



## HMZ Metals Provides Corporate Update

**TORONTO, CANADA/HECHI, CHINA, September 8, 2005** – HMZ Metals Inc. (“HMZ” or the “Company”) today announced that it is working toward a resolution of the difference of opinion with its Chinese joint venture partner Hechi Industrial Co. Ltd. (“HI”) as outlined in the press release dated August 16, 2005, and that it expects to file its second quarter financial statements and MD&A prior to September 30, 2005.

At HMZ’s request, the OSC issued a management cease trade order (MCTO) on August 24, 2005, prohibiting all trading in HMZ’s securities by certain individuals who are or have been directors or officers of HMZ. This MCTO will be in effect until two days following the filing of the interim financial statements and does not affect the ability of non-insiders to trade in the Company’s securities.

Pending the filing of its interim financial statements, HMZ will satisfy the alternative information guidelines recommended by Ontario Securities Commission (“OSC”) Policy 57-603 and Canadian Securities Administrators Staff Notice 57-301, pursuant to which HMZ will provide bi-weekly updates to the market regarding the preparation of the financial statements until such time as HMZ is in compliance with its filing obligations.

Management has established that additional legal and accounting work is required to determine the appropriate date for consolidation of the transaction establishing Guangxi Guanghe Metals Co. Ltd. (“GGM”), the cooperative joint venture company owned by HMZ (95% profit and 92% equity interest) and HI. At a recent meeting in China of the Board of Directors of GGM it was agreed that Chinese legal counsel be retained to resolve the issue.

“We look forward to a rapid resolution of this issue to the satisfaction of both joint venture partners and the benefit of all HMZ shareholders,” said Gilles Laverdiere, CEO and Vice-Chairman of HMZ. “Meanwhile, the expansion of the copper smelter is proceeding on schedule. As planned, the smelter was taken off-line on August 6<sup>th</sup> to complete expansion of the blast furnace to increase throughput and the addition of a second continuous converter to increase effective operating time. The net result is expected to be a doubling of smelter capacity to 10,000 tonnes of blister copper annually when production recommences in October.”

HMZ’s Special Committee is supervising the investigation into any events which may affect the financial statements of the Company to June 30, 2005. To date the Special Committee has:

- Met with the Company’s external auditors and discussed financial and operational reporting controls in China;
- Hired independent legal counsel to advise the Special Committee in respect of discharging its fiduciary responsibilities; and,
- Initiated a review of the mechanisms of business operations in China.

### 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](http://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.*