008	2007
Operating activities				
Loss for the period	\$ (1,992,572)	\$ (2,094,817)	\$ (5,929,368)	\$ (4,238,877)
Items not involving cash:				
Amortization	1,345	3,315	3,970	9,943
Stock-based compensation	17,658	502,117	28,662	518,039
Accretion expense on debenture	193,635	-	414,977	-
Gain on deemed disposition of investment	-	(454,893)	(7,974)	(824,853)
Equity in loss on investment	170,821	237,075	356,253	414,641
Future income tax recovery	-	-	-	(718,990)
Accrued interest income	-	-	-	16,204
Changes in non-cash working capital items:				
Amounts receivable	(29,584)	(349,337)	10,854	(347,840)
Tax credits recoverable	(873,843)	(467,563)	(178,897)	(2,471,208)
Advances for exploration	(699,758)	(589,405)	436,463	201,609
Prepaid expenses	5,210	(3,829)	(6,961)	(375)
Accounts payable and accrued liabilities	(242,519)	460,270	(13,025)	416,109
Accrued interest on debenture	95,737	-	187,266	-
	(3,353,870)	(2,757,067)	(4,697,780)	(7,025,598)
Financing activities				
Debentures issued for cash - net of costs	-	-	3,150,379	-
Common shares issued for cash - net of costs	-	-	1,009	147,125
	-	-	3,151,388	147,125
Investing activities				
Purchase of property, plant and equipment	(217)	-	(2,567)	(1,463)
Redemption of short term investment	-	-	-	1,000,000
	(217)	-	(2,567)	998,537
Change in cash	(3,354,087)	(2,757,067)	(1,548,959)	(5,879,936)
Cash, beginning of period	3,956,775	4,306,142	2,151,647	7,429,011
Cash, end of period	\$ 602,688	\$ 1,549,075	\$ 602,688	\$ 1,549,075

Supplemental cash flow information (note 11)

See accompanying notes to the consolidated financial statements.

DONNER METALS LTD.

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Notes to the Consolidated Financial Statements

November 30, 2008

(Canadian Dollars)

(Unaudited)

1. Nature of Operations and Basis of Presentation

Donner Metals Ltd. (the "Company") was incorporated on June 28, 2005, pursuant to the Business Corporations Act of British Columbia. The Company's shares are listed on the TSX Venture Exchange and the Frankfurt Stock Exchange.

The Company is engaged in the identification, acquisition, exploration and development of mineral resources and is considered to be in the exploration stage as it has not placed any of its mineral properties into production. As of the date of this report, the Company has not determined whether its mineral properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for property and equipment is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the exploration of the property and future profitable production from the property or proceeds from disposition.

These interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and notes to the financial statements required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for fair presentation have been included. Operating results for the nine month period ended November 30, 2008 are not necessarily indicative of the results that may be expected for the year ended February 28, 2009. The balance sheet at February 29, 2008 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

2. Significant Accounting Policies

These interim financial statements have been prepared by management in accordance with the accounting policies described in the Company's annual financial statements for the year ended February 29, 2008 (except as described below and in note 3). For further information, refer to the financial statements and notes thereto included in the Company's Annual Report to Shareholders for the year ended February 29, 2008.

During the nine months ended November 30, 2008, the Company issued a two year debenture and incurred financing costs to issue the debenture. The debenture is classified as an other financial liability and is long-term in nature. For the portion of the financing costs that are attributable to the debenture, the Company has chosen to charge these costs to the debenture and accrete these costs over the expected life of the debenture using the effective interest method.

