



HMZ announces Annual Financial Statements to be delayed, provides corporate update

Annual Financial Statements

TORONTO, CANADA, March 21, 2006 – HMZ Metals Inc. (“HMZ” or the “Company”) announces the filing of its annual financial statements for the year ended December 31, 2005 will be delayed past the March 31, 2006 due date pending the resolution of issues related to the timing and scope of the transfer of assets to the Company’s joint venture company in China, the ownership of cash flow related thereto and, the finalization of operating results at the Hechi copper smelter located in China.

In connection with the late filing of the Company’s annual financial statements for the year ended December 31, 2005 the Company has applied for a Management Cease Trade Order from the Ontario Securities Commission.

Corporate Update

Company operations in China continue to be adversely affected by a disagreement with the Company’s Chinese partners. In addition, recently introduced government legislation regarding the operation of independent Copper smelters may require an upgrade in both size and technology in order to ensure continued operation of the Hechi Copper Smelter beyond the end of the current year. Due to the sometimes fluid nature of the introduction of Chinese legislation, the Company is exploring potential “grandfather status” for the Hechi Smelter.

The Company has retained the services of Intercedent Limited a Beijing based company involved in the provision of expediting services for foreign companies operating in China. Under this initiative the Company is attempting to come to an agreement with its Chinese partners in an effort to lay the groundwork for future operations.

The Company will conduct a comprehensive review of its Chinese operations which review will include internal control issues, regulatory imperatives, financial and asset transactions. Legal and regulatory issues will be assessed by independent legal counsel. Accounting issues will be subject to a forensic audit by an independent accounting firm.

The Company also announces the resignation of Mr. Normand Lecuyer, Vice President Operations and Mr. Sean Stokes, Vice President and principal Investor Relations contact; both individuals will make themselves available to the Company on a consulting basis as needed.

The Company also announced that due to operational challenges in China it has been unable to withdraw funds from its Chinese joint venture company on a timely basis and will therefore explore various financing alternatives. The proceeds of any such financing will fund working capital and potential new project acquisitions.

For more information visit www.hmzmetals.com or call Tim Campbell at 416-214-3270

This press release includes certain "Forward-Looking Statements." All statements, other than statements of historical fact, included herein, including without limitation, statements regarding potential mineralization and reserves, exploration results and future plans and objectives of HMZ, are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from HMZ's expectations are disclosed under the heading "Risk Factors" and elsewhere in HMZ documents filed from time-to-time with the Toronto Stock Exchange and other regulatory authorities.