

SOLITARIO EXPLORATION & ROYALTY CORP.
Form DEF 14A
April 29, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549
SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934
(Amendment No.)

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SOLITARIO EXPLORATION & ROYALTY CORP.
(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

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SOLITARIO EXPLORATION & ROYALTY CORP.
Notice of Annual Meeting of Shareholders

To the Shareholders:

The Annual Meeting of the Shareholders of Solitario Exploration & Royalty Corp. ("Solitario" or the "Company") will be held at 4251 Kipling Street, Suite 390, Wheat Ridge, CO 80033, on Tuesday June 18, 2013 at 10:00 a.m., Mountain Daylight Time (the "Annual Meeting"), for the following purposes:

1. To elect five directors to serve until the next annual meeting of Shareholders or until their successors are elected and qualified;
2. To hold an advisory vote to approve executive compensation;
3. To consider and if deemed appropriate pass a resolution approving the 2013 Solitario Exploration & Royalty Corp. Omnibus Stock and Incentive Plan;
4. To ratify the appointment of EKSH LLLP, as Solitario's independent registered public accounting firm for fiscal year 2013; and
5. To transact such other business as may properly come before the meeting and all adjournments thereof.

The Board of Directors has fixed the close of business on April 29, 2013 as the record date for the determination of shareholders entitled to notice of, and to vote at, the Annual Meeting. The approximate date of the mailing of this Proxy Statement and the enclosed form of proxy is May 7, 2013. A complete list of shareholders will be available for examination at the Annual Meeting and at our offices at 4251 Kipling Street, Suite 390, Wheat Ridge, CO 80033, prior to the Annual Meeting beginning two business days after the date of the mailing of the enclosed Proxy Statement.

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Your attention is directed to the accompanying Proxy Statement. To constitute a quorum for the conduct of business at the Annual Meeting, it is necessary that holders of a majority of all outstanding shares entitled to vote at the meeting be present in person or be represented by proxy. To assure representation at the Annual Meeting, you are urged to date and sign the enclosed proxy and return it promptly in the enclosed envelope.

By Order of the Board of Directors

/s/James R. Maronick

Secretary

April 29, 2013

Wheat Ridge, Colorado

PROXY STATEMENT

Annual Meeting of Shareholders

This Proxy Statement (the "Proxy Statement") is furnished in connection with the solicitation by the Board of Directors (the "Board of Directors" or "Board") of Solitario Exploration & Royalty Corp., a Colorado corporation, ("Solitario" or the "Company"), of proxies in the accompanying form for use at the Annual Meeting of Shareholders to be held on Thursday June 18, 2013 at 10:00 a.m., Mountain Daylight Time, at the Company's principal executive offices at 4251 Kipling Street, Suite 390, Wheat Ridge, CO 80033, and any adjournment or postponement of such meeting (the "Annual Meeting").

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to be held on Thursday, June 18, 2013: This proxy statement, including a copy of the 2013 Solitario Exploration & Royalty Corp. Omnibus Stock and Incentive Plan, the accompanying proxy card, and our 2012 Annual Report (which is not a part of the Company's proxy soliciting materials), including the Annual Report on Form 10-K for the year ended December 31, 2012, are available online at www.solitarioxr.com. Shareholders cannot submit their vote at www.solitarioxr.com.

The 2012 Annual Report (which is not a part of the Company's proxy soliciting materials) is being mailed to the Company's shareholders with this Proxy Statement. Upon written request from any person solicited herein, addressed to the Corporate Secretary of Solitario at its principal offices at 4251 Kipling St. Suite 390, Wheat Ridge, Colorado 80033, Solitario will provide, at no cost, a copy of the Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC") for the fiscal year ended December 31, 2012 (the "2012 10-K"), without exhibits. A copy of any or all of the exhibits to the 2012 10-K will be furnished for a fee, which will not exceed the Company's reasonable expenses in furnishing the exhibits.

Proxies are solicited so that each shareholder may have an opportunity to vote. These proxies will enable shareholders to vote on all matters that are scheduled to come before the meeting. When proxies are returned properly executed, the shares represented thereby will be voted in accordance with the shareholders' directions. Shareholders are urged to specify their choices by marking the appropriate boxes on the enclosed proxy card; if no choice has been specified, the shares will be voted as recommended by the Board. Means have been provided whereby a shareholder may withhold his vote for any Director. The proxy card also confers discretionary authority to vote the shares authorized to be voted thereby on any matter that was not known on the date of the Proxy Statement but may properly be presented for action at the Annual Meeting.

You are asked to sign, date, and return the accompanying proxy card regardless of whether or not you plan to attend the meeting. The approximate date of the mailing of this Proxy Statement and the enclosed form of proxy is May 7, 2013. Any shareholder returning a proxy has the power to revoke it at any time before shares represented by the proxy are voted at the meeting. Any shares represented by an unrevoked proxy will be voted unless the

shareholder attends the meeting and votes in person. A shareholder's right to revoke his or her proxy is not limited by or subject to compliance with a specified formal procedure, but written notice should be given to the Corporate Secretary of Solitario at or before the meeting.

