

FORM 7

MONTHLY PROGRESS REPORT

Name of CNSX Issuer: HMZ Metals Inc.(the "Issuer").

Trading Symbol: HMZ

Number of Outstanding Listed Securities:109,998,400*

* At the Issuer's Annual General and Special Meeting held June 30, 2008 a shareholders resolution regarding the consolidation of the Issuer's Share capital on the basis of one (1) new share for every five (5) shares held was approved and passed. The Consolidation will be effective on exchange and other regulatory approval.

Date: January, 2009

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the CNSX Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the CNSX.ca website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the CNSX Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

The Issuer's business have been focused on two main areas: 1) initiatives associated with legal action against the Issuer's joint venture partner in China: 2) private placement of 15 million units at \$0.05. Unit will be comprised of three non-transferable "flow-through" common shares and two non-"flow-through" common shares and two non-"flow-through" share purchase warrants of the Company. Each whole share purchase warrant will be exercisable for one non-"flow-through" common share at a price of \$0.075 (after the Consolidation) per share for a period of 24 months from the date of issue. The Company intends to use the proceeds of the offering to fund exploration on its Tower Mountain gold property near Thunder Bay, Ontario and for general working capital.

2. Provide a general overview and discussion of the activities of management.

Management activities have been focused on three main areas: 1) the preparation of audited annual financial statements for the year ended December 31, 2008 2) initiatives associated with legal action against the Issuer's joint venture partner in China and 3) raising funds under a non-brokered private placement of 15 million units at \$0.05.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

HMZ continues to assess new project opportunities but on October 9, 2008 HMZ 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").

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

This section is not applicable to the issuer.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

This section is not applicable to the issuer.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

This section is not applicable to the issuer.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or

the disposition was to a Related Person of the Issuer and provide details of the relationship.

This section is not applicable to the issuer.

8. Describe the acquisition of new customers or loss of customers.

This section is not applicable to the issuer.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

This section is not applicable to the issuer.

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

This section is not applicable to the issuer.

11. Report on any labour disputes and resolutions of those disputes if applicable.

This section is not applicable to the issuer.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceeding.

The Issuer is currently involved in legal actions against 1) its Chinese joint venture partner which includes actions in provincial court, China and arbitration proceedings in Beijing, China and 2) the former Chief Executive Officer and Vice Chairman in Ontario Provincial Court. As these actions are currently on-going HMZ is necessarily precluded from discussing same.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

This section is not applicable to the issuer.

14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds⁽¹⁾

(1) State aggregate proceeds and intended allocation of proceeds.

15. Provide details of any loans to or by Related Persons.

This section is not applicable to the issuer

16. Provide details of any changes in directors, officers or committee members

. This section is not applicable to the issuer

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

It is anticipated that commodity prices and the capital markets are the two main elements that will influence HMZ.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to CNSX that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNSX Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: January 31, 2009

Brian M. Cloney
Name of Director or Senior
Officer



Signature
Chief Financial Officer
Official Capacity

Issuer Details	For Month End	Date of Report YY/MM/D
Name of Issuer: HMZ Metals Inc.	January 31, 2009	2009/01/31
Issuer Address		
500 – 2 Toronto Street		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
Toronto, ON M5C 2B6	(416) 241-3276	(416) 214-3270
Contact Name	Contact Position	Contact Telephone No.
Kerry Damon Smith	President and CEO	(416) 214-3270
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