



Donner Metals Ltd

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DONNER AND FALCONBRIDGE TO JOINTLY EXPLORE MATAGAMI CAMP

VANCOUVER (June 12, 2006) – Harvey Keats, President of Donner Metals Ltd., announces that Donner has entered into an Option and Joint Venture Agreement (OJVA) with Falconbridge Limited for the joint exploration of the Matagami Mining Camp of Quebec for volcanogenic massive sulphide deposits (VMS). The Matagami Project has an area of mutual interest of 4,737 square kilometres and presently includes 2,045 mineral claims covering 477 square kilometres. Taking advantage of Falconbridge's extensive historical database, Donner and Falconbridge plan to use a combination of 3D data integration, innovative advanced technologies, new concepts and diamond drilling to explore for new deposits in this prolific mining camp.

The Matagami Mining Camp 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% Zn, 0.56% Cu, 20.91 g/t Ag and 0.41 g/t Au) discovered in 1957 and mined from 1963 to 1988. The area is host to historical production of 8.6 billion pounds of Zn and 853 million pounds of Cu and has established infrastructure including the town of Matagami, a railway, a paved road, and a 2,350 t/day mill owned by Falconbridge.

The development of new exploration techniques and concepts has led directly to numerous discoveries in the Matagami Mining Camp. In 1957, as a result of the newly developed airborne EM system, the Matagami Lake deposit was discovered and within the next two and a half years, six more major deposits were identified. Between 1985 and 1992, four new deposits were discovered, and in 1999 a new EM system was flown over the Matagami camp, which led to the discovery of the Perseverance deposits in 2000. Falconbridge has published a measured and indicated resource at Perseverance of 5.12 million tonnes of 15.82% Zn, 1.24% Cu, 29.00 g/t Ag and 0.38 g/t Au.

Proximity of the Matagami Project to past producers and existing deposits does not provide any assurance that economic mineralization exists on the Matagami Project, however past production and recent discoveries in the camp demonstrate the potential for additional discoveries.

Donner has the option to earn a 50% participating joint venture interest in the Matagami Project by incurring a total of \$20 million of expenditures on exploration and related work on or before May 31, 2011. Donner is required to incur a minimum of \$4 million of expenditures per year and a firm commitment expenditure of \$10 million. In the event that a discovery is made during the option period, Donner will contribute a one-time additional expenditure of \$3 million towards establishing an inferred resource on the new discovery. Donner has also agreed to issue to Falconbridge 1,000,000 Donner shares.

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

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Upon the expenditure of \$20 million 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, Falconbridge has the option to earn back a 15% interest in such area by incurring up to \$20 million on a feasibility study.

Falconbridge will have the right to designate the facilities at which all ore produced from the property will be concentrated, and will have the right to purchase the concentrates or other mineral products from the property at market rates.

Falconbridge will be the Operator during the earn-in period and will be the initial Operator under the joint venture. Falconbridge will be entitled to charge a 10% operator fee in addition to the \$20 million expenditure requirement during the option period.

The initial work program is being finalized, however based on the expenditure requirements, it is expected that diamond drilling will continue practically year round.

In order to meet its commitments under the OJVA, Donner will be required to seek additional financing. The OJVA is subject to TSX Venture Exchange approval.

Ken Thorsen, Director of Donner Metals Ltd. is the Qualified Person responsible for the technical information in this news release.

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

“Harvey Keats”
President