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## **SOLITARIO EXPLORATION & ROYALTY SIGNS MAJOR AGREEMENT WITH BUENAVENTURA ON ITS PACHUCA REAL SILVER-GOLD PROJECT, MEXICO**

**Denver, Colorado:** Solitario Exploration & Royalty Corp. (“Solitario;” NYSE Amex: **XPL**; TSX: **SLR**) is pleased to announce that it has signed a definitive Venture Agreement with COMPAÑÍA DE MINAS BUENAVENTURA S.A.A (“Buenaventura;” NYSE: **BVN**; Lima: **BUE.LM**), on Solitario's Pachuca Real silver-gold project in central Mexico. Solitario's 100%-owned Pachuca Real project encompasses approximately 31,300 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 the largest silver-gold district in the world. A map of the project area, can be viewed on Solitario's website at <http://www.solitarioxr.com/art/pachuca.pdf>

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

Overall, the Venture Agreement (“Agreement”) is structured very similarly to a Net Profit Interest (“NPI”) royalty, in that Solitario is essentially financed to production if Buenaventura elects to earn its ultimate potential interest of 70%. The Agreement calls for a firm work commitment by Buenaventura of \$2.0 million over the first 18 months. Work commitments over the entire 4.5 years total \$12.0 million.

<b>Exploration Expenditures and Due Dates</b>	<b>Amount</b>	<b>Aggregate Amount</b>
18 months from signing - firm commitment	\$2,000,000	\$2,000,000
30 months from signing - optional commitment	\$2,300,000	\$4,300,000
42 months from signing - optional commitment	\$3,500,000	\$7,800,000
54 months from signing - optional commitment	\$4,200,000	\$12,000,000

Buenaventura will earn a 51% interest in the project upon the completion of \$12.0 million in expenditures. Buenaventura will have the right to earn an additional 14% (total 65%) by completing a positive feasibility study for the project. During the feasibility stage, Buenaventura is required to spend a minimum of \$5.0 million annually until such time as the positive feasibility study is completed. Buenaventura has the right to terminate the agreement at anytime following its firm initial work commitment.

Upon completion of the feasibility study, Solitario will have the option to self-finance its 35%-participating interest in the project, or to have Buenaventura fund its portion of construction costs at Libor + 3%. If Solitario elects to have Buenaventura fund its portion of construction costs, then Solitario's participating interest will be 30% and Buenaventura interest will be 70%.

Chris Herald, President and CEO of Solitario, stated, "With this important new agreement, Solitario now has four significant joint ventures or strategic alliances with major mining companies that are structured very similarly to Net Profit Interest Royalties, clearly making us the industry leader in this segment of the royalty business. Buenaventura, besides being the largest Latin America based precious metal producer, is also considered by many in the industry to be South America's preeminent precious metal company. As this is Buenaventura's first significant project in Mexico, we believe it confirms our belief that the Pachuca Real property contains an exceptional array of silver-gold targets. With Buenaventura's extensive experience in precious metal vein exploration and underground mining, we have the right partner to move this project forward."

## **Project History**

The Pachuca Real 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. Solitario acquired the majority of its land position in 2006 and had previously formed a joint venture with Newmont Mining from 2006-2009. 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. Veins in the historic district were very continuous over long distances along strike and down dip. Buenaventura has indicated that its first 18-month work program will be focused upon testing a number of these already well-defined drill targets.

## **About Buenaventura**

Buenaventura is the largest Latin American based precious metal producer with approximately 1.3 million ounces of gold and 17.0 million ounces of silver produced in 2009. It operates seven underground mines and one open pit mine in Peru. It is also a 43.65% owner in the Minera Yanacocha gold operation, the largest gold producer in South America, and a 19.26% owner in the Cerro Verde copper mine, both in Peru. Its shares (ADR's) trade on the NYSE under the symbol BVN and on the Lima Exchange under the symbol BUE.LM.

## **About Solitario**

Solitario is a gold, silver, platinum-palladium, and base metal exploration and royalty company actively exploring in Brazil, Mexico, and Peru. Besides Buenaventura, Solitario has significant business relationships with Votorantim Metais (third largest zinc producer in the world), Anglo Platinum (largest platinum producer in the world) and Newmont Mining (second largest gold producer in the world). Solitario has approximately US\$20 million in cash and marketable securities and no debt. Solitario trades on the NYSE Amex ("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.*