



DONNER MINERALS LTD.

Number: 003-05

Dated: July 20, 2005

TSX Venture Exchange Symbol: DML
Frankfurt Stock Exchange Symbol: DNL

VANCOUVER (July 20, 2005) – Further to the Company’s News Release, dated May 9, 2005, Donner Minerals Ltd. (“Donner”) is pleased to announce that it has finalized an arrangement agreement with Nova Bancorp Investments Ltd. (“Nova”) an affiliate of NBC Canada West Capital Inc. (“NBC”) to recapitalize and reorganize Donner’s business.

The reorganization, when completed, will result in Donner shareholders owning shares in two distinct companies: (i) its current business, being metals exploration; and (ii) an oil and natural gas exploration, production and marketing business.

Pursuant to the reorganization, a newly incorporated British Columbia company named Donner Metals Ltd. (“MetalsCo”), will acquire all of Donner’s assets and liabilities including its existing mineral interests, working capital, the 12,360,750 common shares of Knight Resources Ltd. presently held by Donner, and Donner’s 76.69% interest in SVB Nickel Company Ltd. In addition, MetalsCo will have approximately \$1,000,000 in working capital (an increase of approximately \$725,000) and will carry on the business substantially in the form previously carried on by Donner. Donner Petroleum Ltd. (“PetroleumCo”), as Donner will be known following completion of the reorganization, will focus on the development of an oil and gas exploration, production and marketing business. The common shares of Donner will be canceled and common shares of MetalsCo and PetroleumCo will be distributed to the shareholders of Donner in proportion to their present shareholdings in Donner on the basis of one (1) PetroleumCo share and four (4) MetalsCo shares for every forty (40) Donner shares held.

The MetalsCo Board of Directors will have the same members as Donner’s current Board of Directors and the PetroleumCo Board of Directors will be comprised of David Patterson, Laurie Sadler and Ken Thorsen, three of the members of Donner’s current Board of Directors, and Harry Knutson and Rick Wlodarczak, who will join the PetroleumCo Board of Directors and provide their considerable merchant and investment banking expertise in the oil and gas sector.

It is anticipated that MetalsCo will continue Donner’s public listing on the TSX Venture Exchange (“TSXV”) and secondary quotation on the Frankfurt Stock Exchange. It is anticipated that PetroleumCo will apply for a listing on the TSXV once it meets the TSXV’s minimum listing requirements, and subsequently seek a secondary quotation on the Frankfurt Stock Exchange.

After the completion of the reorganization, which will include a capital injection from Nova, Donner shareholders will hold all of the common shares of MetalsCo and approximately 55% of the voting shares of PetroleumCo.

The reorganization will be implemented by way of a Plan of Arrangement (the “Arrangement”). An Information Circular, outlining the details of the Arrangement, has now been mailed to all Donner shareholders of record on June 23, 2005. An annual and special meeting of shareholders of Donner will be held at 700-625 Howe Street, Vancouver, British Columbia, on Thursday, August 11, 2005 at 10:00 a.m., at which time shareholders will be asked to consider and vote upon, among other things, the proposed reorganization. If Donner shareholders approve the Arrangement, final approval will be sought from the Supreme Court of the Province of British Columbia.

ON BEHALF OF THE BOARD OF
DONNER MINERALS LTD.

“David Patterson”
Chief Executive Officer

THE TSX VENTURE EXCHANGE HAS NOT REVIEWED AND DOES NOT ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE

Donner Minerals Ltd.

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