



HANA MINING AGREES TO C\$0.82 PER SHARE ALL-CASH ACQUISITION BY CUPRIC CANYON CAPITAL

Vancouver, Canada – October 24, 2012 – Hana Mining Ltd. (the “Company” or “Hana”) (TSX-V: HMG) and Cupric Canyon Capital LP (“Cupric”) today jointly announced that they have entered into a definitive agreement (the “Arrangement Agreement”) pursuant to which Cupric has agreed to acquire all of the issued and outstanding common shares of Hana (“Hana Shares”) (other than the Hana Shares it currently owns) by way of a statutory Plan of Arrangement (the “Arrangement”) under the *Business Corporations Act* (British Columbia). The management of Cupric is comprised of experienced mining professionals in the copper industry specializing in exploration, development, and operations, and Cupric is supported by the Barclays Natural Resource Investments division of Barclays Bank PLC (“Barclays”).

Under the Arrangement, shareholders of Hana will receive C\$0.82 in cash for each common share of Hana, representing a premium of approximately 88% to the 20-day volume weighted average price of the Hana Shares on the TSX Venture Exchange as of October 23, 2012. The total consideration payable to Hana shareholders is approximately C\$67 million and the Arrangement values Hana’s equity at approximately C\$82 million. Cupric has advised that it has completed all technical, legal, and financial due diligence and has adequate financial resources to complete the all-cash transaction. Upon closing of the transaction, Cupric intends to advance the Ghanzi project through the design, construction and operational phases of its development.

Hana’s Board of Directors, after consultation with the Company’s financial and legal advisors, and based on the recommendation of an independent committee of the Company’s Board of Directors, has unanimously determined that the Arrangement is fair to Hana’s shareholders, other than Cupric, and will recommend that Hana’s shareholders vote in favour of the Arrangement. Scotia Capital Inc., acting as financial advisor to the Company and its Board of Directors, has provided an opinion that, based upon and subject to the assumptions, limitations, and qualifications in such opinion, the consideration to be received by Hana’s shareholders is fair, from a financial point of view, to Hana shareholders. All of the executive officers and directors of Hana as well as Hana’s largest shareholder Pala Investments Limited, which owns 19,413,800 Hana Shares or approximately 19.5% of the Hana Shares, have entered into lock-up and support agreements with Cupric under which they have agreed to vote in favour of the Arrangement.

The Arrangement Agreement is subject to customary representations, warranties and covenants of each of Hana and Cupric. In addition, Hana has agreed that it will not solicit or initiate discussions concerning the pursuit of any other acquisition proposals except in respect of unsolicited proposals that the Hana Board of Directors in good faith determines could reasonably be expected to result in a superior proposal. In the event of a superior proposal, Cupric has the right to either match such superior proposal or receive a customary termination fee.

The terms and conditions of the Arrangement will be summarized in the Company’s management information circular which will be filed and mailed to Hana’s shareholders in November 2012. Shareholders will be asked to approve the Arrangement at a meeting to be held in January 2013.

The Arrangement will be subject, among other things, to (i) the approval of at least 66 2/3% of the votes cast by Hana shareholders on the basis of one vote per Hana Share, (ii) the approval of at least 66 2/3% of the votes cast by Hana shareholders and Hana optionholders voting together as one class on the basis of one vote per Hana Share or Hana option, and (iii) the approval of a simple majority of the votes cast by Hana shareholders, excluding certain votes outlined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*,

at a special meeting to be called to consider the Arrangement. The Arrangement will also be subject to the approval of the TSX Venture Exchange and the Supreme Court of British Columbia. In addition, the Arrangement will be subject to certain customary conditions and relevant regulatory approvals, including the extension of validity of certain of Hana's prospecting licenses by the government of Botswana. The transaction is expected to close in mid-January 2013.

Cupric currently owns 18,459,310 Hana Shares, or approximately 18.6% of the issued and outstanding Hana Shares on a fully diluted basis. Following completion of the Arrangement, Cupric will own 99,493,597 Hana Shares, or 100% of the issued and outstanding Hana Shares.

Advisors and Legal Counsel

Scotia Capital Inc. is acting as financial advisor to the special committee of the Board of Directors of the Company and Blake, Cassels & Graydon LLP is acting as legal counsel to the Company and its Board of Directors. CIBC World Markets Inc. is acting as financial advisor and Fasken Martineau DuMoulin LLP is acting as legal counsel to Cupric.

About Hana

The Company has been exclusively engaged in mineral exploration activity in Botswana since mid-2007, specifically targeting discovery of precious and base metals. The Company has a controlling interest in Hana Ghanzi Copper (Pty) Ltd. (formerly Stellent (Proprietary) Ltd.) who in turn controls 5 prospecting license blocks in Botswana, covering 2,149 square kilometers in area, situated south of the town of Maun. The Company's single exploration project, the Ghanzi Copper-Silver Project, is located on this license area.

About Cupric

Cupric Canyon Capital LP, which is owned by its management and the Barclays Natural Resource Investments division of Barclays, is focused on acquiring interests in undeveloped copper assets with a known resource and adding value to them by assisting in the advancement of the projects through the stages of development, construction and operations. The management of Cupric, all of whom are former senior executives with major mining companies, including Phelps Dodge Corporation and its successor, Freeport McMoRan Copper & Gold Inc. (which acquired Phelps Dodge in 2007), has decades of experience in the exploration, development, construction and operation of world-class copper assets.

Forward-Looking Statement

Certain information contained in this news release, including any information relating to the proposed transaction (the "Transaction") and Hana's future financial or operating performance may be deemed "forward-looking". These statements relate to future events or future performance and reflect Hana's expectations regarding the Transaction, and the future growth, results of operations, business prospects and opportunities of Hana and the combined company. These forward-looking statements also reflect Hana's current internal projections, expectations or beliefs and are based on information currently available to Hana, respectively. In some cases forward-looking information can be identified by terminology such as "may", "will", "should", "expect", "intend", "plan", "anticipate", "believe", "estimate", "projects", "potential", "scheduled", "forecast", "budget" or the negative of those terms or other comparable terminology. Assumptions upon which such forward looking information regarding completion of the Transaction is based include that Hana will be able to satisfy the conditions to the Transaction, that the required approvals will be obtained from the shareholders and optionholders of Hana, that all third party regulatory and governmental approvals to the Transaction will be obtained and all other conditions to completion of the Transaction will be satisfied or waived. Although Hana believes that the forward-looking information contained in this news release is based on reasonable assumptions, readers cannot be assured that actual results will be consistent with such statements. Accordingly, readers are cautioned against placing undue reliance on forward-looking information. Hana expressly disclaims any intention or obligation to update or revise

any forward-looking information, whether as a result of new information, events or otherwise, except in accordance with applicable securities laws.

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The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release. Statements in this press release, other than purely historical information, including statements relating to the Company's future plans and objectives or expected results, may include forward-looking statements. Forward-looking statements are based on numerous assumptions and are subject to all of the risks and uncertainties inherent in resource exploration and development. As a result, actual results may vary materially from those described in the forward-looking statements.