



**Donner Metals Ltd**

Number: 006-06  
TSX Venture Exchange Symbol: DON  
Frankfurt Stock Exchange Symbol: D4M

**Dated: October 4, 2006**

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**\$12.2 MILLION PRIVATE PLACEMENT CLOSES  
DRILLING AT MATAGAMI TO BEGIN IMMEDIATELY**

**Vancouver, B.C., October 4, 2006** – Mr. David Patterson, Chairman of Donner Metals Ltd. (TSXV-DON), announces the closing of its brokered and non-brokered private placements totalling \$12,193,230 (the “Financing”). The funds raised in the Financing will be principally used for exploration on the Company’s Matagami Project, located in Quebec, where drilling will begin immediately.

These funds were raised by the Company issuing a total of 19,063,544 flow-through units at a price of \$0.46 per unit and a total of 8,560,000 non flow-through units at a price of \$0.40 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 September 29, 2008, at a price of \$0.75 per share. Each non flow-through unit is comprised of one common share and one common share purchase warrant, entitling the holder to purchase one additional common share of the Company until September 29, 2008, at a price of \$0.55 per share. All securities issued in the private placement are subject to a hold period until January 30, 2007.

The brokered portion of the private placement was led by Canaccord Adams and included Desjardins Securities.

Significant placees in the non-brokered portion of the Financing include:

- MineralFields Group (Pathway Mining and MineralFields limited partnerships)
- Augen LP 2006 and Augen Resource Strategy Fund
- FrontierAlt Resource 2005 Flow-Through Limited Partnership
- Rhone 2006 Flow-Through Limited Partnership
- Société d'investissement dans la diversification de l'exploration (SIDEX)
- Société de Développement des Entreprises Minières et D'exploration II (SODEMEX II)
- Société de Développement de la Baie James (SDBJ)

The Company paid fees and commissions of \$750,665 and issued 1,752,387 warrants exercisable at \$0.55 for two years to investment dealers and finders. The company also issued 400,000 non flow-through units as a corporate finance fee.

A Phase I program of 19,000 metres of diamond drilling, geology, geophysics and geochemistry, budgeted at \$4,400,000, will begin immediately with one rig, followed shortly by a second rig. A Phase II program of 26,000 metres of diamond drilling, geology, geophysics and geochemistry, budgeted at \$4,400,000, will follow at the end of Phase I, in the spring of 2007. Taking advantage of Xstrata Zinc Canada’s extensive historical database, Donner and Xstrata Zinc Canada are using a combination of 3D data integration, innovative advanced technologies, new concepts and diamond drilling to explore for new deposits in this prolific mining camp.

Additionally, the Company has granted 2,400,000 incentive stock options to certain of its directors, officers, employees and consultants exercisable at a price of \$0.50 per share for a period of one year.

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

**“David Patterson”**  
Chairman

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

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**Donner Metals Ltd.**  
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