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**SOLITARIO ANNOUNCES HIGH-GRADE DRILLING RESULTS ON ITS  
PACHUCA REAL SILVER-GOLD PROJECT  
 BUENAVENTURA FORFEITS ITS RIGHT TO EARN AN INTEREST**

Denver, Colorado: Solitario Exploration & Royalty Corp. (“Solitario;” NYSE Amex: **XPL**; TSX: **SLR**) announces that significant high-grade silver-gold mineralization was intersected in drilling on its Pachuca Real property in central Mexico. Highlights include drill hole PAN11-28 that intersected 1.05 meters grading 16.4 gpt gold and 239 gpt silver, PAN11-27 with 0.60 meters grading 5.6 gpt gold and 837 gpt silver, and PAN11-31 with 0.85 meters grading 8.4 gpt gold and 283 gpt silver.

The 2011 drilling program was managed and entirely funded by Solitario’s joint venture partner, Compania de Minas Buenaventura S.A.A. (“Buenaventura;” NYSE: **BVN**; Lima: **BUE.LM**). Buenaventura has informed Solitario that it has elected not to fund the second year \$2.3 million program and will forfeit its right to earn an interest in the property.

Buenaventura recently completed a 38-hole core drilling program totaling 13,489 meters on the project. [Click here to view results](#). Twenty of the holes intersected at least one interval grading in excess of 100 grams per tonne silver equivalent (see attached chart). The target at Pachuca consists of high-grade silver-gold mineralization in veins. Most of the holes were widely spaced on 17 separate vein prospects scattered over an area measuring nearly 14 kilometers in an east-west direction and 8 kilometers in a north-south direction.

The ten best drill hole intercepts are presented in the table below.

**2011 PACHUCA DRILLING HIGHLIGHTS**

Vein	Drill Hole	From	To	Width	g/t Gold	g/t Silver	Ag Equivalent*
Investigadora	Pan11-12	217.75	218.60	0.85	1.95	271.47	368.93
Investigadora	Pan11-18	236.25	237.00	0.75	0.97	317.00	365.30
San Marcial	Pan11-19	225.15	225.60	0.45	0.75	657.00	694.50
La Perla	Pan11-22	344.90	345.90	1.00	6.30	53.48	368.23
Santa Rosa	Pan11-25	252.60	255.00	2.40	1.43	158.27	229.79
Santa Rosa	Pan11-27	144.90	145.50	0.60	5.60	837.00	1117.00
Sumbimblia	Pan11-28	46.30	47.35	1.05	16.40	238.86	1058.74
Escribano Norte	Pan11-29	444.45	445.05	0.60	2.60	834.00	964.00
Escondida	Pan11-31	250.30	251.15	0.85	8.40	283.00	703.00
Escribano Sur	Pan11-34	238.85	240.40	1.55	0.90	165.00	210.00

\*Silver Equivalent: 1.0 g/gold = 50 g/silver; true widths of veins have not been estimated.

The drill hole information contained within this release is reported under a quality control program reviewed by Mr. Walt Hunt, COO for Solitario Exploration & Royalty Corp., who is a qualified person as defined by National Instrument 43-101. Samples are derived from 50% splits of HQ and NQ (2.5 and 1.9 inch) diameter core. Samples are then shipped via secured third-party land and air transportation companies and analyzed by ALS Chemex Inc., North Vancouver, Canada, an ISO9002 registered company.

Solitario's 100%-owned Pachuca Real project encompasses approximately 31,300 hectares of mineral rights in and around the famed Pachuca silver-gold mining district. Historic production from the Pachuca district totals approximately 1.4 billion ounces of silver and over 7.0 million ounces of gold, making it one of the largest historic silver-gold districts in the world. Veins in the historic district were very continuous over long distances along strike and down dip, and generally averaged 1.0 to 5.0 meters in thickness. A map of the project area can be viewed on Solitario's website [here](#).

Chris Herald, President and CEO of Solitario, stated, "We are very encouraged with the results of the 2011 drilling program, where holes on at least eleven of seventeen veins tested in 2011 intersected significant silver-gold mineralization. For a grassroots drilling program, we consider this to be an outstanding success rate for intersecting mineralization and we wish to compliment Buenaventura's exploration team for executing such an outstanding effort. The history of the prolific Pachuca district demonstrates that a mineralized vein, no matter how narrow, can develop into a significant mineralized high-grade vein structure as it is followed along strike or down dip. Over the next several months, we will evaluate these results and develop a plan with an eye towards following-up the more significant drill-hole intercepts to test for the widening of the mineralized structures."

### **Exploration History**

The Pachuca Real land package encompasses parts of the old Pachuca district, but more importantly, covers the most prospective extensions of the district to the north, northwest, and east. Prior to Solitario's acquisition of the mineral rights, the entire land package had been held by the Mexican government from 1947 to 1990, and then sold to a private Mexican company. Only a limited amount of exploration was conducted prior to Solitario acquiring its land position in 2006. Subsequent work identified 38 high-quality drill targets consisting of high-grade silver-gold veins that are distributed over a geographic area measuring 20 kilometers long and ten kilometers wide.

