



September 19, 2011

SOLITARIO REPORTS PROGRESS ON ITS MT. HAMILTON GOLD PROJECT, NEVADA

Denver, Colorado: Solitario Exploration & Royalty Corp. ("Solitario," NYSE Amex: **XPL**; TSX: **SLR**) and Ely Gold & Minerals ("Ely Gold," TSX.V: **ELY**) are pleased to announce significant progress on their advanced Mt. Hamilton gold-silver project located at the southern end of the prolific Battle Mountain gold trend, Nevada. Virtually all work currently being conducted is related to feasibility and permitting in anticipation of making a production decision for the Centennial deposit early in 2012. Completion of the feasibility study is expected in later part of the fourth-quarter 2011, with a Plan of Operations to be filed soon thereafter.

Ongoing feasibility-level engineering has identified several important improvements over the previous mine plan outlined in the Updated Preliminary Economic Assessment (PEA) completed in July 2010 by Ely. Highlights of these improvements include:

- Production rate increased from 5000 to 8,500 tons per day with an estimated mine life of approximately seven years
- An updated and improved resource model for mine scheduling
- An increase in the sizing of mining equipment for greater productivity and cost efficiency
- Improved ore delivery scheme from the open pit to the heap leach pad
- Enhanced environmental design for ore transportation and heap leach pad location
- Favorable results concerning water availability and waste rock characterization

SRK Consulting (U.S.), Inc., an independent international mine engineering firm, has been engaged by Solitario to manage and complete the feasibility study for Mt. Hamilton. The final mine and processing plan is nearly complete. Mining will occur in a single pit with 20-foot mine benches utilizing 100-ton capacity haul trucks. Ore will be hauled approximately 3,500 feet to the primary crusher. Waste will be hauled to a single waste storage area. The life-of-mine waste-to-ore ratio is estimated at approximately 2.5 tons of waste to 1.0 tons of ore.

The current mine plan reduces the ore haulage distance and related expenses by dropping crushed ore approximately 350 feet down a vertical underground ore pass where it will then be transported via conveyor belt through a 3,400-foot tunnel to a secondary crusher. The secondary crusher will reduce the ore to minus ¾-inch, after which it will then be conveyed about 1,000 feet to the heap leach pad. A standard ADR recovery plant will recover gold and silver in the form of doré. Final recovery rates are expected to be in the range of 75% for gold and 36% for silver. The heap leach pad and recovery plant will be situated on private property.

Solitario is concurrently completing other work supporting the mine plan including completion of a Plan of Operations to be filed with the U.S. Forest Service as required for environmental permitting

with the state and federal agencies. In addition, Solitario has embarked on a core drilling program to further test extensions of higher grade mineralization along the eastern edge of the Centennial deposit and to test for new mineralization at the Chester prospect area situated approximately one-mile south of the Centennial deposit.

Chris Herald, President and CEO of Solitario commented, "We are extremely pleased with the substantial improvements that have been made in the operational design of the Mt. Hamilton project and believe that these changes will result in enhanced overall economics and operational efficiencies for the project moving forward."

John Brownlie, Executive Chairman of Ely Gold stated, "The robust economics of this project should be further enhanced by some very creative mine planning and material handling. The vertical ore pass and underground extraction tunnel could also increase our exploration options, possibly increasing minable resources and mine life.

"Solitario is an outstanding joint venture partner and has added significant value to the fast tracked development of the Mt. Hamilton Project," stated Trey Wasser, Ely Gold's President & CEO.

Terms of the Mt. Hamilton LLC Joint Venture

Solitario and Ely Gold formed the 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"). Per the terms of the MH-Agreement, DHI-US, Ely Gold's wholly owned US subsidiary, currently has a 90% initial interest in the MH-LLC and Solitario has a 10% initial interest. Solitario can earn up to an 80% interest in the MH-LLC by completing a feasibility study. 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, Peru and Nevada. Solitario has significant business relationships with Votorantim Metais, Compañía de Minas Buenaventura S.A.A., Anglo Platinum, and Newmont Mining. Solitario has approximately US\$16 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 Gold

Ely Gold is focused on the acquisition and development of gold resources in North America. The Company is currently working toward production from the Centennial Gold Deposit, a project located on the Company's 100% owned Mount Hamilton property. More recently, Ely Gold has entered into a series of transactions to acquire a portfolio of assets in the Abitibi Gold Camp in Quebec. Ely Gold is traded on the TSX Venture Exchange ("ELY"). Additional information about Ely Gold 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 GOLD, CONTACT:

Steve Kenwood Director	(604) 488-1104
Trey Wasser President & CEO	(972) 803-3087

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.

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