The proposed corporate actions on which the shareholders are being asked to vote at the Annual Meeting are not corporate actions for which shareholders of a Colorado corporation have the right to dissent under the Colorado Business Corporation Act.

The expense of printing and mailing proxy material will be borne by Solitario. In addition to the solicitation of proxies by mail, solicitation may be made by certain directors, officers, and other employees of Solitario in person or by telephone or other means of electronic communication. No additional compensation will be paid for such solicitation.

Arrangements will also be made with brokerage firms and other custodians, nominees, and fiduciaries to forward proxy solicitation material to certain beneficial owners of Solitario's common stock and Solitario will reimburse such brokerage firms, custodians, nominees, fiduciaries for reasonable out-of-pocket expenses incurred by them in connection therewith.

Shares Outstanding and Votes Required

The holders of Solitario's \$.01 par value common stock (the "Common Stock") at the close of business on April 29, 2013, the record date, are entitled to vote at the Annual Meeting. On April 29, 2013 there were 34,647,958 shares of Common Stock outstanding. Each share of Common Stock entitles its holder to one vote. The presence in person or by proxy of holders of record of a majority of the outstanding shares of Common Stock is required to constitute a quorum for the transaction of business at the meeting. Shares held by persons who abstain and broker non-votes will be counted in determining whether a quorum is present at the meeting. In the event there are not sufficient votes for a quorum or to approve any proposals at the time of the Annual Meeting, the Annual Meeting may be adjourned in order to permit further solicitation of proxies.

If a quorum is present at the Annual Meeting:

The five nominees for election as directors who receive the greatest number of votes cast for election of directors at the meeting by the shares present in person or represented by proxy at the meeting and entitled to vote shall be elected directors.

With respect to the proposal for the non-binding advisory vote on executive compensation and the proposal to ratify the appointment of EKSH LLLP as our independent registered public accounting firm, each will be approved if a majority of the votes cast on each proposal vote in favor of such proposal.

With respect to the proposal regarding the approval of the 2013 Solitario Exploration & Royalty Corp. Omnibus Stock and Incentive Plan, if the proposal is approved by a majority of the votes cast, it will be approved.

The Board of Directors recommends that shareholders vote "FOR" each of the nominees standing for reelection to the Board of Directors; "FOR" approval of the Company's executive compensation; "FOR" the 2013 Solitario Exploration & Royalty Corp. Omnibus Stock and Incentive Plan; and "FOR" the ratification of EKSH LLLP as the Company's independent registered public accounting firm.

Proxies submitted properly will be voted in accordance with the instructions contained therein. If the proxy is submitted but voting directions are not provided, the proxy will be voted "FOR" each of the five director nominees, and "FOR" the advisory vote on executive compensation, "FOR" approval of the 2013 Solitario Exploration & Royalty Corp. Omnibus Stock and Incentive Plan and "FOR" ratification of the appointment of EKSH LLLP as our independent registered public accounting firm, and in such manner as the proxy holders named on the proxy, in their discretion, determine upon such other business as may properly come before the annual meeting or any adjournment or postponement thereof.

If your shares are held through a broker, bank or other nominee (collectively referred to as "brokers"), the broker will vote your shares according to the specific instructions it receives from you. If the broker does not receive voting instructions from you, the broker may vote only on a proposal that is considered a "routine" matter. Brokers may vote on "routine" matters without specific instruction from the shareholder. The ratification of EKSH LLLP is a routine matter; however, each of the following proposals being considered at the Annual Meeting is not considered a "routine"

matter: (i) the election of directors, (ii) the advisory vote on executive compensation, and (iii) the approval of the 2013 Solitario Omnibus Stock and Incentive Plan. Accordingly, if you do not give instructions to your broker it will not be authorized to vote your shares with respect to the non-routine matters being considered at the Annual Meeting. The broker's failure to vote because it lacks discretionary authority to do so, commonly referred to as a "broker non-vote," will not affect the outcome of the vote on any proposal.

1. ELECTION OF DIRECTORS

The Board currently consists of five Directors. The directors elected at the Annual Meeting will serve until the next annual meeting of Shareholders and until their successors are elected or appointed and qualified. Unless the vote is withheld by the shareholder, the proxies solicited by the Board will be voted for the re-election of all the current directors. The five nominees who receive the most votes will be elected. If a shareholder does not vote for a nominee or indicates to "withhold" authority to vote for a nominee on the proxy card, that shareholder's vote will not count either for or against the nominee. Solitario's current nominees for election as directors at the Annual Meeting are:

