



September 10, 2012

**SOLITARIO ANNOUNCES SIGNIFICANT RESOURCE INCREASE FOR ITS
MT. HAMILTON GOLD PROJECT, NEVADA**

Denver, Colorado: Solitario Exploration & Royalty Corp. (“Solitario;” NYSE MKT: **XPL**; TSX: **SLR**) and Ely Gold & Minerals (“Ely Gold;” TSX.V: **ELY**) are pleased to announce a significant resource increase on the Mt. Hamilton gold project in eastern Nevada, U.S.A. A new NI-43-101 compliant resource estimate was completed on the Seligman gold and silver deposit situated roughly 1,500 feet north of the Centennial deposit which contains previously reported reserves and resources. The study was prepared on behalf of Solitario by SRK Consulting (U.S.) Inc. (“SRK”) and serves to update the previously reported (February 22, 2012) Mt. Hamilton Feasibility Study.

The Seligman resource estimate was constrained by an optimized pit using a gold price of \$1,500 per ounce of gold and \$20.00 per ounce of silver. At Seligman, SRK estimated an in-pit Indicated Resource containing 166,691 ounces of gold equivalent (“AuEq”), with an additional in-pit Inferred Resource totaling 87,929 AuEq ounces. This represents nearly a 29% increase in previously reported in-pit Measured and Indicated Resources for the Mt. Hamilton project and a 134% increase in Inferred Resources. The table below provides greater detail to the recently completed Seligman in-pit resource estimate.

**Mineral Resource Statement, Seligman Gold-Silver Deposit,
White Pine County, Nevada, July 31, 2012**

Resource Category	Tons millions	Gold Grade		Silver Grade*		AuEq	Contained Ounces		
		Oz/Ton	g/Tonne	Oz/Ton	g/Tonne		Oz/ Ton	Gold	Silver
Indicated	6.96	0.022	0.76	0.097	3.34	0.024	154,388	676,665	166,691
Inferred	3.77	0.021	0.71	0.144	4.94	0.023	78,044	543,671	87,929

- Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that any part of the Mineral Resources estimated will be converted into Mineral Reserves estimate;
- Resources stated as contained within a potentially economically minable open pit;
- Pit optimization was based on assumed gold and silver prices of US\$1,500/oz and US\$20.00/oz, respectively, effective heap leach recoveries of 70% for gold in skarn and 65% for gold in igneous, and 35% for silver, an ore mining and a processing cost of US\$6.45/t; and pit slopes of 50°.
- Gold Equivalent (AuEq) was calculated using a Ag: Au ratio of 55:1 (\$1600/ozAu/\$29/ozAg); and
- Numbers in the table have been rounded to reflect the accuracy of the estimate and may not add due to rounding.

The Seligman resource estimate was based on the pre-existing Mt Hamilton database consisting of 531 drill holes. The data was verified/validated by SRK in compliance with NI-43-101 requirements. The Seligman mineralization was mined for several years in the mid-1990’s, but mining ceased in 1997 due to low gold prices. Seligman mineralization, if mined, would require significantly less pre-stripping of waste than the Centennial ore body situated immediately to the

south. This could advance initial production by at least six months and reduce initial capital costs by \$5.0 to \$7.0 million, compared to the Centennial Feasibility Study mining plan that did not include Seligman mineralization. Maps showing the proximity of Seligman mineralization to the Centennial reserves and proposed mine infrastructure can be accessed at <http://www.solitarioxr.com/art/Seligman.pdf>. Additional project information is found at <http://www.solitarioxr.com/hamilton.html>.

Chris Herald, President and CEO of Solitario, stated, “Solitario is now well within sight of achieving its objective of growing the Mt. Hamilton resource base to over a million ounces. We are designing a mine plan that considers initially developing part of the Seligman deposit and incorporating this into our soon to be filed Plan of Operations. We are also in the process of completing a 70-hole drilling program that focuses on converting Inferred Resources to Measured and Indicated Resources and to further expand mineralization at both the Seligman and Centennial deposits. The Seligman resource estimate reported in this release does not include any results from the current drilling program. We are also conducting metallurgical, environmental and geotechnical drilling at Seligman as part of our economic evaluation of this deposit.”

Trey Wasser, Ely Gold’s President and CEO, stated, “Seligman mineralization is an important component of the emerging growth potential at Mt. Hamilton. With the proceeds from the recent financings with Sandstorm Gold Ltd. (TSX-V: “SSL”) and RMB Australia Holdings Limited, the Mt. Hamilton LLC is fully funded to upgrade and potentially expand Seligman/Centennial resources and continue the permitting process for mine development. In 2013 the joint venture is also planning to test the Wheeler Ridge exploration area situated south of the Centennial ore body.”

Cautionary Note to U.S. Investors concerning estimates of Resources: This news release uses the terms “Measured, Indicated and Inferred Resources.” The Company advises U.S. investors that while these terms are recognized and required by Canadian regulations, the SEC does not recognize the terms. U.S. investors are cautioned not to assume that any part or all of Measured or Indicated Mineral Resources will ever be converted into Reserves. Inferred Resources have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. U.S. investors are cautioned not to assume that any part or all of a *measured, indicated or inferred* resource exists, or is economically or legally minable.

