



HMZ Metals Files Third Quarter Financial Statements

TORONTO, CANADA/HECHI, CHINA, November 15, 2005 – HMZ Metals Inc. (“HMZ” or the “Company”) announces that it has filed on Sedar (www.sedar.com) its unaudited financial statements and MD&A for the third quarter of 2005 ended September 30, 2005.

Highlights of the third quarter include:

- Completion of the first phase smelter expansion, making the Company’s Hechi copper smelter the largest in China’s Guangxi province.
- A 21% increase in quarterly net sales and a 131% increase in operating income over Q3 2004.
- A 27% increase in nine-month net sales and a 72% increase in nine-month operating income.
- Significant progress on the resolution of the previously announced difference of opinion with HMZ’s Chinese partner.

Financial Highlights

(US\$)	Three Months Ended Sept. 30,		Nine Months Ended Sept 30,	
	2005	2004	2005	2004
Net sales	\$3.8 million	\$3.1 million	\$14.0 million	\$11.0 million
Operating income	\$258,000	\$112,000	\$2.4 million	\$1.4 million
Net income (loss)	(\$360,000)	(\$431,000)	(\$2.0 million)	\$523,000
Net income (loss) per common share [basic]	(\$0.01)	(\$431,000) ¹	(\$0.05)	\$523,000 ¹

¹ based on one common share outstanding in privately-held company during 2004.

Financial Performance

Operating income in the third quarter increased by approximately \$0.2 million over the corresponding period in the prior year to \$0.3 million on net sales of \$3.8 million. On a sequential basis, net sales decreased relative to the \$6.9 million recorded in the second quarter due to the fact that the Hechi copper smelter operated for only 47 days in the third quarter of 2005, versus 70 days in the second quarter of 2005. Reduced operating time occurred while the Company was completing the first phase of the program to expand production capacity to 10,000 tonnes of blister copper annually.

The Company recorded a net loss of \$0.4 million, compared with a net loss of \$0.4 million in the third quarter of 2004. Cost of sales for the third quarter of 2005 was \$3.4 million, compared with \$2.9 million in the third quarter of 2004. The increase in cost of sales is due to higher prices paid for copper concentrate reflecting a year-over-year increase in the market price of copper.

While corporate administration costs decreased during the third quarter relative to the average of the first and second quarters of 2005, the Company incurred higher corporate administration costs compared with the third quarter of 2004 due to the additional obligations associated with operating as a public company.

For the nine months ended September 30, 2005, operating income rose by 72% over the same period in 2004 to \$2.4 million on net sales of \$14.0 million, due primarily to higher metal prices and higher sales volumes. In the first nine months of 2004, net sales were \$11.0 million and operating income was \$1.4 million.

Net loss in the nine months was \$2.0 million, compared with earnings of \$523,000 in the nine months of 2004. During the first quarter of 2005, the Company incurred a one-time non-cash stock-based compensation expense of \$1.5 million and corporate administration costs increased by \$1.5 million during the nine months 2005, again due to additional costs incurred upon becoming a publicly traded company.

Hechi Copper Smelter

Strategically located in southeastern China’s Guangxi province, the Hechi smelter produces blister copper. As discussed above, the number of operating days in the third quarter decreased by 33% compared with the second quarter of 2005, due to the need to suspend operations while completing the first phase of the smelter expansion program. The expansion is expected to ultimately increase smelter capacity to 10,000 tonnes annually. The smelter went offline in early August to complete the expansion of the blast furnace to increase throughput and to add a second continuous converter in order to increase effective operating time. As announced in early October, the smelter is now operating at approximately 80% of

its forecast expanded capacity of 10,000 tonnes. With the expansion to date, the Hechi smelter is the largest in China's Guangxi province and full expanded capacity is expected to be achieved in the first quarter of 2006 with the installation of an oxygen plant.

Outlook

As expected, the financial results during the third quarter were affected by downtime due to the smelter expansion, however the smelter performed well following completion of this initial phase. HMZ's plan is to produce at the increased rate throughout the fourth quarter and the Company expects to further increase the run rate early in the 2006 to allow the Company to capitalize on robust metal markets. In addition, the Company continues to evaluate additional opportunities in both base and precious metals to further strengthen its presence in the PRC.

Q2 Financial Statement Delay

In August 2005, it came to the Company's attention that in July 2005 there had been an unauthorized transfer of approximately \$1.8 million (RMB 14.5 million) from the Corporation's joint venture GGM to its joint venture partner Hechi. A special committee of the Board of Directors, in conjunction with senior management, independent legal counsel and other advisors, was formed to undertake an investigation into the circumstances surrounding this unauthorized transfer of funds.

As a result of this matter, the Company delayed filing its financial statements for the second quarter ended June 30, 2005 until such time as the facts relating to this matter had been verified and the potential impact on the accuracy of the financial results evaluated. The Company's second quarter financial statements were filed on October 19, 2005.

Discussions have been very positive and productive, and management has made significant progress toward resolving the issue with its Chinese partners. It appears that there has been a misunderstanding, much of which is due to cultural or linguistic differences. The Corporation's partners, who own 8% of the joint venture company and 32% of HMZ's equity, are eager to move forward to a resolution for the good of HMZ. For these reasons the Corporation has chosen not to provide for unrecoverable amounts during the third quarter of 2005, and accounted for the \$1.8 million as an advance to its joint venture partner. Discussions are continuing, and the Company will announce the final resolution of this matter as soon as possible.