3. Changes in Accounting Policies

- a) Effective March 1, 2008, the Company adopted the CICA Handbook Section 1535 "*Capital Disclosures*" ("HB 1535"). The objective of this new standard is to disclose information concerning the Company's capital and how it is managed (note 9). The adoption of this standard has not impacted the Company's financial position, operations or cash flows as at and for the nine months ended November 30, 2008.
- b) Effective March 1, 2008, the Company adopted the CICA Handbook Sections 3862 "*Financial Instruments – Disclosures*" ("HB 3862") and 3863 "*Financial Instruments – Presentation*" ("HB 3863"). The objective of these new standards is to provide more information for users of the Company's financial statements to understand the significance of financial instruments to the Company's financial position, performance and cash flows (note 8). The adoption of these standards has not impacted the Company's financial position, operations or cash flows as at and for the nine months ended November 30, 2008.
- c) Effective March 1, 2008, the Company adopted the CICA Handbook Section 1400 "*General Standards of Financial Statement Presentation*" ("HB 1400"). The objective of this standard is to include requirements to assess an entity's ability to continue as a going concern and disclose any material uncertainties that cast doubt on its ability to continue as a going concern. This new standard has not impacted the Company's financial position, operations or cash flows as at and for the nine months ended November 30, 2008.

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3. Changes in Accounting Policies (cont'd)

- d) Effective March 1, 2008, the Company adopted the CICA Handbook Section 3064 "Goodwill and Intangible Assets" ("HB 3064"). HB 3064 replaces CICA Handbook Section 3062 "Goodwill and Other Intangible Assets" ("HB 3062") and CICA Handbook Section 3450 "Research and Development Costs". HB 3064 establishes standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets subsequent to initial recognition. Standards concerning goodwill are unchanged from the standards included in the previous HB 3062. This new standard has not impacted the Company's financial position, operations or cash flows as at and for the nine months ended November 30, 2008.

4. Investment

	November 30, 2008		
	Percentage of Ownership	Carrying Value	Market Value
Knight Resources Ltd.	13.6%	\$ 324,930	\$ 556,234

	February 29, 2008		
	Percentage of Ownership	Carrying Value	Market Value
Knight Resources Ltd.	13.7%	\$ 673,210	\$ 2,842,973

As at November 30, 2008, the Company owns 12,360,750 common shares of Knight Resources Ltd. ("Knight"). This investment is accounted for using the equity method. Knight has directors and officers in common with the Company. The Company's share of Knight's net loss from March 1, 2008 to November 30, 2008 was \$356,253. As a result of share issuances by Knight from March 1, 2008 to November 30, 2008, the Company recorded a gain on deemed disposition of \$7,974.

The market value was determined using the closing quoted price of Knight's stock on the TSX Venture Exchange on November 30, 2008 and February 29, 2008 as applicable.

5. Mineral Properties

The Company's mineral properties are comprised of an option earn-in agreement in the Matagami Mining Camp of Quebec, Canada and wholly owned mineral claims and interests in joint venture agreements in South Voisey Bay, Labrador, Canada. Although the Company holds some interests in mineral properties through joint venture agreements, none of the Company's operations are carried on through joint venture entities.

Matagami Property

	November 30, 2008	February 29, 2008
Cumulative expenditures		
Exploration expenditures	\$ 17,673,547	\$ 10,661,099
Option payments	400,000	400,000
Refundable tax credits and mining duties	(6,884,413)	(3,914,362)
	\$ 11,189,134	\$ 7,146,737

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(Unaudited)

5. Mineral Properties (cont'd)

In June 2006, the Company entered into an Option and Joint Venture Agreement (OJVA) with Xstrata plc. ("Xstrata") (formerly Falconbridge Limited) for the joint exploration of the Matagami Mining Camp of Quebec for volcanogenic massive sulphide deposits. In November 2007, the Company and Xstrata entered into an agreement whereby Xstrata agreed to contribute additional mineral claims in the Matagami Mining Camp to the OJVA in consideration for an amendment to the option earn-in terms in the OJVA. The Matagami Project has an area of mutual interest of 4,750 square kilometres and over 3,340 mineral claims covering approximately 801 square kilometres.

Under the revised OJVA, the Company has the option to earn a 50% participating joint venture interest in the Matagami Project by:

- 1) incurring a total of \$20 million of expenditures on exploration and related work as follows:
 - i) \$4 million on or before May 31, 2007 (incurred);
 - ii) an aggregate of \$8 million on or before May 31, 2008 (incurred);
 - iii) an aggregate of \$10 million on or before November 30, 2008 (incurred);
 - iv) an aggregate of \$12 million on or before May 31, 2009;
 - v) an aggregate of \$16 million on or before May 31, 2010;
 - vi) an aggregate of \$20 million on or before May 31, 2011; and

- 2) In the event that a discovery is made during the option period, the Company will contribute an additional expenditure of up to \$5 million (incurred), previously \$3 million, towards establishing an inferred resource on new discoveries. Exploration work in Fiscal 2007 resulted in discoveries at Bracemac and Macleod. Expenditures at Bracemac and Macleod subsequent to the discoveries were applied towards the \$5 million additional expenditure requirement.