Mt. Hamilton Feasibility Study

The Mt. Hamilton Feasibility Study completed earlier this year detailed the development of an open pit mining operation with heap leach processing and projected gold recoveries of 79%. The reserves are contained within a well-defined ore body displaying excellent continuity of mineralization that will be mined within a single open pit. Processing is straight forward with two-stage crushing to minus ¾-inch, no agglomeration and rapid gold leach rates, followed by conventional ADR (adsorption-desorption-recovery) metal extraction.

The Feasibility Study estimated life-of-mine cash operating costs on a gold equivalent basis (at a 55:1 silver to gold ratio) to be approximately \$575 per gold-equivalent ounce recovered (including the costs of a 2.4% NSR sold after completion of the Feasibility Study). The economic base case in the Feasibility Study assumes a \$1,323 life-of-mine gold price and a \$25.34 silver price, generating approximately \$226 million in cash flow (operating margin – EBITDA) over the mine’s anticipated eight-year mine life. Initial capital costs are estimated at \$71.9 million, including a contingency of \$6.3 million. Silver production contributes approximately 11% to the overall project revenues. The average waste to ore stripping ratio is 2.4 to 1.

**Mineral Reserves Statement, Centennial Gold-Silver Deposit,
White Pine County, Nevada, SRK Consulting (Inc.)**

Reserve Category	Tons (millions)	Gold Grade		Silver Grade*		Contained Gold (oz)	Contained Silver (oz)
		Oz/Ton	g/Tonne	Oz/Ton	g/Tonne		
Proven	0.923	0.032	1.10	0.155	5.31	29,300	142,700
Probable	21.604	0.021	0.72	0.134	4.59	457,800	2,884,300
Prov.+Probable	22.527	0.022	0.75	0.136	4.66	487,100	3,028,200

*Reported silver grade is cyanide soluble.

Mineral reserves were estimated from a pit design based on \$1,200/oz. gold and \$20/oz. silver prices. The cutoff grade used to estimate reserves was 0.006 oz/t gold equivalent (0.20 grams/tonne) and is the internal cutoff grade. Multiple pit scenarios were evaluated using these criteria under a range of gold prices to determine the most favorable pit design for both optimal resource extraction and cash flow.

**Mineral Resource Statement, Centennial Gold-Silver Deposit,
White Pine County, Nevada, SRK Consulting (Inc.)**

Resource Category	Tons (000's)	Gold Grade (oz/t)	Contained Gold(oz)	Silver Grade (oz/t)	Recoverable Silver(oz)*
Measured	918	0.032	29,524	0.155	142,152
Indicated	22,732	0.022	497,330	0.132	3,010,471
Measured and Indicated	23,650	0.022	526,854	0.133	3,152,624
Inferred	3,454	0.018	60,859	0.079	273,457

- Mineral Resource Table above is inclusive of Mineral Reserve Statement estimate for Centennial.
- Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources estimated will be converted into Mineral Reserves estimate;
- Resources stated as contained within a potentially economically minable open pit above a 0.006 oz/t AuEq CoG;
- Pit optimization is based on assumed gold and silver prices of US\$1,600/oz and US\$40.00/oz, respectively, effective heap leach recoveries of 75% and 30% for gold and silver, respectively, a mining, processing and G&A cost of US\$5.81/t; Net Smelter Return 1% and pit slopes of 50°.
- Reported Au ounces are contained metal subject to process recovery which will result in a reduced number of payable ounces;
- * Reported Ag ounces have already received a recovery discount during resource modeling; therefore, there will be minimal further reduction of payable Ag ounces after processing; and
- Numbers in the table have been rounded to reflect the accuracy of the estimate and may not add due to rounding.

The Feasibility Study and the Seligman NI-43-101 Seligman resource estimate were prepared by SRK Consulting (U.S.), Inc., an independent and internationally recognized mining engineering firm. The Feasibility Study provides mineral resource and mineral reserve estimates, and a classification of resources and reserves in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum Standards on Mineral Resources and Reserves: Definitions and Guidelines, November 27, 2010 (CIM). It also meets the standards of the U.S. Securities and Exchange Commission Industry Guide 7 for estimating and reporting reserves. This release has been reviewed for accuracy by Mr. J. B. Pennington of SRK and for Solitario by Walter Hunt, Chief Operating Officer, both of whom are “qualified persons” as that term is defined in NI 43-101.

Terms of the Mt. Hamilton LLC Joint Venture

Solitario and Ely Gold formed Mt. Hamilton LLC (“MH-LLC”), a limited liability company which now holds 100% of the Mt. Hamilton project assets under an Operating Agreement (“MH-Agreement”). Solitario holds an 80% interest in MH-LLC, and DHI-US. Ely Gold’s wholly owned US subsidiary, holds a 20% interest in MH-LLC. Further Solitario obligations include arranging project financing, and making future property and advanced royalty payments.

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.

About Ely Gold

Ely Gold is focused on the acquisition and development of gold resources in North America. Ely Gold is traded on the TSX Venture Exchange (“ELY”). Additional information about Ely Gold is available online at www.elygoldandminerals.com

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Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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.