Name	Age	
Brian Labadie Chairman (1)(2)(3)(4)	60	<p>Mr. Labadie has been a director of Solitario since June 2006 and Chairman since March of 2009. He is an independent mining industry consultant. He was a director of Crown Resources Corporation (CRS:TSX) ("Crown") from June of 2002 until August 2006 upon completion of Crown's merger with Kinross Gold Corporation, ("Crown-Kinross Merger") and a director of Battle Mountain Gold Exploration Corporation (BMGX:OTC) from June 2005 to June 2007. In evaluating Mr. Labadie's qualifications as a Director, Solitario's Board considered the experience Mr. Labadie had in over thirty years experience in the mining industry. The specific experience that Mr. Labadie brings to Solitario includes formal training and experience as a mining engineer including developing and operating mines, both as a mine manager and as a senior executive at Miramar Mining Corporation and Echo Bay Mines. The Board of Directors believes Mr. Labadie's operating experience complements and enhances the knowledge and understanding the other Board Members and management of Solitario have in mining exploration, and corporate finance. Mr. Labadie spent ten years with Miramar Mining Corporation from November 1996 to September 2006 as the Executive Vice President, COO. Prior to that, Mr. Labadie spent nine years with Echo Bay Mines, Ltd. as Vice President of Operations. Mr. Labadie holds a Bachelor of Science degree in geological engineering from the University of Toronto.</p>
Mark E. Jones, III, Vice-chairman (1)(3)(4)	73	<p>Mr. Jones has been a director of Solitario since August 1993 and served as Chairman until June 2006. Mr. Jones was also a director of Crown from the time it commenced operations in February 1989 until August 2006, upon completion of the Crown-Kinross Merger. In evaluating Mr. Jones's qualifications for serving as a Director, the Board of Solitario believes Solitario benefits both from his experience in founding Solitario and being the Chairman of Crown, but also his proven track record of founding and successfully operating other mining concerns including Brazauro Resources and TriStar Gold, Inc. Mr. Jones has exhibited leadership in this industry for many years and is well known in many mining circles. Mr. Jones' experience in mine finance and mergers and acquisitions related to the mining industry provides Solitario valuable insight and guidance. Mr. Jones was a founding partner of Jones, Loyd & Webster, Inc., a Houston-based corporate finance and investment banking firm that specialized in oilfield equipment financing. Mr. Jones is Chairman of the Board of Directors and CEO of TriStar Gold, Inc., a gold exploration company based in Houston, Texas which is traded on the TSX Venture Exchange (TSG:V). Mr. Jones also served as a director and Chairman of the Board of Brazauro Resources (BZO:V), a gold exploration company, until its acquisition by Eldorado Gold during 2010. Mr. Jones attended the University of Texas.</p>
John Hainey (1)(2)(4)	80	<p>Mr. Hainey has been a director of Solitario since 1999. He is a retired mining engineer and spent the last ten years of his career, before his retirement in 1998, as a mining analyst in the Canadian investment industry with Dundee Securities Corporation (formerly Eagle & Partners), Yorkton Securities Inc., Loewen, Ondaatje, McCutcheon & Company and Canaccord Capital Corporation. In evaluating Mr. Hainey's qualifications to serve as a Director, the Board of Solitario considered his financial experience, specifically related to finance and evaluation of companies in the mining industry, as well as his experience on Solitario's audit committee. The Board believes Mr. Hainey's formal training as a mining engineer coupled with his financial experience makes him uniquely suited to serve on Solitario's Board. Prior to 1988, Mr. Hainey spent over 30 years working in the mining industry, both in Canada and abroad, which covered engineering, operations, consulting and business development and included 17 years with BP Resources Canada Ltd. Mr. Hainey is a member of the Association of Professional Engineers of Ontario and of the Canadian Institute of Mining and Metallurgy. He is also a Chartered</p>

Engineer (U.K.) and a Fellow of the Institute of Materials, Minerals and Mining (U.K.). He is an honors graduate in Mining Engineering of The Camborne School of Mines in England.

Leonard
Harris
(1)(2)(3)

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Mr. Harris has been a director of Solitario since June 1998. Prior to his retirement from Newmont Mining Corporation, Mr. Harris gained over 50 years experience in the mining industry including serving in various capacities including as General Manager of Minera Yanacocha, South America's largest gold mine, and Vice President and General Manager of Newmont Latin America. Mr. Harris has over 20 years experience in managing mining operations in Latin America that include base metal and gold deposits, underground and open pit mines, gold and base metal processing plants and smelting and refining operations. In evaluating Mr. Harris' qualifications to serve as a Director, the Board of Solitario believes Mr. Harris experience in managing and developing mines all over the world, but specifically in Peru and Latin America, where much of Solitario's exploration efforts have been is paramount to the success of Solitario. In addition, Mr. Harris' reputation and integrity in over 50 years in this business are well known throughout the mining industry and have provided Solitario with numerous opportunities and introductions that Solitario simply would not have without his association with Solitario as a Board member. Mr. Harris currently serves on the boards of Aztec Metals Corp., Canarc Resources, Cardero Resources Corp., Coronet Metals, Inc., Indico Resources Ltd. and Golden Arrow Resource Corp.. He is a 1949 graduate metallurgist of The Mount Morgan School of Mines (Australia).

