



HMZ announces Corporate Update, Private Placement and Appointment of Auditor

TORONTO, CANADA, November 16, 2006 – HMZ Metals Inc. (“HMZ” or the “Company”) provides its bi-weekly update pursuant to the Management Cease Trade Order announced April 18, 2006.

Update

The Company continues to work towards a resolution of differences with its Chinese joint venture partner and is reviewing all means legally available in both China and Canada to resolve this situation in a timely manner. Management’s due diligence review of new projects is also proceeding as part of its plans to diversify operations within and outside China with the view to expanding its management expertise and operational capacity exclusive of the Company’s current joint venture partner.

Private Placement

HMZ also announced that it has raised \$305,000 under a first Closing of a non-brokered Unit private placement under which the Company will raise up to \$600,000. The Units are priced at \$0.05 each and consist of one common share and one-half common share purchase warrant exercisable at \$0.10 per common share for the first twelve months after Closing and exercisable at \$0.15 per common share during the second twelve months after Closing. A finders fee equal to 8% of cash raised and warrants to purchase common shares equal to 10% of the number of Units placed is payable under the Offering. Proceeds from the financing will be used to fund working capital requirements as well as due diligence costs associated with the review of various new project opportunities.

Appointment of Auditor

HMZ announced the appointment of Moore Stephens Cooper Molyneux LLP (“Moore Stephens”) as Auditor for the Company. Pursuant to this appointment, Moore Stephens replaces KPMG LLP as auditor of the Company.

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