



Donner Metals Ltd

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Frankfurt Stock Exchange Symbol: D4M

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\$8 MILLION PRIVATE PLACEMENT

VANCOUVER (August 28, 2006) – David Patterson, Chairman of Donner Metals Ltd., announces that the Company will be undertaking brokered and non-brokered private placements to raise an aggregate of \$8,000,000 (the “Financing”). The brokered private placement will be co-led by Canaccord Adams and Desjardins Securities.

The Financing will be subject to an over-allotment option in the amount of \$2,000,000. The funds will be raised by the Company issuing a combination of flow-through units and non flow-through units. The flow-through units will be priced at \$0.50 per unit, and the non flow-through units will be priced at \$0.40 per unit. Each flow-through unit will be 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 for a period of two years, at a price of \$0.75 per share. Each non flow-through unit will be comprised of one common share and one common share purchase warrant, entitling the holder to purchase one additional common share of the Company for a period of two years, at a price of \$0.55 per share.

The Company has agreed to pay commissions and finder’s fees in connection with the Financing.

The funds raised by way of the private placements will be used for exploration programs on the Company’s Matagami Project, located in Quebec and for general working capital.

The Financing is subject to TSX Venture Exchange approval.

ON BEHALF OF THE BOARD OF
DONNER METALS LTD.

“David Patterson”
Chairman

WARNING: This news release contains forward-looking information. The reader is cautioned that assumptions used in the preparation of such information, although considered accurate at the time of preparation, may prove incorrect. The actual results may vary materially from the information provided herein. Consequently, there is no representation by Donner that actual results achieved will be the same as those forecast.

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

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