Christopher
E. Herald

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Mr. Herald has been a director of Solitario since August 1992. He has also served as Chief Executive Officer since June 1999 and President since August 1993. Mr. Herald also served as a director of Crown since April 1989, as Chief Executive Officer of Crown since June of 1999, President of Crown from November 1990 until August 2006, when he resigned from such positions upon completion of the Crown-Kinross Merger. In evaluating Mr. Herald's qualifications to serve as a Director, the Board of Solitario believes his leadership of Solitario since Solitario's inception as Chief Executive Officer, as well as his knowledge of the operations, make him an invaluable member of the Board. In addition, Mr. Herald has shown a keen insight in the evaluation of various opportunities in the mining industry, including the acquisition of properties for exploration and potential merger and acquisition candidates for Solitario. Mr. Herald has a proven track record of operating mining companies both with Crown and Solitario and the Board believes these are significant contributors to the success of Solitario. Prior to joining Crown, Mr. Herald was a Senior Geologist with Echo Bay Mines and Anaconda Minerals. Mr. Herald is a director of Atna Resources Ltd. (ATN: TSX) which is a gold mining company with active operations in Nevada and California. Mr. Herald was formerly a director of the following public companies: TNR Resources (TNR: V) from July 1998 to April 2009; Maestro Ventures (MAP: V) from April 2004 to July 2007; Gryphon Gold (GGN: TSX) from December 2005 to September 2007; Battle Mountain Gold Exploration (BMGX: OTCBB) from February 2006 to August 2007 and Underworld Resources Inc. (UW: V) from June 2009 to June 2011. Mr. Herald also serves as the Chairman of the Denver Gold Group, a non-profit industry trade group that organizes the preeminent gold mining industry institutional conferences in the United States and Europe. Mr. Herald received a M.S. in Geology from the Colorado School of Mines and a B.S. in Geology from the University of Notre Dame.

1. The Board has determined this Director to be an independent member of the Board in accordance with Section 803A of the NYSE-MKT Company Guide.
2. Member of the Audit Committee.
3. Member of the Compensation Committee.
4. Member of the Nominating Committee.

There are no family relationships among any of the director nominees and/or executive officers of the Company.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR ALL OF THE NOMINEES LISTED ABOVE.

It is intended that votes will be cast pursuant to the enclosed proxy for the election of directors from the foregoing nominees. If any nominee shall not be a candidate for election as a director at the meeting, it is intended that votes will be cast pursuant to the enclosed proxy for such substitute nominees as may be nominated by the existing directors. No circumstances are presently known which would render any nominee named herein unavailable to serve as a director.

Meetings of Board of Directors Annual Meeting Attendance

During the fiscal year ended December 31, 2012, there were four meetings of the Board. Each of the incumbent Directors attended all of the meetings held while they served as a Director. Each of the incumbent Directors attended all meetings held by committees of the Board on which they served during 2012. All of the references to meetings exclude actions taken by written consent.

Board members are not required to attend annual meetings of shareholders. Mr. Herald was the only director that attended the annual meeting of shareholders held on June 14, 2012.

Corporate Governance and Nominating Committee

In June of 2006, the Board formed the Corporate Governance and Nominating Committee of the Board (the "Nominating Committee"). A copy of the Nominating Committee charter is available on the Company website at www.solitarioxr.com. The members of the Nominating Committee are all independent members of the Board in accordance with the definition of independence of NYSE-MKT listing standards set forth in the NYSE Company Guide. The Nominating Committee held one meeting during 2012. Except for the persons nominated to stand for reelection at the Annual Meeting and at the 2012 annual meeting, there were no director nominations proposed during 2012 or 2011.

The primary purposes of the Nominating Committee are to (a) identify individuals qualified to become Board members, and select or recommend director nominees; (b) develop and recommend to the Board corporate governance principles applicable to the Corporation; (c) lead the Board in its review of the Board's performance; and (d) recommend to the Board director nominees for each committee.

Pursuant to Section 2.11 of our Bylaws, candidates for election as directors at any meeting of shareholders may be made (a) by, or at the direction of, a majority of the members of the Board or (b) by any shareholder entitled to vote at such a meeting. The Board makes no distinction in evaluating candidates who come to their attention directly or who are nominated by any shareholder. No shareholders submitted nominations to the Board during the Company's 2012 fiscal year. The Nominating Committee does not have specific minimum qualifications that a candidate must possess for consideration.

In order to qualify for consideration at a shareholder meeting, shareholder nominations must be in writing addressed to the Secretary of Solitario Exploration & Royalty Corp. not less than 60 days nor more than 90 days prior to the date of a scheduled shareholders' meeting; provided, however, that if less than 70 days notice or prior public disclosure of the scheduled date of such a meeting is given or made, notice of a shareholder nomination must be delivered or received not later than the close of business on the 10th day following the earlier of the day on which such notice of the date of the scheduled meeting was mailed or the day on which such public disclosure was made.

