

October 1, 2012

**SOLITARIO REPORTS CONTIUED DRILLING SUCCESS
ON ITS BONGARÁ HIGH-GRADE ZINC PROJECT, PERU**

Denver, Colorado: Solitario Exploration & Royalty Corp. (NYSE MKT: **XPL**; TSX: **SLR**) announced continued outstanding drilling results on its high-grade Bongará zinc project in Peru. Included in these results are core holes V-287, that intersected 7.9 meters grading 24.6% zinc, 2.7% lead and 30.5 gpt silver and hole V-351 that intersected 13.0 meters grading 12.9% zinc, 4.3% lead and 32.4 gpt silver.

All drill holes reported in this news release were drilled from the surface in the Karen Milagros mineralized area ("KM-Zone"), except for three surface core holes that tested the southwestern extent of the San Jorge zone. The drilling program was managed and entirely funded by Solitario's joint venture partner Votorantim Metais ("Votorantim"). Better intercepts in this round of surface drilling are presented below.

Drilling Highlights: KM-Zone

Drill Hole Number	Intercept* (meters)	Zinc %	Lead %	Zn + Pb %	Silver gpt
V-287	7.9	24.56	2.69	27.25	30.51
V-288	5.4	17.71	6.04	23.75	49.12
V-325	9.0	11.06	1.18	12.24	12.71
V-329	11.4	8.09	0.29	8.38	2.31
V-330	12.6	8.99	1.91	10.9	12.28
V-333	11.0	8.41	0.86	9.27	6.05
and	7.7	12.57	9.33	21.90	7.70
V-334	4.8	24.67	5.45	30.12	42.35
V-350	8.6	7.1	4.13	11.23	28.35
V-351	13.0	12.94	4.31	17.25	32.37
V-368	5.6	11.61	3.84	15.45	23.84

* True thickness has not been estimated for each individual intercept.

Surface drilling began late in the fourth quarter of 2011 and was finished in the third quarter of 2012. During this period 50 core holes were completed in the KM-Zone and three holes in the San Jorge Zone. Remarkably, 46 of the 53 drill holes intersected mineralization grading in excess of 2.0% zinc + lead over at least two meters, or equivalent. Important mineralized intercepts are reported in a table appended to this news release. None of the results contained in this news release were previously reported.

Fifteen-hundred meters south of the KM-Zone, three surface core holes successfully tested the southwestern extension of the San Jorge Zone. These results are provided below.

San Jorge Zone Drilling Results

Drill Hole Number	Intercept* (meters)	Zinc %	Lead %	Zn + Pb %	Silver gpt
V-362	1.0	16.10	16.75	32.85	13.50
V-365	0.9	4.84	0.00	4.84	1.50
V-369	1.6	8.65	0.00	8.65	8.96
	1.5	8.79	0.00	8.79	4.57
	2.0	5.65	0.00	5.65	1.45
	13.0	10.15	0.14	10.29	12.97

* True thickness has not been estimated

In addition to these three surface holes, 70 underground core holes were recently completed in the San Jorge zone. The final results, which included a number of thick, high-grade intercepts, were reported in a release dated August 23, 2012. Both the KM and San Jorge mineralized zones are contained within the Florida Canyon mineralized system which remains open to expansion in all directions. Objectives of a planned 2013 surface drilling program will be to expand the KM-Zone to the northeast and the San Jorge Zone to the south, to demonstrate the physical continuity between the KM and San Jorge zones, and to test new district targets outside of previously drilled areas.

Chris Herald, President and CEO of Solitario commented, "Once again, these most recent drilling results are exceptional and further extend and infill mineralization in the KM-Zone. As a result of these and other equally strong drilling results in the KM-Zone, Votorantim is planning to drive a 700-meter exploration tunnel in 2013 into the heart of the Karen Milagros zone to better define the geometry of mineralization, as well as extend the San Jorge tunnel a further 300 meters south to further test open high-grade zinc mineralization. As positive as 2012 drilling and development activities have been for the Bongará project, we believe that Votorantim's 2013 surface and underground plans have an even higher potential to create value."

A drill hole map can be accessed at <http://www.solitarioxr.com/art/Bongara100112.pdf>. Additional project information is found at <http://www.solitarioxr.com/bongara.html>.