The Company has agreed to incur at least \$12 million (previously \$10 million) of expenditures on exploration. The Company was also required to issue Xstrata 1 million common shares of its own stock, which were issued in September 2006.

Upon the expenditure of \$20 million and up to \$5 million on a discovery (previously \$20 million and up to \$3 million on a discovery) by the Company, five separate joint ventures will be formed, covering the property and the area of interest. In each of the five joint venture areas, Xstrata has the option to earn back a 15% interest in such area by incurring up to \$20 million on a feasibility study.

South Voisey Bay Properties

The Company's South Voisey Bay properties (the "Combined Property") are comprised of the following:

- i) Six licences covering approximately 262.5 km² held 100% by SVBN with the exception of a 37.25 km² licence held 75% by SVBN (the "SVBN Property");
- ii) One licence covering approximately 39.5 km² owned 52.38% by the Company and 47.62% by Northern Abitibi Mining Corp. (the "Donner/Northern Abitibi Property"); and
- iii) One licence covering approximately 35.6 km² and owned 51.68% by the Company and 48.32% by Commander Resources Ltd. (the "Donner/Commander Property").

TeckCominco Limited ("TeckCominco") has a right to earn 50% of the Company's interest in any deposits discovered and developed on the Combined Property. TeckCominco can earn this interest by funding the Company's share of feasibility costs and arranging the Company's share of production financing.

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(Unaudited)

5. Mineral Properties (cont'd)

As at November 30, 2008, the Company has outstanding share issuance commitments relating to the South Voisey Bay properties as follows:

- a) A commitment to issue 10,000 shares upon incurring \$1 million in exploration on the Turpin claims which are now included in the property held by SVBN. The Company has not yet triggered this commitment; and
- b) A commitment to issue 25,000 shares upon incurring \$1 million in exploration on the Thistle II claims which are now included in the property held by SVBN. The Company has not yet triggered this commitment.

There are Net Smelter Royalty ('NSR') agreements on certain South Voisey Bay mineral licenses ranging up to 3%.

During the nine months ended November 30, 2008, the Company expended \$63,056 (2007 - \$289,477) on the Donner/Commander Property and \$39,412 (2007 - \$14,250) on the SVBN Property.

6. Debenture

On June 6, 2008, Company closed a debenture financing for total proceeds of \$3,200,000 less fees and costs of \$49,621. The debentures bear interest at the rate of 12% per annum and have a two year term; however the Company may redeem all or part of the outstanding principal (and accrued interest) at any time. The debentures will be secured against all of the Company's present and future-acquired assets, on a first ranking priority basis.

In addition to the debentures, a total of 1,435,000 bonus shares and 1,610,000 bonus warrants were issued to the debenture purchasers. Each bonus warrant entitles the holder to purchase one additional common share of the Company until June 5, 2010 at a purchase price of \$0.38 per share. If the debentures are redeemed on or before June 5, 2009, the expiry date of these warrants will be reduced to June 5, 2009. The bonus shares, and any shares to be issued on exercise of the bonus warrants, are subject to a hold period expiring October 6, 2008.

The total proceeds less costs were allocated to debenture, common shares and warrants based on their relative fair values on the date of issue. The fair value of the warrants was determined based on the Black-Scholes option pricing model assuming no expected dividends, a risk-free interest rate of 2.89%, an expected stock price volatility of 60%, and an expected life of two years. The fair value of the common shares was estimated using the closing price of the Company's shares on the date of issue. The fair value of the debenture was estimated using the residual value method. The debenture and the financing costs of \$36,894 allocated to the debenture will be accreted over an expected life of 2 years using the effective interest method.