Such shareholder's notice shall set forth (a) as to each person whom the shareholder proposes to nominate for election or re-election as a director and as to the shareholder giving the notice (i) the name, age, business address and residence address of such person, (ii) the principal occupation or employment of such person, (iii) the class and number of shares of stock of the Company which are beneficially owned by such person of the date of such shareholder notice and (iv) any other information relating to such person that is required to be disclosed in solicitations of proxies with respect to nominees for election as directors, pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and (b) as to the shareholder giving the notice (i) the name and address, as they appear on the Company's books, of such shareholder and any other shareholders known by such shareholder to be supporting such nominees and (ii) the class and number of shares of stock of the Company which are beneficially owned by such shareholder on the date of such shareholder notice and by any other shareholders known by such shareholder to be supporting such nominees on the date of such shareholder notice.

The Board may reject any shareholder nomination not timely made in accordance with the requirements of Section 2.11 of Solitario's Bylaws. Furthermore, if the Board determines that the information provided in a shareholder's notice does not satisfy the informational requirements of Section 2.11 of the Bylaws in any material respect, the Secretary will promptly notify such shareholder of the deficiency in the notice. The shareholder will then have an opportunity to cure the deficiency by providing additional information to the Secretary within such period of time, not to exceed 5 days from the date such deficiency notice is given to the shareholder, as the Board shall reasonably determine. If the deficiency is not cured within such time period, or if the Board reasonably determines that the additional information provided by the shareholder, together with information previously provided, does not satisfy the requirements of Section 2.11 of the Company's Bylaws in any material respect, then the Board may reject such shareholder's nomination. The Secretary of the Company shall notify a shareholder in writing whether his or her nomination has been made in accordance with the time and information requirements of the Company's Bylaws. Notwithstanding the procedure set forth above, if the Board does not make a determination as to the validity of any shareholder nominations, the presiding officer of the meeting of the shareholders shall determine and declare at the meeting whether a nomination was made in accordance with the terms of the Company's Bylaws and shall accept or reject the nomination accordingly.

Audit Committee

Solitario has a separately-designated standing audit committee established in accordance with section 3(a)(58)(A) of the Exchange Act. The Audit Committee consists of Mr. Hainey, Mr. Harris and Mr. Labadie, each of whom is independent in compliance with the listing standards of the NYSE-MKT set forth in the NYSE-MKT Company Guide. The Board has determined that Mr. Hainey is the audit committee financial expert as defined in Item 407(d)(5) of Regulation S-K. The Audit Committee acts under a written charter that was adopted and approved by the Board on July 26, 2006, a current copy of which is available on the Company website at www.solitarioxr.com. The Audit Committee primary function is to review Solitario's financial reporting process on behalf of the Board. Management has the primary responsibility for the financial statements and the reporting processes, including the system of internal controls. The Audit Committee met four times during the year ended December 31, 2012.

Audit Committee Report

In performing its duties the Audit Committee reviewed and discussed the audited financial statements contained in the 2012 Annual Report on Form 10-K with management and Solitario's independent registered public accountant, EKSH LLLP. The Audit Committee met with EKSH LLLP, and discussed all issues deemed to be significant by EKSH LLLP, including any matters required by Rule 2-07 of Regulation S-X, "Communication with Audit Committees" and Codification of Statements on Auditing Standards No. AU 380, "Communications with Audit Committees," and without management present, discussed and reviewed the results of the independent auditor's examination of the financial statements. In addition, in accordance with Independence Standards Board Standard No. 1, "Independence Discussions with Audit Committees" as amended or supplemented, the Audit Committee discussed with EKSH LLLP its independence from Solitario and its management, and has received and reviewed the written disclosures and letter from EKSH LLLP required by applicable requirements of the Public Company Accounting Oversight Board regarding EKSH LLLP's communications with the Audit Committee including that EKSH LLLP is independent and has discussed EKSH LLLP's independence with them.

Based on the reviews and discussions outlined above, the Audit Committee recommended to the Board that Solitario include the audited financial statements in its Annual Report on Form 10-K for the year ended December 31, 2012 which was filed with the United States Securities and Exchange Commission ("SEC") on March 8, 2013.

AUDIT COMMITTEE

John Hainey, Chairman
Leonard Harris
Brian Labadie

Compensation Committee

On June 27, 2006, the Board approved the charter for and formed the Compensation and Management Development Committee (the "Compensation Committee"). A current copy of the Compensation Committee charter is available on the Company website at www.solitarioxr.com. Mr. Labadie, Mr. Jones and Mr. Harris are the members of the Compensation Committee. The Compensation Committee met once during 2012.

