



August 13, 2012

**SOLITARIO SECURES US\$5.0 MILLION CREDIT FACILITY AGREEMENT
WITH RMB AUSTRALIA HOLDINGS**

Denver, Colorado: Solitario Exploration & Royalty Corp. ("Solitario;" NYSE MKT: **XPL**; TSX: **SLR**) is pleased to announce that it has entered into a US\$5.0 million secured credit facility agreement (the "Facility") with RMB Australia Holdings Limited ("RMB"). The use of proceeds from the Facility will be to advance Solitario's Mt. Hamilton gold project in Nevada and for general corporate purposes.

Chris Herald, President and CEO of Solitario, stated: "This Facility strengthens Solitario's financial position to advance the Mt. Hamilton project through permitting to construction. We are also pleased that another quality financial institution recognized the robust economics of the Mt. Hamilton project. We look forward to building a strong relationship with RMB as the project advances."

Funds drawn on the Facility will bear interest at the rate of the 90-day LIBOR rate plus 5%. The current applicable 90-day LIBOR rate is approximately 0.44%. The Facility has a 36-month term with interest paid quarterly. In connection with the Facility, Solitario paid a 5.0% upfront fee and issued RMB 1,624,748 warrants, each warrant entitling RMB to purchase one common share of Solitario at an exercise price of US\$1.5387 per share (a 23% premium to the prior close) for the three-year period after their issuance. The Facility is secured by a pledge of Solitario's 80% interest in the Mt. Hamilton joint venture and by a general security interest in most of Solitario's remaining assets. The facility agreement has no prepayment penalty.

About Mount Hamilton

Solitario released a feasibility study on the Centennial gold-silver deposit in February 2012 showing favorable economics for an open pit operation with heap leach extraction. Once in operation, the mine is expected to produce 48,000 ounces of gold and 330,000 ounces of silver annually for eight years (or 54,000 gold-equivalent ounces per year at a 55:1 silver to gold ratio). The project has excellent potential to add additional resources and extend the mine life. Currently three drill rigs are operating on the project in the Seligman mineralized area. Solitario owns an 80% interest in the project and is the project manager.

About Solitario

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 MKT ("**XPL**") and on the Toronto Stock Exchange ("**SLR**"). Additional information about Solitario is available online at www.solitarioxr.com

FOR MORE INFORMATION AT SOLITARIO, CONTACT:

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Cautionary Statement Regarding Forward Looking Information

This press release contains forward-looking statements within the meaning of the U.S. Securities Act of 1933 and the U.S. Securities Exchange Act of 1934, and as defined in the United States Private Securities Litigation Reform Act of 1995 (and the equivalent under Canadian securities laws), that are intended to be covered by the safe harbor created by such sections. Forward-looking statements are statements that are not historical fact. They are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made and address activities, events or developments that Solitario expects or anticipates will or may occur in the future, and are based on current expectations and assumptions. Forward-looking statements involve a number of risks and uncertainties. Consequently, there can be no assurances that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Such forward-looking statements include, without limitation, statements regarding the Company's expectation of the projected timing and outcome of engineering studies; expectations regarding the receipt of all necessary permits and approvals to implement the mining plan at Mt. Hamilton; the potential for confirming, upgrading and expanding oxide gold and silver mineralized material at Mt. Hamilton; reserve and resource estimates; operating cost estimates; estimates of gold and silver grades; estimates of recovery rates; expectations regarding the cash flow generated by the property; and other statements that are not historical facts. Although Solitario management believes that its expectations are based on reasonable assumptions, it can give no assurance that these expectations will prove correct. Important factors that could cause actual results to differ materially from those in the forward-looking statements include, among others, risks relating to risks that Solitario's exploration and property advancement efforts will not be successful; risks relating to fluctuations in the price of gold and silver; the inherently hazardous nature of mining-related activities; uncertainties concerning reserve and resource estimates; availability of outside contractors in connection with Mt. Hamilton and other activities; uncertainties relating to obtaining approvals and permits from governmental regulatory authorities; the possibility that environmental laws and regulations will change over time and become even more restrictive; and availability and timing of capital for financing the Company's exploration and development activities, including uncertainty of being able to raise capital on favorable terms or at all; as well as those factors discussed in Solitario's filings with the U.S. Securities and Exchange Commission (the "SEC") including Solitario's latest Annual Report on Form 10-K and its other SEC filings (and Canadian filings) including, without limitation, its latest Quarterly Report on Form 10-Q. The Company does not intend to publicly update any forward-looking statements, whether as a result of new information, future events, or otherwise, except as may be required under applicable securities laws.