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November 30, 2008

(Canadian Dollars)

(Unaudited)

6. Debenture (cont'd)

Allocation of gross proceeds

Fair value of debenture	\$ 2,379,215
Fair value of common shares	609,875
Fair value of warrants	210,910
	<u>\$ 3,200,000</u>

Allocation of costs

Fair value of debenture	\$ 36,894
Fair value of common shares	9,457
Fair value of warrants	3,270
	<u>\$ 49,621</u>

Debenture

Opening balance	\$ 2,342,321
Accretion expense	414,977
Interest accrued	187,266
	2,944,564
Less current portion	<u>(387,266)</u>
	<u>\$ 2,557,298</u>

7. Stock Options

The Company uses the fair value based method of accounting for all stock-based awards. During the nine months ended November 30, 2008, the Company recorded \$28,662 (2007 - \$518,039) of stock-based compensation pursuant to previously granted stock options vesting during the period and pursuant to the grant of 250,000 stock options during the period. The Company calculated the compensation cost of the 250,000 stock options by using the Black-Scholes option pricing model assuming a weighted average risk-free interest rate of 2.65%, a dividend yield of nil, an expected volatility of the Company's share price of 51% and an expected life of the stock options of 1 year.

8. Related Party Transactions

Related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. The following is a summary of the related party transactions that occurred throughout the periods ended November 30:

- a) incurred \$173,208 (2007 - \$130,705) for management fees to a company controlled by the CEO of the Company, to a company controlled by the CFO of the Company, and to a company controlled by the Vice-President of Exploration of the Company;
- b) incurred \$70,770 (2007 - \$100,895) for technical services to a company controlled by the CEO and to a company controlled by the Vice-President of Exploration of the Company;
- c) incurred \$18,000 (2007 - \$18,000) for directors fees to a director of the Company and to separate companies controlled by two separate directors of the Company;
- d) incurred \$28,500 (2007 - \$26,500) for rent to a company with a common director; and

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(Canadian Dollars)

(Unaudited)

- e) certain officers, directors, spouses of directors and a company controlled by an officer of the Company participated in the debenture financing (note 6) in the amount of \$1,130,000.

9. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one party and a financial liability or equity instrument of another party. A financial asset is any asset that is i) cash; ii) a contractual right to receive cash or another financial asset from another party; iii) a contractual right to exchange financial instruments with another party under conditions that are potentially favorable to the entity; or iv) an equity instrument of another entity. A financial liability is any liability that is a contractual obligation to i) deliver cash or another financial asset to another party; or ii) exchange financial instruments with another party under conditions that are potentially unfavorable to the entity. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

As at November 30, 2008, the Company's financial instruments are cash, amounts receivable, tax credits recoverable, accounts payable and accrued liabilities, and debenture. The fair value of cash, amounts receivable, tax credits recoverable and accounts payable and accrued liabilities approximate their carrying value due to their short-term nature and negligible credit losses. These financial instruments are classified as follows:

- Cash – held for trading
- Amounts receivable – loans and receivables
- Tax credits recoverable – loans and receivables
- Accounts payable and accrued liabilities – other financial liability
- Debenture – other financial liability

The Company does not use derivative instruments or hedges to manage risks because the Company's exposure to credit risk, interest rate risk and currency risk is small.

a) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash and cash equivalents, accounts receivable and tax credits recoverable are exposed to credit risk. The credit risk on cash and cash equivalents is small because the counterparties are highly rated banks. The credit risk on accounts receivable and tax credits recoverable are small because the counterparties are the Government of Canada (GST input tax credits recoverable) and the Government of Quebec (tax credits recoverable from exploration programs).

b) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash and cash equivalents are exposed to interest rate risk as the Company invests cash and cash equivalents at floating rates of interest in highly liquid instruments. Fluctuations in interest rates impact the value of cash and cash equivalents. As at November 30, 2008, if interest rates had been 1% lower, loss and comprehensive loss would have been \$11,471 higher and conversely if interest rates had been 1% higher, loss and comprehensive loss would have been \$11,471 lower. The debenture has a fixed rate of interest and is not exposed to interest rate risk.

c) Currency Risk

Currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to currency risk is negligible because the Company's operations are in one country, being Canada. The dollar amount and number of transactions conducted in currencies other than the Canadian dollar are not material.

d) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company's accounts payable and accrued liabilities are all current and due within 90 days of the

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November 30, 2008

(Canadian Dollars)

(Unaudited)

balance sheet date. The Company ensures that it has sufficient capital to meet short term financial obligations after taking into account its exploration obligations and cash and cash equivalents on hand.