The primary purposes of the Compensation Committee are to (a) review from time to time and approve the overall management evaluation and compensation policies of Solitario; (b) review and approve goals and objectives relevant to the compensation of the executive officers, including the chief executive officer, of Solitario and evaluate the performance of Solitario's executive officers; (c) set the compensation of the executive officers of Solitario, in light of the Compensation Committee's review; (d) review, approve and periodically evaluate Solitario's compensation and other benefit plans, including incentive compensation and equity-based plans and programs for non-employee directors, executive officers and senior management, and make recommendations as necessary; (e) review and approve any amendments and modifications to any such plan or program requiring approval of the Board, subject to applicable regulatory and shareholder approval requirements; (f) review and approve the granting of options, restricted stock, stock appreciation rights and other equity-based grants to Solitario's non-employee directors, executive officers and senior management consistent with the Corporation's incentive compensation plans and programs and compensation and retention strategy, subject to ratification by the Board; (g) review and approve plans of the Company for management development and senior managerial succession; (h) oversee compliance with the applicable compensation reporting requirements of the Securities and Exchange Commission and (i) conduct an annual performance self-evaluation of the Committee and prepare an annual report thereon to the Board. The Compensation Committee has not engaged compensation consultants but has the authority to do so under the Compensation Committee charter. Further, the Compensation Committee may form, and delegate authority to, subcommittees when appropriate.

The scope and authority of the Compensation Committee, including the role of executive officers and compensation consultants in determining or recommending the amount and form of compensation and the ability of the Compensation Committee to delegate authority, are more fully described in the Compensation Committee charter.

Compensation Committee Interlocks and Insider Participation

Mr. Labadie, Mr. Jones and Mr. Harris are the members of the Compensation Committee and are independent in accordance with the definition of independence set forth in the NYSE-MKT Company Guide. No member of the Compensation Committee is currently, or has been an officer or employee of Solitario for the last three years or had a relationship with Solitario required to be disclosed pursuant to Item 404 of Regulation S-K.

Compensation Committee Report

The Compensation Committee has reviewed , evaluated and discussed the (i) allocation of executive compensation, including the allocation of compensation between salary, paid in cash and deferred compensation based in stock option grants and awards; (ii) goals and objectives of our executive compensation including the need to be competitive with peer companies to retain and attract the best available executive talent; (iii) existing elements of executive compensation including salary, bonus and stock options, and (iv) performance of our existing executives, including our CEO against general targets and goals including budgets, exploration activities and

success, the performance of our stock and other measures. Neither the Compensation Committee nor management has engaged any compensation consultants in determining or recommending the amount or form of executive or director compensation in the last year. The Compensation Committee has reviewed recommendations prepared by our CEO for levels of compensation for Mr. Hunt, our Chief Operating Officer and Mr. Maronick, our Chief Financial Officer. The Compensation Committee has reviewed and discussed with management the Company's Compensation Discussion and Analysis section of this Proxy Statement. Based on such review and discussions, the Compensation Committee has recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement and in the Company's Annual Report on Form 10-K for the year ended December 31, 2012.

COMPENSATION COMMITTEE

Brian Labadie, Chairman

Leonard Harris

Mark E. Jones III

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires Solitario's directors and executive officers, and persons who own more than ten percent of a registered class of Solitario's equity securities, to file with the SEC initial reports of ownership and reports of changes in ownership of Common Stock and other equity securities of Solitario. Officers, directors, greater than ten percent shareholders are required by SEC regulation to furnish Solitario with copies of all Section 16(a) reports they file. Based solely on review of the copies of such reports furnished to Solitario and written representations that no other reports were required, during the fiscal year ended December 31, 2012 no person failed to meet the Section 16(a) filing requirements applicable to officers, directors, and greater than ten percent beneficial owners other than no change of ownership reports were filed during 2012 by Sprott Asset Management Inc. of the transaction or transactions by which their ownership was reduced from 4,084,840 shares of our common stock representing 11.9% of our outstanding common stock on April 27, 2012 to 2,311,050 shares of our common stock representing 6.7% of our outstanding common stock on December 31, 2012.

Shareholder Communications

We endeavor to keep all shareholders well informed as to financial performance of the Company, primarily by means of its annual and quarterly reports and by press releases. The Board and management of Solitario are receptive to shareholder feedback in any form. It is Solitario's policy to receive and respond promptly to shareholder inquiries while being guided by legal requirements as well as the Company's policies with respect to confidentiality and disclosure requirements. Shareholders wishing to send communications to the Board should write to either the Chairman of the Board or to the Secretary of the Company at the following address: Solitario Exploration & Royalty Corp., 4251 Kipling St., Suite 390, Wheat Ridge, CO 80033. All such communication shall state the type and amount of the Company's securities held by the shareholder and shall clearly state the communication is intended to be shared with or directed only to the Board, or if applicable, with a specific committee of the Board or specified individual

shareholders. The Chairman of the Board or the Secretary of the Company, as applicable, will forward such communication to the members of the Board or a specific committee of the Board or specified individual shareholders.