About HMZ Metals

HMZ Metals Inc. is an integrated Toronto-based mining and smelting company focused on base metals and gold in China. The Company's core assets are the Hechi copper smelter; a 9% interest in the high-grade Gaofeng zinc, tin, lead, antimony mine; the Wuxu lead, zinc and antimony mill; and letters of intent on base metal and gold projects in the Guangxi Zhuang Autonomous Province of the People's Republic of China. HMZ shares trade on the Toronto Stock Exchange under the symbol HMZ.

For further information, please visit our website at www.hmzmetals.com, or contact:

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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.

HMZ METALS INC.

Consolidated Balance Sheets

As at September 30, 2005 and December 31, 2004

(Expressed in thousands of U.S. dollars)

	September 30, 2005	December 31, 2004
	(Unaudited)	
Current assets		
Cash	\$ 3,714	\$ 112
Trade accounts receivable, net	132	118
Prepayments to suppliers, net	2,013	2,094
Due from Hechi Industrial Company Ltd., net	2,574	733
Due from Biogan International Inc.	93	61
Inventories	7,070	2,106
Other current assets	733	792
	16,329	6,016
Deferred share and warrant issue costs	-	480
Investment in Gaofeng Mining Co. Ltd.	848	829
Property, plant and equipment, net	7283	4,611
Lease prepayments	70	70
Future tax asset	350	301
	\$ 24,880	\$ 12,307
Liabilities		
Current liabilities		
Loans payable	\$ 2,842	\$ 2,737
Payable to Biogan International Inc.	177	1,918
Due to Gaofeng Mining Co., Ltd.	690	626
Trade accounts payable	3,984	1,463
Accrued liabilities and other payables	1,884	1,986
Income taxes payable	969	729
	10,546	9,459
Non-controlling interest	952	261
Shareholders' Equity		
Capital stock	15,147	5,867
Warrants	1,946	257
Contributed surplus	1,503	-
Deficit	(5,574)	(3,537)
Cumulative translation adjustment	360	-
	13,382	2,587
	\$ 24,880	\$ 12,307

See notes to consolidated financial statements.

HMZ METALS INC.

Consolidated Statements of Operations and Deficit

For the Periods Ended September 30, 2005 and 2004
(Expressed in thousands of U.S. dollars, except per share numbers)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2005	2004	2005	2004
Net sales	\$ 3,781	\$ 3,138	\$ 13,959	\$ 11,011
Operating Costs				
Cost of sales	3,361	2,897	11,115	9,207
Selling, general and administrative	162	129	486	434
	3,523	3,026	11,601	9,641
Operating Income before the undernoted	258	112	2,358	1,370
Other Expenses (Income)				
Corporate administration	433	146	1,802	297
Interest income	(19)	(12)	(50)	(34)
Other loss	1	124	2	153
Interest expense	133	45	332	133
Stock-based compensation	-	-	1,503	-
	548	303	3,589	549
Income (loss) before income taxes and non-controlling interest	(290)	(191)	(1,231)	821
Income taxes	66	242	736	242
(Loss) income before non-controlling interest	(356)	(433)	(1,967)	579
Non-controlling interest	4	(2)	70	56
Net (Loss) Income	(360)	(431)	(2,037)	523
Deficit, beginning of period	5,214	1,844	3,537	2,798
Deficit, end of period	\$ 5,574	\$ 2,275	\$ 5,574	\$ 2,275
Basic and diluted (loss) income per common share, basic	\$(0.01)	\$ (431,000)	\$ (0.05)	\$ 523,000
Weighted average number of common shares outstanding, basic	69,197,000	1	41,864,000	1

See notes to consolidated financial statements.

HMZ METALS INC.

Consolidated Statements of Cash Flows

For Periods Ended September 30, 2005 and 2004

(Expressed in thousands of U.S. dollars)

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2005	2004	2005	2004
Cash Provided from (Used for)				
Operating activities				
Net income (loss)	\$ (360)	\$ (431)	\$ (2,037)	\$ 523
Items not involving cash:				
Depreciation of property, plant and equipment	94	76	258	221
Amortization of lease prepayments	1	1	3	3
Non-controlling interest	41	(2)	691	56
Fair value of warrants issued on promissory notes	-	-	50	-
Stock-based compensation	-	-	1,503	-
Future income taxes	(32)	-	(49)	-
Change in non-cash operating working capital	(1,959)	384	(5,731)	(1,379)
	(2,215)	28	(5,312)	(576)
Investing activities				
Capital expenditures	(2,094)	(4)	(2,890)	(17)
Lease expenditure	-	1	(1)	-
Short-term investments	-	(24)	-	(24)
Advance distribution received from Gaofeng Mining Co. Ltd.	(48)	-	-	-
	(2,143)	(27)	(2,791)	(41)
Financing activities				
Common share issue	-	245	9,280	245
Issuance of warrants	(21)	-	1,638	-
Loans payable	63	(112)	-	1,036
Share and warrant issue costs	-	(64)	480	(151)
Loans payable to a related party	-	(141)	105	(46)
	42	(72)	11,503	1,084
Effect of exchange rate changes on cash	214	-	202	-
(Decrease) Increase in Cash	(4,102)	(71)	3,602	467
Cash, Beginning of period	7,816	783	112	245
Cash, End of period	\$ 3,714	\$ 712	\$ 3,714	\$ 712
Supplemental Disclosure of Cash Flow Information				
Cash paid for:				
Interest	99	49	265	133
Income taxes	111	-	501	-

See notes to consolidated financial statements