Drill hole information contained within this release is reported under Votorantim's 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.

Bongará Joint Venture Agreement with Votorantim Metais

Votorantim Metais can earn up to a 70% interest in the project by committing to place the project into production based upon a positive feasibility study. After earning 70%, Votorantim

Metals has further agreed to finance Solitario's 30% participating interest for construction. Solitario will repay the loan facility through 50% of its net cash flow distributions.

About Votorantim Metais

Votorantim Metais belongs to a privately held Brazilian business conglomerate that is a leader in every market segment in which it operates, including cement, pulp and paper, metals, chemicals, orange juice, and finance. The metals business division accounted for 29% of revenues from production of zinc, nickel, steel and aluminum. Votorantim Metais is the world's fifth largest primary zinc producer with three operating zinc smelters and two operating zinc mines. It owns the Cajamarquilla zinc smelter and is the majority shareholder of Milpo, both located in Peru. Votorantim Metais also has operations in the United States and China.

About Solitario

Solitario recently completed a Feasibility Study (February 22, 2012) and reported a significant resource increase (September 10, 2012) on its 80%-owned Mt. Hamilton Gold project in eastern Nevada. Solitario is a gold, silver, platinum-palladium, and base metal exploration and royalty company actively exploring in the United States, Brazil, Mexico, and Peru. Besides Votorantim, Solitario has a significant business relationship with Anglo Platinum, with Anglo funding the continued exploration of the Pedra Branca PGM 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

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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, future plans and objectives of Solitario's joint venture partner Votorantim Metais 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.

2012 Surface Drilling Results: Karen-Milagros Zone
(Intervals With Grade (Zn + Pb) x Thickness Greater Than 4.0)

Drill hole	From (m)	To (m)	Interval (m)	Zinc (%)	Pb (%)	Zn + Pb (%)	Silver Grams/t
V_279	248.9	251.9	3.0	1.67	0.14	1.81	2.12
	274.6	276.2	1.6	4.20	2.07	6.27	13.96
	295.5	297.0	1.5	3.21	0.00	3.21	0.85
	308.9	309.6	0.7	14.20	10.75	24.95	55.00
V_280	164.1	165.3	1.2	9.65	0.17	9.82	3.33
V_281	249.4	250.1	0.7	7.19	0.62	7.81	4.30
	258.1	262.1	4.0	2.22	0.51	2.73	4.27
V_287	268.1	276.0	7.9	24.56	2.69	27.25	30.51
	296.4	298.7	2.3	6.69	15.06	21.75	97.92
V_288	266.4	268.4	2.0	5.14	0.41	5.55	4.36
	273.7	275.0	1.3	4.87	0.26	5.13	2.90
	294.0	299.4	5.4	17.71	6.04	23.75	49.12
V_289	145.1	146.9	1.8	20.45	0.22	20.67	4.69
	157.3	162.4	5.1	7.67	2.12	9.79	16.88
V_290	151.6	155.6	4.0	7.03	2.06	9.09	20.15
V_304	135.7	143.0	7.3	6.04	0.11	6.15	1.04
	158.6	164.6	6.0	8.03	2.55	10.58	22.17
V_317	135.5	136.3	0.8	6.03	0.12	6.15	1.20
	149.1	154.2	5.1	2.67	0.46	3.13	3.77
V_318	252.3	253.6	1.3	3.36	0.18	3.54	1.80
V_319	155.9	157.9	2.0	11.07	0.15	11.22	3.03
	171.8	173.8	2.0	8.20	0.95	9.15	8.41
V_320	168.8	169.8	1.0	6.74	0.13	6.87	1.10
	188.5	190.5	2.0	4.79	0.20	4.99	2.69
V_321	254.3	257.0	2.7	5.79	1.75	7.54	11.93
	271.1	274.7	3.6	10.12	2.71	12.83	19.02
V_322	140.8	145.1	4.3	4.84	0.31	5.15	2.44
	146.5	147.6	1.1	5.37	0.37	5.74	2.71
	164.8	166.5	1.7	3.31	0.07	3.38	0.71
V_323	256.6	258.8	2.2	12.47	10.81	23.28	68.36
	311.4	314.5	3.1	0.91	5.88	6.79	32.24
V_324	147.5	148.0	0.5	9.42	5.09	14.51	23.70
	156.3	157.0	0.7	3.57	4.65	8.22	20.80
V_325	138.8	147.8	9.0	11.06	1.18	12.24	12.71
	158.3	162.0	3.7	9.48	0.45	9.93	3.70
V_326	95.0	97.0	2.0	3.29	0.01	3.30	0.25
	106.4	108.2	1.8	4.00	0.45	4.45	3.36
	127.7	130.0	2.3	9.35	1.09	10.44	7.67
	132.7	133.4	0.7	6.71	0.01	6.72	1.00
V_327	144.0	148.0	4.0	7.19	0.80	7.99	5.14

