



## **HMZ METALS INC.**

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### **HMZ METALS INC. OPTIONS TOWER MOUNTAIN GOLD PROPERTY FROM VALGOLD RESOURCES LTD.**

**HMZ Metals Inc.** (“HMZ”) announces it has entered into an option agreement (the “Agreement”) with ValGold Resources Ltd. (“ValGold”) on its Tower Mountain gold property, located in Conmee Township, Ontario (the “Property”) The Agreement is subject to CNQ acceptance (“Regulatory Approval”).

HMZ is a mining and exploration company. Its strategy is to acquire production and near-term production assets. Its initial focus has been in China but its longer-term strategy is to acquire additional mining, metal processing and advanced exploration projects globally.

HMZ remains committed to China and believes it will soon be well positioned to embark on a number of new projects in conjunction with new partners in that region. HMZ’s current arbitration and lawsuit against its former partner is ongoing with resolution anticipated in the near term.

The Tower Mountain project fits into HMZ’s longer-term strategy of advanced staged exploration and country risk diversification. The project is located about 40 kilometers west of Thunder Bay. A total of 8 drill programs consisting of 75 drill holes (18,279 meters) have been completed on the property. Three gold zones have been identified to-date.

ValGold has a 100% right, title and interest in and to the Property, subject only to a 2.5% Net Smelter Royalty (“NSR”) and annual \$25,000 pre-production royalty reserved by the original optionors of the Property to ValGold.

Pursuant to the Agreement, HMZ shall have the exclusive right and option to earn a 50% interest (the “HMZ Interest”) in and to the Property from ValGold by issuing to ValGold 1,000,000 HMZ post rollback common shares (the “Shares”) and, on or prior to August 1, 2013, incurring a minimum of \$2,900,000 in expenditures on or in relation to the Property as set out below:

- 1) HMZ shall issue the Shares to ValGold as follows: 200,000 Shares upon receipt of Regulatory Approval of the Agreement and 160,000 Shares (post rollback) at each of the next five anniversaries of Regulatory Approval.
- 2) HMZ shall incur expenditures on the Property of not less than \$350,000 on or prior to one year after the Regulatory Approval date (in 2008), and thereafter, no less than \$100,000 on or before the anniversary date of Regulatory Approval of each of the next four years. In addition, HMZ has agreed to fund all exploration expenditures on the Property, pay the annual taxes on patented



claims forming part of the Property and make the annual \$25,000 pre-production royalty payment due on the Property for the duration of the Agreement.

Upon completing its obligation for the issuance of Shares and incurring of expenditures as set out above, HMZ will be vested with 50% of ValGold's right, title and interest in and to the Property, and the parties shall enter into a 50:50 Joint Venture for the further exploration and development of the Property.

### ***Tower Mountain Project Summary***

Exploration work on the Property began in November 2002, and has focused on diamond drilling. A total of eight drill programs comprising 75 drill holes, totaling 18,279 metres, have been completed to date. The majority of drilling has been in the vicinity of the U and V Trench areas (the "U-V Zone") and this work has defined several parallel mineralized structures striking in a southeasterly direction. The most continuous of these structures is designated the "U-V Main Vein" which dips moderately to steeply to the northeast and can be traced along strike for a minimum 400 metres. Examination of U-V Main Vein core indicates the presence of a gold mineralized zone measuring 0.6 to 20.0 metres true width, plunging steeply to the southeast. Intercepts from this zone returned assays ranging from 304.00 g/t Au over 3.0 metres in drill hole TM04-3 to 2.40 g/t Au over 61.5 metres in drill hole TM04-9. Commonly accompanying the U-V Main Vein mineralization is a halo of moderately to highly anomalous gold values in the footwall and hanging wall extending a few metres to tens of metres beyond the vein.

Drilling has delineated additional zones of high-grade mineralization, however, limited information is available on these targets. The "C Zone", located 800 metres southeast of the U-V Zone, appears similar to the U-V Main Vein. It is proximal to the Tower Mountain Intrusive Complex ("TMIC") contact and hosts at least one main mineralized structure bounded by several metres of wall rock registering strongly anomalous gold values. This zone strikes similarly to the U-V Main Vein, however, its dip is currently unknown due to limited drilling. ValGold has tested this target with two holes with the best drill intercept returning 21.14 g/t Au over 1.5 metres. A hole drilled by a previous owner of the Property in the vicinity of the C Zone was orientated sub-parallel to the zone and returned an average grade of 0.3 g/t over 750.0 metres. Both the C Zone and U-V Zone are hosted within felsic to intermediate Timiskaming volcanic fragmental rocks and appear to be controlled by a series of southeast striking structures related to the contact zone with the TMIC. At this time it is not known whether these mineralized zones continue into the syenite and other intrusive rocks comprising the TMIC.

The third high-grade zone identified in recent drilling is referred to as the "04-36 Zone" and is located 400 metres southwest of the U-V Zone. Unlike the U-V Zone and the C Zones, the 04-36 Zone strikes north-northeast and appears to be associated with a package of mixed Timiskaming volcanics and sediments identified approximately 600 metres west of the TMIC contact. Two drill holes intersected this zone and core analysis indicates the zone strikes roughly parallel to the northeast trending belt of Timiskaming rocks in the area. One hole documented 41.35 g/t Au over 1.5 metres and the second hole returned an assay of 5.31 g/t over 1.5 metres.



The following table summarizes drill programs and presents highlights of each of the eight drilling campaigns conducted by ValGold.

***Highlights of Tower Mountain Gold Zones Drill Intersections***

Program	Holes	Total	Best High-Grade Gold	Best Low-Grade Gold
			Drilled Meters	Intersection
2002 (Fall)	5	1,042	23.17g/Tonne /1.5m in TM02-02	1.05g/Tonne /73.5m in TM02-03
2003 (Spring)	5	1,085	11.77g/Tonne /3.0m in TM03-02	1.01g/Tonne /22.5m in TM03-03
2003 (Fall)	7	1,499	19.76g/Tonne /1.5m in TM03-11	0.62g/Tonne /12.0m in TM03-12
2004 (Winter)	10	2,601	304.0g/Tonne /3.0m in TM04-03	2.40g/Tonne /61.5m in TM04-09
2004 (Summer)	13	3,450	68.91g/Tonne /0.2m in TM04-19	1.93g/Tonne /37.5m in TM04-15
2004 (Fall)	13	3,418	41.35g/Tonne /1.5m in TM04-36	0.94g/Tonne /106.5m in TM04-31
2005 (Winter)	14	3,523	16.00g/Tonne /1.5m in TM05-38	0.77g/Tonne /21.0m in TM05-44
2007 (Summer)	8	1,661	58.20g/Tonne/1.5m in TM-07-56	0.59g/Tonne/21.0m in TM-07-56
<b>Total</b>	<b>75</b>	<b>18,279</b>		

Mr. Thomas R. Pollock, P.Geo., is the Qualified Person responsible for all technical reporting in compliance with NI 43-101. Mr. Pollock has instituted and is responsible for the Tower Mountain exploration program of Quality Control and Assurance, using assay control samples and duplicates. All sampled core taken by ValGold in relation to the Property was split in a secure facility in Ontario and delivered to an independent laboratory by a ValGold representative. The balance of the split core is stored at a secure location on site.

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*No regulatory authority has approved or disapproved the information contained in this news release.*