Indemnification of Directors

Our Articles of Incorporation authorize our Board to the fullest extent permitted by Colorado law as now or hereafter in effect, to indemnify any Director of Solitario. The Board is entitled to determine the terms of such indemnification, including advance of expenses, and to give effect thereto through the adoption of Bylaws, approval of agreements, or by any other manner approved by the Board. Any amendment to or repeal of the authorization of indemnification contained in our Articles of Incorporation shall not adversely affect any right of a Director of Solitario thereunder with respect to any right to indemnification that arises prior to such amendment.

Code of Ethics

We adopted a Code of Business Conduct and Ethics including a Code of Ethics applicable to the principal executive officer and the principal financial and accounting officer of Solitario (the "Code of Ethics") on June 27, 2006, a copy of which may be found on our website at www.solitarioxr.com and on SEDAR at www.sedar.com. Any person who wishes to receive a copy of the Code of Ethics may do so at no charge by written request to Investor Relations, Solitario Exploration & Royalty Corp., 4251 Kipling St, Suite 390, Wheat Ridge, CO 80033.

Board Leadership and Risk Oversight

We have maintained separate individuals in the position of Chief Executive Officer ("CEO") and non-executive Chairman of the Board of Solitario since our inception. Our non-executive Chairman serves as liaison between the CEO and other independent directors, approves meeting agendas and schedules and notifies other members of the Board of Directors regarding any significant concerns of shareholders or interested parties of which he becomes aware. Our non-executive Chairman presides at all Board meetings he attends and provides advice and counsel to the Chief Executive Officer. We believe the separation of these positions, with an independent non-executive Chairman, provides Solitario with valuable independent direction and advice for our CEO and our other executive officers.

Our Board of Directors is responsible for the overall risk oversight of Solitario. Directors are entitled to rely on management and the advice of the Corporation's outside advisors and auditors, but must at all times have a reasonable basis for such reliance. The Board of Directors delegates the day-to-day risk management of Solitario to the CEO and Chief Financial Officer, each of whom periodically report to the Board of Directors and to certain committees of the Board of Directors. The Audit Committee oversees our financial and reporting risks, including our hedging risks and these risks are discussed at no less than one Audit Committee meeting per year, providing the Audit Committee members the opportunity to discuss the risks and the risk mitigation process. The Compensation Committee oversees the risks arising from our compensation policies and practices and provides a report to the Board of Directors regarding the compensation of the CEO and executive officers. The Nominating Committee evaluates and recommends individuals for nomination to the Board of Directors in the event of a vacancy in the Board of Directors.

2. COMPENSATION PLANS PREVIOUSLY APPROVED BY SHAREHOLDERS

The Solitario Resources Corporation 2006 Stock Option Incentive Plan (the "2006 Option Plan") was approved by shareholders and became effective June 27, 2006, the shareholders approved certain modifications to the 2006 Option Plan on June 14, 2007, which became The Solitario Resources Corporation 2006 Stock Option Incentive Plan (as amended), (the "2006 Plan"). Under the 2006 Plan, up to 2,800,000 shares may be issued pursuant to options granted by the Board under the 2006 Plan to directors, officers, employees and consultants with an exercise price that is not less than the market price of Solitario's Common Stock on the date of grant. The 2006 Plan defines the market

price as the closing sales price in Canadian dollars on the Toronto Stock Exchange (the "TSX") on the date that an applicable option is granted by the Board.

Equity Compensation Plan Information as of December 31, 2012:

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights Cdn\$ (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
2006 Plan			
Equity compensation plans approved by security holders	2,598,400	\$2.22	250
Equity compensation plans not approved by security holders	-	N/A	-
Total	2,598,400	\$2.22	250

The total number of shares of Solitario Common Stock authorized under the 2006 Plan is 2,800,000 shares, which represents 8.0% of the 34,647,958 shares of Solitario Common Stock outstanding as of April 29, 2013. The total number of shares of Solitario Common Stock available for issue from the exercise of all outstanding options from the 2006 Plan as of April 29, 2013 is 2,480,900 shares, which represents 7.2% of the 34,647,958 shares of Solitario Common Stock outstanding on that date.

3. THE 2013 PLAN

On April 22, 2013 the Board of Directors, subject to Shareholder and regulatory approval, adopted the 2013 Solitario Exploration & Royalty Corp. Omnibus Stock and Incentive Plan (the “2013 Plan”) and reserved 1,750,000 shares of Company Common Stock for issuance under the 2013 Plan, which represents 5.0% of the 34,647,958 shares of Solitario Common Stock outstanding on that date.

