



ELY GOLD & MINERALS INC.

October 20, 2010

**ELY GOLD & MINERALS' SHAREHOLDERS APPROVE
MT. HAMILTON JOINT VENTURE;
SOLITARIO MAKES SECOND PRIVATE PLACEMENT INTO ELY**

Denver, Colorado: Solitario Exploration & Royalty Corp. ("Solitario;" NYSE Amex: **XPL**; TSX: **SLR**) announced that Ely Gold & Minerals Inc. ("Ely;" TSX.V: **ELY**) received shareholder approval and TSX-Venture Exchange acceptance for the previously announced Letter of Intent ("LOI") to joint venture Ely's Mt. Hamilton advanced gold project situated at the southern end of the prolific Battle Mountain gold trend in eastern Nevada. Solitario may earn up to an 80% interest in the project by completing various staged commitments. In addition, Solitario has funded the second tranche private placement in Ely of CDN\$250,000 for units, described below. This placement is part of a previously disclosed Letter of Intent between Solitario and Ely signed on August 26, 2010.

Chris Herald, President and CEO, stated, "With the approval of the LOI by Ely's shareholders, and the anticipated signing of a definitive joint venture agreement in accordance with the terms of the LOI, we can now focus on rapidly advancing this very attractive advanced stage gold project. Within the next two weeks we intend to mobilize two drill rigs to conduct additional deposit definition drilling on the Centennial deposit, as well as several geotechnical and hydrologic holes required for completion of a bankable feasibility study."

Terms of the LOI

Solitario has funded the second \$250,000 tranche for 1,666,666 units at a price of CDN\$0.15 per unit of the previously announced private placement of 3,333,333 units of Ely, which brings the total aggregate consideration for both tranches to CDN\$500,000. Each unit consists of one common share and one-half share purchase warrant entitling the holder of a whole warrant to purchase an additional share of Ely for CDN\$0.25, with such warrant expiring two years from the subscription date. Upon signing the LOI in late-August 2010, Solitario subscribed to the first tranche of the agreed to two-stage financing under terms identical to the second tranche. The shares received in this second tranche will have a four-month hold period which will expire on February 21, 2011.

Solitario is committed to spend \$1.0 million on exploration and feasibility work and to pay US\$300,000 in an advanced royalty payment as part of the LOI. After completing these

initial commitments, Solitario may elect to terminate its interest in the Mt. Hamilton project at any time and will have no further earn-in obligations on the project.

To earn its full 80% interest in the project and fulfill other LOI commitments Solitario is further required to:

- Make cash payments to the subsidiary of Ely which will hold Ely's joint venture interest totaling US\$2.75 million in cash, issue 300,000 shares of Solitario common stock, and subscribe to US\$2.50 million worth of Ely common stock at market, all of which are scheduled from 2011 through mid-2015.
- Make payments of US\$300,000 per year in advanced royalty payments that are deductible against future production royalties to the underlying royalty owner, and prior to commercial production, pay \$5.0 million to reduce the NSR royalty rate from 8% to 3%.
- Complete a bankable feasibility study.
- Upon request, arrange 100% project financing for development of the Mt. Hamilton project after completion of a bankable feasibility study. Construction and permitting costs incurred after feasibility will be shared pro-rata, however, Ely may elect to have Solitario fund all costs with such costs, plus interest, to be repaid by the joint venture to Solitario out of 80% of Ely's share of net proceeds from the joint venture.

For a more complete list of the terms and conditions under the LOI, a copy of the LOI is available online at www.sedar.com, www.solitarioxr.com & www.elygoldandminerals.com

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, Compañia de Minas Buenaventura S.A.A. Anglo Platinum, and Newmont Mining. Solitario has approximately US\$18 million in net cash and marketable securities. 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

About Ely

Ely is focused on acquisition and development of gold resources in the Americas. The Company is currently evaluating other near term production assets with a partnership business model focused on cash flow. Ely is traded on the TSX Venture Exchange ("ELY"). Additional information about Ely is available online at: www.elygoldandminerals.com

FOR MORE INFORMATION AT SOLITARIO, CONTACT:

Debbie Mino-Austin Director – Investor Relations	(800) 229-6827
Christopher E. Herald President & CEO	(303) 534-1030

FOR MORE INFORMATION AT ELY, CONTACT:

Steve Kenwood President	(604) 488-1104
Trey Wasser EVP Corp Development	(940) 365-1314

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.

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 and the United States Securities and Exchange Commission.