10. Capital Management

The Company's objectives when managing capital are:

- To safeguard the Company's ability to continue as a going concern.
- To maintain appropriate cash reserves on hand to continue exploration of the Company's Matagami Project and to meet ongoing operating costs.
- To ensure that flow-through funds are spent on Canadian Exploration Expenditures in order to meet the required renunciation obligations.
- To invest cash on hand in highly liquid and highly rated financial instruments.

In the management of capital, the Company includes shareholders' equity (excluding accumulated other comprehensive income (loss)), cash and cash equivalents and short-term investments in the definition of capital.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets, especially in regards to exploration results on its Matagami Project. In order to maintain or adjust the capital structure, the Company may issue common shares through private placements and/or issue debt. The Company is not exposed to externally imposed capital requirements.

As at November 30, 2008, significant anticipated expenditures in the near term include: 1) approximately \$1,300,000 of Matagami exploration expenditures by May 31, 2009 in order to keep the OJVA in good standing; and 2) the payment of \$180,000 debenture interest on June 5, 2009.

11. Supplemental Cash Flow Information

	Three months ended November 30,		Nine months ended November 30,	
	2008	2007	2008	2007
Cash paid for interest	\$ -	\$ -	\$ -	\$ -
Cash paid for income taxes	\$ -	\$ -	\$ -	\$ -
Fair value of warrants transferred to share capital on exercise of warrants	\$ -	\$ -	\$ 135	\$ 43,068

12. Subsequent Events

- a) Subsequent to November 30, 2008, the Company paid \$192,000 of debenture interest and repaid \$200,000 of the debenture.
- b) Subsequent to November 30, 2008, the Company closed a non-brokered private placements for gross proceeds of \$1,048,000. These funds were raised through the issuance of 3,750,000 flow-through shares at a price of \$0.16 per share and 2,800,000 flow-through units at a price of \$0.16 per unit. Each flow-through unit is comprised of one flow-through common share and one-half of one common share purchase warrant. Each whole share purchase warrant entitles the holder to acquire one additional non flow-through common share of the Company until December 8, 2010, at a price of \$0.20.

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Schedule of Exploration Expenditures (note 5)

(Canadian Dollars)

(Unaudited)

	Three months ended November 30,		Nine months ended November 30,	
	2008	2007	2008	2007
Matagami Property				
Drilling	\$ 1,711,855	\$ 1,254,908	\$ 5,856,513	\$ 4,190,912
Environment, health & safety	1,078	1,604	2,408	44,248
Geochemistry	-	3,694	595	3,694
Geology	116,108	157,653	386,912	498,980
Geophysics	27,285	442,582	63,297	1,390,806
Other	186,442	191,491	636,788	622,602
Property maintenance	1,575	41,954	1,600	51,179
Technical services	18,450	21,260	64,335	92,705
	2,062,793	2,115,146	7,012,448	6,895,126
Refundable tax credits	(714,592)	(717,440)	(2,428,766)	(2,355,935)
Mining duties refund	(159,251)	(159,887)	(541,285)	(525,037)
	1,188,950	1,237,819	4,042,397	4,014,154
South Voisey Bay Properties				
SVBN Property				
Geology	1,742	-	5,266	-
Geophysics	-	-	14,108	-
Mobilization & camp operations	-	-	10,494	-
Overhead fees	-	-	2,767	-
Property maintenance	-	14,250	-	14,250
Technical services	-	-	6,777	-
	1,742	14,250	39,412	14,250
Commander Property				
Geology	-	-	7,081	-
Geophysics	-	95,842	24,173	95,842
Mobilization & camp operations	-	189,402	20,273	189,402
Overhead fees	-	-	5,094	-
Technical services	715	4,233	6,435	4,233
	715	289,477	63,056	289,477
	2,457	303,727	102,468	303,727
	\$ 1,191,407	\$ 1,541,546	\$ 4,144,865	\$ 4,317,881