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## **SOLITARIO SIGNS LETTER OF INTENT WITH HOCHSCHILD MINING ON ITS PACHUCA NORTE SILVER-GOLD PROJECT, MEXICO**

**Denver, Colorado:** Solitario Exploration & Royalty Corp. ("Solitario," AMEX MKT: **XPL**; TSX: **SLR**) is pleased to announce that it has signed a binding Letter of Intent ("LOI") with Minera Hochschild México S.A. de C.V., a 100%-owned subsidiary of Hochschild Mining plc (LSE: HOCM.L / HOC LN) ("Hochschild"), on Solitario's Pachuca Norte silver-gold project in central Mexico. Solitario's 100%-owned Pachuca Norte project (formerly called "Pachuca Real"), encompasses approximately 19,000 hectares of mineral rights in and around the famed Pachuca silver-gold mining district. Historic production from the Pachuca district totals approximately 1.4 billion ounces of silver and over 7.0 million ounces of gold, making it one of the largest silver-gold districts in the world. A map of the project area can be viewed on Solitario's website at <http://www.solitarioxr.com/art/PachucaNorte.pdf>

### **Terms of the Venture Agreement**

Per the terms of the binding LOI, Hochschild can earn a 51% interest in the project by spending a total \$10.0 million on exploration over a five-year period. The initial 12-month work program of \$1.5 million is a firm commitment. The following table presents the entire five-year work commitment schedule:

<b>Exploration Expenditures and Due Dates</b>	<b>Amount</b>	<b>Aggregate Amount</b>
12 months from signing - firm commitment	\$1,500,000	\$1,500,000
18 months from signing - optional commitment	\$ 500,000	\$2,000,000
36 months from signing - optional commitment	\$3,000,000	\$5,000,000
60 months from signing - optional commitment	\$5,000,000	\$10,000,000

Hochschild will have the right to earn an additional 19% (total 70%) by completing a positive feasibility study for the project. Both parties are currently working on drafting and signing a definitive agreement. Upon signing a definitive agreement, expected in approximately 30 days, Hochschild will become project manager, and will have the right to terminate the agreement at any time following its firm initial work commitment.

Chris Herald, President and CEO of Solitario, stated, "With Hochschild's long history of exploring for, developing and mining vein deposits, and current successful management of four underground vein mines, we believe they are the perfect partner to advance our high-potential Pachuca Norte silver-gold project in Mexico. Past exploration by our former partners has laid substantial groundwork for Hochschild to move rapidly forward offsetting previously drilled holes that are strongly mineralized as shown in the drill hole table provided below. With this latest agreement with Hochschild, Solitario now has a portfolio of three significant joint venture projects in which our partners are spending well in excess of \$12 million on exploration and development work for 2013."

## Project History

The Pachuca Norte land package encompasses parts of the old Pachuca district, but more importantly, covers the most prospective extensions of the district to the north, northwest, and east. Prior to Solitario's acquisition of the mineral rights, the entire land package had been held by the Mexican government from 1947 to 1990, and then sold to a private Mexican company that controlled the claims until recently. During this 58-year period only a limited amount of exploration was conducted.

Shortly after Solitario acquired the majority of its land position in early 2006, it formed a joint venture with Newmont Mining from 2006-2008 and then Buenaventura from 2010-2011. Newmont identified 38 high-quality drill targets consisting of high-grade silver-gold veins that are distributed over a geographic area measuring 20 kilometers long and ten kilometers wide. Newmont drilled 19 holes totaling 7,873 meters. Buenaventura expanded upon Newmont's work and drilled 38 holes totaling 13,489 meters. Hochschild has indicated that its initial 12-month work program will be focused upon testing a number of these already well-defined drill targets.

The 15 best drill hole intercepts from 10 separate prospect areas are presented in the table below.

### PACHUCA DRILLING HIGHLIGHTS

Vein	Drill Hole*	From	To	Width* *	g/t Gold	g/t Silver	Ag Eq.***
San Juan Gallo	Pac-08 (N)	266.4	267.3	0.90	2.03	754.0	856
El Escribano	Pac-09 (N)	245.0	245.5	0.50	0.75	468.0	506
Investagadora	Pac-11 (N)	314.4	315.3	0.85	1.28	173.0	237
San Juan Gallo	Pac-13 (N)	156.9	158.9	1.95	0.63	144.7	176
El Escribano	Pac-18 (N)	274.7	276.1	1.40	1.00	458.4	508
Investigadora	Pan-11-12 (B)	217.75	218.60	0.85	1.95	271.47	369
Investigadora	Pan-11-18 (B)	236.25	237.00	0.75	0.97	317.00	365
San Marcial	Pan-11-19 (B)	225.15	225.60	0.45	0.75	657.00	695
La Perla	Pan-11-22 (B)	344.90	345.90	1.00	6.30	53.48	368
Santa Rosa	Pan-11-25 (B)	252.60	255.00	2.40	1.43	158.27	230
Santa Rosa	Pan-11-27 (B)	144.90	145.50	0.60	5.60	837.00	1,117
Sumbimblia	Pan-11-28 (B)	46.30	47.35	1.05	16.40	238.86	1,058
Escribano Norte	Pan-11-29 (B)	444.45	445.05	0.60	2.60	834.00	964
Escondida	Pan-11-31 (B)	250.30	251.15	0.85	8.40	283.00	703
Escribano Sur	Pan-11-34 (B)	238.85	240.40	1.55	0.90	165.00	210

\* (N) = Newmont drilled core hole; (B) = Buenaventura drilled core hole

\*\* true widths of veins have not been estimated and could be substantially less than reported

\*\*\*Ag Eq. = Silver Equivalent at 1.0 g/gold = 50 g/silver

The drill hole information contained within this release is reported under a 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.

### **About Hochschild Mining plc**

Hochschild Mining plc is a leading precious metals company listed on the London Stock Exchange (HOC.L) with a primary focus on the exploration, mining, processing and sale of silver and gold. Hochschild has almost fifty years' experience in the mining of precious metal epithermal vein deposits and currently operates four underground epithermal vein mines, three located in southern Peru and one in southern Argentina. Hochschild also has numerous long-term projects throughout the Americas.

### **About Solitario**

Solitario is a gold, silver, platinum-palladium, and base metal exploration and royalty company actively exploring in Brazil, Mexico, Peru and Nevada. Besides Hochschild, Solitario has significant business relationships with Votorantim Metais (world's fifth largest zinc producer) and Anglo Platinum (world's largest platinum producer). Solitario is currently focused on permitting and developing the Mt. Hamilton gold-silver project in Nevada. 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](http://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, 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. This release also contains information about adjacent properties on which Solitario has no right to explore or mine. We advise U.S. investors that the SEC's mining guidelines strictly prohibit information of this type in documents filed with the SEC. U.S. investors are cautioned that mineral deposits on adjacent properties are not indicative of mineral deposits on our properties.*