Hana Mining announces high-grade copper-silver mineralization from Zone 5 infill drilling program

July 16, 2012 (Vancouver, British Columbia). Hana Mining Ltd. ("Hana" or the "Company") - (TSX-V: HMG) (Frankfurt: 4LH) is pleased to announce drilling results from the completion of six infill diamond drill holes at Zone 5 at its Ghanzi sediment hosted Copper-Silver Project in Botswana.

Infill and down dip drilling was carried out at Zone 5 (between sections 124450 to 125050; Figures 1 and 2) to convert a substantial amount of the NI 43-101 compliant resources within this zone into the Indicated category from the Inferred category and to extend current Inferred resources down dip.

These results are from new holes and are in addition to those used in the most recent NI 43-101 compliant Inferred mineral resource calculation (see Table 1 at the end of this press release for the results from all six drill holes). The mineralization remains open at depth and along strike.

Highlights of recent drilling results:

- The latest results continue to confirm the continuity of high-grade copper-silver mineralization at Zone 5.
- Core lengths intercepts of
  - 13.46% CuEq\(^{(1)}\) (12.20% Cu and 86.4 g/t Ag) over 0.3 metres within a wider mineralized interval of 1.79% CuEq\(^{(1)}\) (1.60% Cu and 13.0 g/t Ag) over 12.1 metres in hole HA-545-D,
  - 12.82% CuEq\(^{(1)}\) (11.30% Cu and 104.0 g/t Ag) over 0.3 metres within a wider mineralized interval of 1.23% CuEq\(^{(1)}\) (1.11% Cu and 8.0 g/t Ag) over 27.6 metres in hole HA-547-D,
  - 1.62% CuEq\(^{(1)}\) (1.46% Cu and 11.0 g/t Ag) over 11.2 metres in hole HA-543-D,
  - 1.50% CuEq\(^{(1)}\) (1.35% Cu and 10.0 g/t Ag) over 10.1 metres in hole HA-542-D.

\(^{(1)}\) Copper equivalent calculated using US$3.00/lb Cu, US$30/oz Ag and is not adjusted for metallurgical recoveries. The formula used is as follows: CuEq = Cu% + (Ag g/t x 0.01458).

Discussion of Results:

The infill drilling program at Zone 5 confirms that copper-silver mineralization is high-grade and is also shows continuous widths at depth (Figure 3). This drilling will add to the current down dip inferred resource and allow for the conversion of mineral resources from the Inferred category into the Indicated category.

Figure 1: Location of Drilling at the Ghanzi Project
*Please note all figures are now showing section grid lines that are referenced in the result tables.

Figure 2: Drill Hole Locations at Zone 5, Sections 124450 - 125050

Figure 3: Cross-section through section 124450 (Zone 5)
Hana Mining’s CEO and Chairman, Marek Kreczmer, commented as follows:

“This first set of drilling results from Zone 5 clearly demonstrates that this Zone hosts high-grade copper-silver mineralization over significant widths. Not only is the mineralization consistent along strike, but it also shows consistency in widths and grades at depth. Of all the Zones at the Ghanzi Project, I believe that Zone 5 has the best potential to host an underground mining operation. I look forward to seeing more high-grade drilling results from Zone 5.”

Qualified Person and Quality Assurance/Quality Control

The drilling program and results are reviewed and approved by Marek Kreczmer, Chief Executive Officer for Hana. He is the qualified person as defined in NI 43-101 and has reviewed the technical information in this press release.

Drill core is logged and photographed. Mineralized intervals are split in half by sawing and sampled at site. The remainder of the core is kept as a permanent record. Samples are placed into labelled bags, closed and packed into sealed bags that are shipped to Scientific Services Laboratory in Cape Town, South Africa. Hana has implemented an industry-standard QA/QC program that includes the blind insertion of certified standards, duplicates and blanks into the sample stream.

About Hana Mining’s Ghanzi Copper-Silver Project in Botswana:

The Ghanzi Project is located in the center of the Kalahari Copper Belt in northwestern Botswana. The Ghanzi property covers 2,149 square kilometres, and contains sediment-hosted copper-silver deposits with a demonstrated cumulative tested strike length of 70 kilometres. This favorable geology extends over an estimated strike length of 600 kilometres.

On May 14, 2012 Hana Mining released results of its most recent NI 43-101 compliant Preliminary Economic Assessment ("PEA") for the Ghanzi Project. The PEA details a 10,000 tonne per day open-pit mining and milling operation at the Banana Zone and Zone 5 at an initial capital expenditure of US$285.5 million. This operation is expected to produce approximately 66.4 million pounds of copper and 878,000 ounces of silver annually over a minimum 13-year mine life.

The project will benefit from proposed rail and power infrastructure expansions, along with proximity to local population centers and workforce. A feasibility study was carried out (funded by the World Bank and the governments of Botswana and Namibia) to support completion of a rail line link that would connect Botswana with the Namibian port of Walvis Bay, on the Atlantic coast. The closest existing railhead to port is at Gobabis, in Namibia, approximately 550 km from our property. Construction is well
advanced on the 600MW expansion of the government-owned Moropule Power Plant, having secured US$825 million project funding in May 2009. The Ghanzi Copper-Silver Project is currently accessed by the paved Trans-Kalahari highway, which passes within 40 km of the property.

The Ghanzi property is one of Africa’s premier future copper-silver resources.

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Table 1: Drill Results from Zone 5, Sections 124450 to 125050 -- Interval indicates down hole interval

<table>
<thead>
<tr>
<th>Hole #</th>
<th>Section</th>
<th>Mineralized Zone</th>
<th>From (m)</th>
<th>To (m)</th>
<th>Interval (m)</th>
<th>Est. True Width (m)</th>
<th>Cu Eq (%)</th>
<th>Cu (%)</th>
<th>Ag (g/t)</th>
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<tr>
<td>HA-541-D</td>
<td>N124450</td>
<td>Zone 5</td>
<td>234.35</td>
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<td>Zone 5</td>
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<td>222.50</td>
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<td>HA-547-D</td>
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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.

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