



HMZ Corporate Update

TORONTO, CANADA, May 2, 2006 – HMZ Metals Inc. (“HMZ” or the “Company”) announces that pursuant to the delay in filing its financial statements for the year ended December 31, 2005 described in its News Release dated April 18, 2006 the Company is now operating under a Management Cease Trade Order (“MCTO”). THE MCTO requires the Company to provide bi-weekly update reports as to the status of efforts to resolve various outstanding issues with its Chinese partners and the completion of the audited annual financial statements for the year ended December 31, 2005.

Corporate Update

1. Gaofeng mine dividend payout authorized
2. Independent audit (legal and accounting) in process
3. Appointment of interim Chief Financial Officer

In the last press release, HMZ announced that the Board of Directors of the Gaofeng Mining Company in which the Company owns an equity interest through its 92%-owned China subsidiary, has authorized a dividend payment to be made subject to taxes and the prior payment of costs incurred in the development of the mine. The gross amount of the dividend is expected to be RMB 7.3 million of which the net amount (after tax and costs) payable is expected to be RMB 1.2 million or C\$160,000.

The Company continues to retain the services of Intercedent Limited a Beijing based company involved in the provision of business development services for foreign companies operating in China.

Following the completion of the Company's independent legal and forensic accounting review of its Chinese operations, the Company will be in a position to complete the annual audited financial statements for the year ended December 31, 2005. The completion of the audit will enable the Company to satisfy Chinese foreign currency repatriation regulations.

The Company also announced the appointment of Mr. Brian M. Cloney C.A as interim Chief Financial Officer. Mr. Cloney is a director of the Company and a member of the Special Committee of the Board of Directors.

For more information visit www.hmzmetals.com or call Kerry Smith at 416-214-3270