### **About Solitario**

Solitario is currently moving its advanced Mt. Hamilton Gold project in eastern Nevada through feasibility, which is expected by late January or early February, 2012. Solitario is a gold, silver, platinum-palladium, and base metal exploration and royalty company actively exploring in Brazil, Mexico, and Peru. Solitario has significant business relationships with Votorantim Metais on its high-grade Bongará zinc project in Peru and Anglo Platinum on its Pedra Branca platinum-palladium project in Brazil. Solitario is traded on the NYSE Amex ("XPL") and on the Toronto Stock Exchange ("SLR"). Additional information about Solitario is available online at [www.solitarioxr.com](http://www.solitarioxr.com)

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*This press release includes certain "Forward-Looking Statements" within the meaning of section 21E of the United States Securities Exchange Act of 1934, as amended. All statements, other than statements of historical fact, included herein, including without limitation, statements regarding potential mineralization and reserves, exploration results and future plans and objectives of Solitario, are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Development of Solitario's properties are subject to the success of exploration, completion and implementation of an economically viable mining plan, obtaining the necessary permits and approvals from various regulatory authorities, compliance with operating parameters established by such authorities and political risks such as higher tax and royalty rates, foreign ownership controls and our ability to finance in countries that may become politically unstable. Important factors that could cause actual results to differ materially from Solitario's expectations are disclosed under the heading "Risk Factors" and elsewhere in Solitario's documents filed from time to time with Canadian Securities Commissions, the United States Securities and Exchange Commission and other regulatory authorities. This release also contains information about adjacent properties on which Solitario has no right to explore or mine. We advise U.S. investors that the SEC's mining guidelines strictly prohibit information of this type in documents filed with the SEC. U.S. investors are cautioned that mineral deposits on adjacent properties are not indicative of mineral deposits on our properties.*

**2011 Pachuca Drilling Results**  
**All Intercepts Greater Than 110 gpt Silver Equivalent**

Vein	Drill Hole Number	From (meters)	To (meters)	Width (meters)	g/t Gold	g/t Silver	Ag Equivalent
Santa Rosa	Pan11-02	358.50	359.00	0.50	0.29	151.00	165.30
Santa Rosa	Pan11-04	151.55	151.80	0.25	0.68	113.00	147.00
Santa Rosa	Pan11-06	149.00	149.65	0.65	0.74	78.40	115.40
		157.25	157.65	0.40	4.44	68.30	290.30
Investigadora	Pan11-08	193.50	194.10	0.60	0.50	93.00	118.15
		197.25	197.50	0.25	0.85	130.00	172.65
Investigadora	Pan11-12	217.75	218.60	0.85	1.95	271.47	368.93
Tepozan	Pan11-13	89.60	90.20	0.60	0.48	97.40	121.15
Investigadora	Pan11-14	232.80	234.50	1.35	0.75	128.89	166.14
		240.65	241.35	0.70	0.88	121.00	164.75
Investigadora	Pan11-18	236.25	237.00	0.75	0.97	317.00	365.30
		242.00	242.20	0.20	0.59	173.00	202.50
San Marcial	Pan11-19	225.15	225.60	0.45	0.75	657.00	694.50
Investigadora	Pan11-20	350.45	351.00	0.55	1.52	337.64	368.55

Vein	Drill Hole Number	From (meters)	To (meters)	Width (meters)	g/t Gold	g/t Silver	Ag Equivalent
La Perla	Pan11-22	344.90	345.90	1.00	6.30	53.48	368.23
San Marcial	Pan11-23	305.00	305.15	0.15	0.05	154.00	156.55
		309.60	310.75	1.15	0.65	154.00	186.35
Santa Rosa	Pan11-25	252.60	255.00	2.40	1.43	158.27	229.79
		256.00	256.45	0.45	4.17	203.00	411.50
		262.40	262.70	0.30	1.42	130.00	201.00
Santa Rosa	Pan11-27	144.90	145.50	0.60	5.60	837.00	1117.00
		151.85	152.65	0.80	0.32	357.38	369.73
		177.60	177.75	0.15	5.66	157.00	440.00
Sumbimblia	Pan11-28	46.30	47.35	1.05	16.40	238.86	1058.74
Escribano Norte	Pan11-29	112.00	112.60	0.60	0.07	303.00	306.50
		125.00	125.20	0.20	0.07	268.00	271.40
		412.20	412.50	0.30	1.90	511.00	606.00
		440.05	440.30	0.25	0.63	346.00	377.45
		444.45	445.05	0.60	2.60	834.00	964.00
San Juan Gallo	Pan11-30	117.70	117.85	0.15	2.78	1010.00	1149.00
		150.05	150.20	0.15	0.44	244.00	265.80
		201.95	202.20	0.25	1.28	269.00	332.75
		205.15	206.10	0.95	0.15	215.16	222.63
		331.45	331.65	0.20	1.50	496.00	571.00
		457.20	457.50	0.30	0.80	120.00	160.00
Escondida	Pan11-31	243.35	243.90	0.55	2.00	178.00	278.00
		246.20	246.60	0.40	6.50	317.00	642.00
		248.00	248.20	0.20	2.00	124.00	224.00
		249.00	249.35	0.35	4.00	135.00	335.00
		249.60	249.80	0.20	4.20	285.00	495.00
		250.30	251.15	0.85	8.40	283.00	703.00
		287.00	287.30	0.30	5.40	486.00	756.00
Escribano Sur	Pan11-34	238.85	240.40	1.55	0.90	165.00	210.00
		311.15	311.35	0.20	0.40	139.00	159.00
		340.10	341.05	0.95	0.60	242.00	272.00
		352.45	352.85	0.40	1.27	470.00	533.50
San Salvador	Pan11-36	49.25	49.60	0.35	0.10	246.00	251.00
		372.00	373.00	1.00	0.23	170.00	181.25
		417.10	417.20	0.10	0.95	141.00	188.65