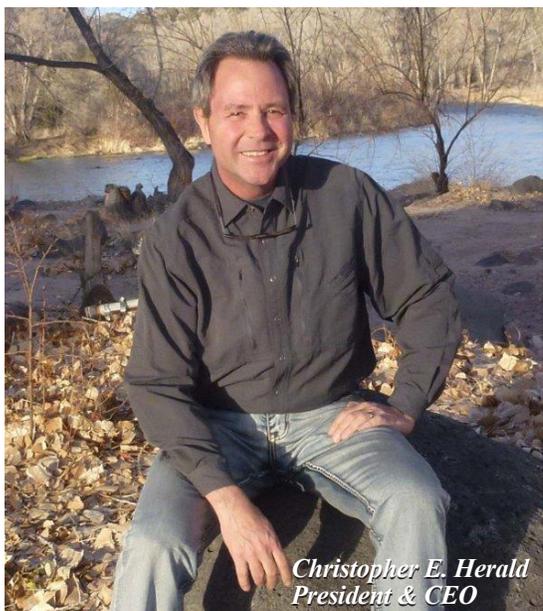


2018 LETTER TO SHAREHOLDERS



*Christopher E. Herald
President & CEO*

Dear Shareholder,

2017 was a pivotal year for Solitario, dramatically growing the company's resources and enhancing the value of our existing assets. In July 2017 Solitario achieved one of its primary goals: a significant expansion of its zinc resources. This was accomplished decisively through the acquisition of Zazu Metals Corporation.

Lik Zinc Deposit Acquisition

Zazu owned a 50% interest in the very high-grade open-pitabile Lik massive sulfide deposit in Alaska. Our joint venture partner at Lik is Teck Resources (50%), the owner/operator of the nearby Red Dog zinc mine. Red Dog is one of the largest, highest grade and lowest cost zinc mines in the world.

The highly accretive Lik acquisition materially increased Solitario's resource base as follows:

- Total Measured and Indicated resources attributable to Solitario **increased by approximately 650% from 349 million contained zinc equivalent pounds (ZnEq-lbs) to 2.6 billion ZnEq-lbs.**
- Inferred resources **expanded by about 75% from 946 million contained ZnEq-lbs to 1.6 billion ZnEq-lbs.**

We believe that long term, Solitario and its shareholders will reap significant value from the Lik acquisition. Already the project is moving forward through a jointly funded program with Teck.

The 2018 work plan will consist of the following:

- A gravity geophysical program over a substantial part of the 6,075-acre Lik property block. Teck has had excellent success in the prolific Red Dog Zinc District using gravity to detect moderately to deeply buried zinc deposits.
- Geologic mapping will be undertaken to better understand the stratigraphy and structure of the property to aid in the development of new drill targets.

- Relogging of Lik core to compare Lik to other deposits in the district.
- Camp rehabilitation to allow for future use of this established infrastructure.
- Assessment of environmental work completed to date to determine the best path forward for baseline environmental studies required to advance the project.

The Lik deposit, although remote, is favorably located near existing infrastructure. The world's largest operating zinc mine, Teck's Red Dog Mine, is located approximately 14 miles southeast of Lik and utilizes a fully developed port facility for shipping concentrate. Zazu completed a Preliminary Economic Assessment ("PEA") on Lik in 2014 that demonstrated strong economics even without full consideration of nearby existing infrastructure.

Florida Canyon Progress – Adding Value

Not only was substantial progress made on our Florida Canyon high-grade zinc project in Peru in 2017, but we see momentum building for 2018. Solitario teamed with our 61% joint venture partner, Nexa Resources, to produce a NI-43-101 compliant PEA. Prepared by SRK, a preeminent mining engineering firm, the PEA forecasts the following strong project economics:

PEA Economic Highlights – 100% of Project (US\$'s) Metal Price Assumptions: Zn=\$1.20/lb; Pb=\$1.00/lb; Ag=\$16.50/oz

NPV @ 8%-discount rate (after-tax)	\$198 million
Operating Margin (EBITDA)	\$958 million
Internal Rate of Return (after-tax)	24.7%
Payback	2.6 years
Initial Capital (incl. \$40 million contingency)	\$214 million
Sustaining Capital	\$83 million
Mine Life / Operating Rate	12.5 years / 2,500 tonnes/day
Average Annual Payable Metal Production	111.7 million lbs. payable zinc
	12.6 million lbs. payable lead
	160 thousand oz. payable silver
Direct and Indirect Cash Costs	\$64.15/tonne or \$0.51/Zn-Eq payable lb.
All-in-Cost	\$90.64/tonne or \$0.73/Zn-Eq payable lb.

On the back of the PEA effort, we re-engaged SRK Consulting to develop an exploration plan to increase the resource base. The recommended program calls for a 41-hole, 17,000-meter drilling campaign to expand resources, focusing on adding high-value sulfide ore. A video depiction of this proposal can be found on our website. Subject to final planning and government approvals this work may begin as early as mid-2018.

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Not only does the proposed drilling program have the potential to significantly increase high-grade resources, but it will also allow for an expanded production rate compared to the PEA. We believe that this would result in significantly enhanced forecast economics.

Additionally, Nexa hopes to complete the access road into the project area by year's end, assuming timely acquisition of permits.

Zinc Market

As we anticipated several years ago, zinc price has responded exceptionally well to the supply/demand imbalance created by closure of several large zinc mines from 2013 through 2016, coupled with steady growth in worldwide zinc demand. Zinc price has gone from approximately US\$0.70 per pound in January 2016, to over \$1.50 by the end of 2017, a +100% appreciation in a two-year period. We believe the fundamental outlook for the physical zinc market remains strong for the foreseeable future.

However, the equity market for zinc companies, especially explorer/developers has generally not performed as well as the metal. As a result, we believe Solitario, in particular, is undervalued relative to its strong balance sheet and its advanced property assets that have had over a \$100 million in past exploration and development expenditures.

To summarize,

- Solitario owns significant interests in two of the highest grade undeveloped zinc deposits in the world.
- We are partnered with two of the world's largest and strongest zinc mining companies.
- We are carried to production by our partner Nexa on our Florida Canyon project.
- We are the manager and 50%-owner of the Lik joint venture, thus controlling project activities.
- Solitario has approximately US\$14 million in cash and marketable securities that includes a 7.6% ownership in Vendetta Mining (11 million shares) and no debt.
- Management and Directors own just under 10% of the outstanding shares of Solitario – making them directly aligned with all shareholders.

We look forward to very active work programs on both of our projects for the remainder of 2018 and expect positive news flow as work advances. Meanwhile, we continue to seek new high-quality assets with attractive valuations that will provide additional opportunities to increase shareholder value.

Sincerely,



Christopher E. Herald
President & Chief Executive Officer