



January 15, 2013

SOLITARIO RECEIVES \$4.0 MILLION PAYMENT FROM SANDSTORM AND UPDATES ACTIVITIES ON 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 that the joint venture has received the second and final payment of \$4.0 million from Sandstorm Gold (NYSE MKT: SAND; TSXV: SSL.V) for the sale of a NSR royalty on its Mt. Hamilton gold-silver project in Nevada. On June 11, 2012 Solitario announced the sale of a 2.4% NSR royalty for \$10.0 million and received an initial US\$6.0 million payment from Sandstorm. The Mt. Hamilton gold project, located in Nevada, U.S.A., is held by Mt. Hamilton LLC ("MH-LLC") that is 80%-owned by Solitario and 20%-owned by Ely.

As part of the agreement with Sandstorm, MH-LLC has an option to repurchase up to 100% of the NSR for US\$12 million, provided that Solitario enters into a gold stream agreement with Sandstorm that has an upfront deposit of no less than US\$30 million. This option expires on December 11, 2014. In addition, MH-LLC has provided Sandstorm with a right of first refusal on any future royalty or gold stream financing for the Mt. Hamilton project.

Mt. Hamilton Project Update

In 2012 Solitario achieved important milestones on its Mt. Hamilton gold project in Nevada. These included:

- In February the Mt. Hamilton Feasibility Study was completed
- In June and August we secured important project financing from Sandstorm Gold and RMB Australia Holdings Limited, respectively
- In September we added new resources in the Seligman area
- In the second half of 2012 we completed field work necessary to evaluate the economic viability of the Seligman resource
- In November the Plan of Operations was filed with the U.S. Forest Service

In 2013 our focus will be on environmental permitting to allow for project construction and subsequent gold and silver production. Other activities include metallurgical testing of Seligman mineralization and exploration drilling in the Wheeler Ridge area that lies immediately south of the Centennial deposit. The Wheeler Ridge zone displays a large gold in soils anomaly that measures approximately 5,000 feet long and up to 1,000 feet wide. Only a very small area of this significant soil anomaly has been drill tested.

Terms of the Mt. Hamilton LLC Joint Venture

Solitario and Ely Gold formed Mt. Hamilton LLC ("MH-LLC"), a limited liability company which holds 100% of the Mt. Hamilton project assets under an Operating Agreement. Per

the terms of the Operating Agreement, DHI-US, Ely Gold's wholly owned US subsidiary, has a 20% interest in MH-LLC and Solitario has an 80% interest.

About Solitario

Solitario is a gold, silver, platinum-palladium, and base metal exploration, development and royalty company actively exploring in Brazil, Mexico, Peru and Nevada. Solitario has significant business relationships with Votorantim Metais and Anglo Platinum. 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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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.

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.