V_329	146.0	157.4	11.4	8.09	0.29	8.38	2.31
	161.6	167.5	5.9	6.85	2.53	9.38	20.22
V_330	85.3	97.9	12.6	8.99	1.91	10.90	12.28
	115.4	116.9	1.5	13.11	0.17	13.28	3.16
V_331	83.6	91.0	7.4	5.57	2.55	8.12	15.88
	92.6	97.5	4.9	4.27	0.20	4.47	1.60
V_332	150.1	153.1	3.0	1.55	4.23	5.87	29.17
	168.0	168.3	0.3	12.80	3.27	16.07	61.40
V_333	92.1	103.1	11.0	8.41	0.86	9.27	6.05
	113.3	117.5	4.2	8.97	2.91	11.88	25.75
	121.3	129.0	7.7	12.57	9.33	21.90	7.70
V_334	106.0	110.0	4.0	6.79	0.73	7.52	5.59
	121.4	124.2	2.8	7.43	1.13	8.56	9.17
	131.8	136.6	4.8	24.67	5.45	30.12	42.35
	141.4	142.9	1.5	5.45	0.01	5.46	1.33
V_335	176.0	178.8	2.8	4.93	1.62	6.55	24.84
V_336	86.8	92.5	5.7	3.59	0.76	4.35	3.95
	97.0	100.4	3.4	5.38	0.36	5.74	4.35
V_338	86.3	90.5	4.2	5.03	0.13	5.16	1.64
	102.4	103.8	1.4	22.33	1.73	24.06	17.50
V_339	141.5	142.5	1.0	24.90	4.47	29.37	24.80
	159.0	162.0	3.0	6.65	0.65	7.30	6.23
V_340	146.4	148.7	2.3	3.39	0.14	3.53	2.17
	161.5	165.6	4.1	5.01	0.68	5.69	5.96
V_349	144.1	150.1	6.0	8.36	0.87	9.23	4.82
V_350	170.5	179.1	8.6	7.10	4.13	11.23	28.35
	183.5	187.2	3.7	12.88	3.36	16.24	31.11
V_351	197.8	210.8	13.0	12.94	4.31	17.25	32.37
V_352	142.0	144.3	2.3	4.11	0.37	4.48	13.58
V-359	167.2	167.7	0.5	11.75	0.00	11.75	1.80
V-360	154.7	159.5	4.8	7.61	1.85	9.46	16.11
	207.9	212.2	4.3	4.66	0.48	5.14	3.66
	215.9	217.5	1.6	2.64	0.01	2.65	0.48
V-361	157.3	159.3	2.0	3.68	1.23	4.91	9.73
	174.2	176.9	2.7	3.23	0.08	3.31	1.09
V-362	481.3	482.3	1.0	16.10	16.75	32.85	13.50
V-363	170.2	170.5	0.3	25.10	7.36	32.46	157.00
	181.0	185.9	4.9	3.00	0.09	3.09	1.01
	187.9	190.9	3.0	4.95	0.84	5.79	6.11
V-364	239.4	241.8	2.4	9.29	0.01	9.30	1.54
V-367	281.7	285.4	3.7	18.12	0.93	19.05	9.51
V-368	174.5	179.5	5.0	2.60	0.64	3.24	6.33
	186.2	189.1	2.9	2.74	0.24	2.98	1.78
	314.1	315.8	1.7	2.81	0.09	2.90	0.75

	324.0	329.6	5.6	11.61	3.84	15.45	23.84
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