



September 19, 2013

**SOLITARIO ANNOUNCES RESOURCE AND METALLURGY UPDATE  
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 an updated resource estimate and favorable metallurgical testing results on the Mt. Hamilton gold project in eastern Nevada, U.S.A. A new NI-43-101 compliant Mt. Hamilton resource estimate was completed incorporating both the Centennial and Seligman gold and silver deposits. The resources for these two deposits were previously reported separately; however, drilling completed in 2012 suggests that these two mineralized zones are a single deposit and could be potentially mined by a single pit. The recently completed metallurgical testing on the Seligman area oxide mineralization has shown similar column leach gold recoveries and moderately enhanced silver recoveries compared to the Centennial area mineralization. This 2013 resource estimate was prepared on behalf of Solitario by SRK Consulting (U.S.) Inc. (“SRK”) and serves to update the previous resource estimate for the Mt. Hamilton Project stated in the most recent October 25, 2012 Technical Report.

The updated Mount Hamilton resource estimate was constrained by a potentially mineable optimized pit using a gold price of \$1,500 per ounce of gold and \$25.00 per ounce of silver. The in-pit Measured and Indicated Resource, at a cutoff grade of 0.006 ounces per ton gold, contains approximately 791,000 ounces of gold equivalent (“AuEq”) using a 60:1 silver-to-gold ratio. An additional Inferred Resource totaling approximately 207,000 AuEq ounces is also estimated within the optimized pit. Previously reported Mineral Reserves for the Centennial deposit are fully contained within, and are not additional to the Mineral Resources stated in the table below.

**Mineral Resource Statement, Mount Hamilton Gold-Silver Deposit,  
White Pine County, Nevada, September 19, 2013**

Resource Category	Tons millions	Gold Grade		Silver Grade		AuEq Oz/Ton	Contained Ounces (thousands of oz.)		
		Oz/Ton	g/Tonne	Oz/Ton	g/Tonne		Gold	Silver	AuEq
Measured	1.43	0.029	0.99	0.21	7.17	0.032	42.1	298.3	47.1
Indicated	30.45	0.021	0.72	0.19	6.62	0.024	645.6	5,889.60	743.8
Measured + Indicated	31.88	0.022	0.75	0.19	6.65	0.025	687.7	6,187.90	790.8
Inferred	10.33	0.017	0.58	0.16	5.62	0.020	178.8	1,685.90	206.9

- 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\$25.00/oz, respectively, effective heap leach recoveries of 79.3% for gold, and 39.3% for silver, an average ore mining and a processing cost of US\$6.04/t; and pit slopes of 50°;
- Resources are reported using a 0.006 ounce per short ton gold cutoff grade;
- Gold Equivalent (AuEq) was calculated using a Ag: Au ratio of 60:1; and
- Numbers in the table have been rounded to reflect the accuracy of the estimate and may not sum due to rounding.

Gold and silver mineralization is hosted in moderate to strongly oxidized calc-silicate skarn and hornfels and altered granodiorite. The new Mt. Hamilton resource estimate was based --on 857 drill holes with an average hole depth of 396 ft for a total of 317,739 ft of drilling. The drill data were verified and validated by SRK in compliance with NI-43-101 requirements. This consolidated Mt. Hamilton resource estimate includes 60 new infill drill holes that converted earlier Inferred Seligman resources to the Indicated category, while also expanding the Seligman resource.

This resource estimate utilizes lower gold and silver price assumptions (\$1,500 versus \$1,600 for gold and \$25.00 versus \$40.00 for silver) than the previous Centennial resource estimate, and similar gold and silver price assumptions to those used for the 2012 Seligman estimate. It should be emphasized that more conservative specific gravity assumptions were incorporated into this latest resource model in comparison to previous models based on recently completed, more detailed density testing.

Solitario is currently working on a new mine plan that considers mining the Seligman deposit first as it would require less pre-stripping of waste than previously envisioned in mining only the Centennial deposit. This could advance initial ore delivery by as much as six months, reduce working capital costs, modestly increase initial capital costs and reduce life-of-mine operating costs compared to the 2012 Centennial Feasibility Study mining plan that did not include Seligman mineralization. 2013 field work includes drilling two geotechnical core holes to better design the conveyor adit and vertical ore pass that connects the Mt. Hamilton open pit operations to the heap leach facilities. Figures showing the new resource model for the combined Seligman - Centennial resource can be accessed at <http://www.solitarioxr.com/art/Seligman-CentennialResourceModel.pdf>. Additional project information is found at <http://www.solitarioxr.com/hamilton.html>.

Chris Herald, President and CEO of Solitario, stated, "With this increase in our resource base, the project is now at the million ounce threshold of contained gold-equivalent mineralization. An updated reserve estimate and an expanded mine plan will be initiated in the fourth quarter. The objective is to increase the production rate and mine life from the eight-year 8,500 tpd plan developed in the 2012 Feasibility Study to a 10,000 tpd production profile with a nine or ten-year mine life."

Trey Wasser, Ely Gold's President and CEO, stated, "All the building blocks necessary to permit, finance, design and construct the Mt. Hamilton gold project are falling into place on schedule. We are pleased with our solid progress on the permitting front and Mt Hamilton LLC remains fully financed through 2014."

**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.**

## **Seligman Metallurgical Testing Results**

Metallurgical testing of Seligman area oxide mineralization was recently completed with overall favorable results that were similar to metallurgical test work on the Centennial ores. In summary, the Seligman skarn and igneous oxide ores are amenable to cyanidation. Column leach test results averaged 80 percent for gold and 43.6 percent for silver, and are similar to the 2012 Centennial Feasibility Study recoveries of 79 percent for gold and 38 for percent silver. Additionally, projected recoveries were achieved in 120 days compared to 160 days in the Feasibility Study. The ¾-inch crush size for leaching recommended in the 2012 Mt. Hamilton Technical Report was also confirmed to be appropriate for the Seligman ore.

## **2012 Mt. Hamilton Feasibility Study**

The Mt. Hamilton Feasibility Study on the Centennial Deposit updated in October, 2012 detailed the development of an open pit mining operation with heap leach processing. The economic base case in the Feasibility Study assumed 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. 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). Initial capital costs were estimated at \$71.9 million, including a contingency of \$6.3 million. 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. Waste to ore stripping ratio was 2.4 to 1.

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 consulting 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 Mineral 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, Hochschild Mining on its Pachuca Norte silver-gold project in Mexico 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 <http://www.solitarioxr.com>.

## About Ely Gold

Ely Gold is focused on the acquisition and development of gold resources in Nevada, including its recently acquired Green Springs property, 10 miles south of Mt. Hamilton. Ely Gold is traded on the TSX Venture Exchange ("ELY"). Additional information about Ely Gold is available online at [www.elygoldandminerals.com](http://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.*