Shareholder approval of the 2013 Plan is sought: (i) because our existing 2006 Plan is effectively out of available shares to grant, the Company is unable to provide stock-based incentives to new or existing officers, directors or employees of Solitario; and (ii) historically the granting of stock-based compensation through options has been an integral part of the compensation of these individuals, as discussed below, and the Board feels this should continue to be part of such compensation in the future; and (iii) to give the Company the flexibility to grant Awards that are comparable to Awards that our peer group companies have the ability to grant; and (iii) to permit the issuance of options which will qualify as incentive options pursuant to the Internal Revenue Code (the “Code”); and (iv) to comply with Section 711 of the NYSE MKT Company Guide, which requires shareholder approval of equity compensation plans in which officers, directors, employees, or consultants may participate.

The 2013 Plan is intended to provide incentives to officers, employees, consultants and advisers (including members of the Board of Directors), who contribute to the success of the Company by offering them the opportunity to acquire an ownership interest in it. The Board of Directors believes that this also will help to align the interests of its management, directors, employees and other personnel with the interests of shareholders.

Description of the 2013 Plan

The following is a summary of the principal features of the 2013 Plan, which is qualified in its entirety by reference to the 2013 Plan. A copy of the 2013 Plan is attached as Appendix A to this proxy statement.

The 2013 Plan permits the granting of cash and equity-based awards to our directors, officers, employees, consultants, independent contractors and affiliates. Equity-based awards are determined by the Committee and are granted only in

compliance with applicable laws and regulatory policy.

Administration

The 2013 Plan is administered by the Board of Directors, or a committee appointed by the Board of Directors, which we refer to herein as the “Committee.” The 2013 Plan will initially be administered by the Board of Directors as a whole, although with respect to certain awards it is expected that the Compensation Committee will provide input and recommendations to the Board of Directors. The Committee will administer the 2013 Plan and will have full power and authority to determine when and to whom awards will be granted, and the type, amount, form of payment and other terms and conditions of each award, consistent with the provisions of the 2013 Plan. In addition, the Committee can specify whether, and under what circumstances, awards to be received under the 2013 Plan or amounts payable under such awards may be deferred automatically or at the election of either the holder of the award or the Committee. Subject to the provisions of the 2013 Plan, the Committee may amend or waive the terms and conditions, or accelerate the exercisability, of an outstanding award. The Committee has authority to interpret the 2013 Plan and establish rules and regulations for the administration of the 2013 Plan.

The Committee may delegate certain powers and duties under the 2013 Plan to an administrator, (the “Administrator”) who may be an officer or one or more directors (including a director who is also an officer of the Company), except that the Committee may not delegate its powers to grant awards to executive officers or directors

who are subject to Section 16 of the Exchange Act, or in a way that would violate Section 162(m) of the Code. The Board may also exercise the powers of the Committee at any time, so long as its actions would not violate Section 162(m) of the Code.

Eligible Participants

Natural persons who are an employee, officer, consultant, independent contractor or director providing services to the Company or any of its affiliates, who are selected by the Committee, are eligible to receive an award under the 2013 Plan.

As of April 29, 2013, three officers, 15 employees (including the three officers), and four non-employee directors of the Company were considered to be within the group of eligible persons who could receive awards under the 2013 Plan.

Shares Available For Awards

The aggregate number of shares of our common stock that may be issued under all equity-based awards made under the 2013 Plan is 1,750,000 shares of common stock.

In the event a change, such as a stock split, is made in our capitalization which results in an exchange or other adjustment of each share of common stock for or into a greater or lesser number of shares, appropriate adjustments will be made to unvested Awards in the number of shares subject to each outstanding option or other awards in order to prevent dilution or enlargement of the benefits or potential benefits intended to be provided under the 2013 Plan. The Committee also may make provisions for adjusting the number of Awards in the event we effect one or more reorganizations, recapitalizations, rights offerings, or other increases or reductions of shares of our outstanding common stock. Awards may provide that in the event of the dissolution or liquidation of the Company, a corporate separation or division or the merger or consolidation of the Company, the holder may exercise the Award on such terms as it may have been exercised immediately prior to such dissolution, corporate separation or division or merger or consolidation; or in the alternative, the Committee may provide that each Award granted under the 2013 Plan shall terminate as of a date fixed by the Committee.

If an Award is terminated without the issuance of any shares or if shares covered by an award are not purchased or are forfeited, then the shares previously set aside for such award will be available for future awards under the 2013 Plan. If an Award is payable only in cash and does not entitle the holder to receive or purchase shares and is settled in cash then the Award will not be counted against the aggregate number of shares available under the 2013 Plan.

Types of Awards and Terms and Conditions

The 2013 Plan permits the granting of:

- stock options (including both incentive and non-qualified stock options);
- stock appreciation rights (“SARs”); and
- restricted stock and restricted stock units.

Awards may be granted alone, in addition to, in combination with or in substitution for, any other award granted under the 2013 Plan or any other compensation plan. Awards can be granted for no cash consideration or for any cash consideration as may be determined by the Committee or as required by applicable law. Awards may provide that upon the grant or exercise thereof, the holder will receive cash or shares of our common stock or a combination of these in a single payment, installments or on a deferred basis as provided for and as applicable under the 2013 Plan. The exercise price per share under any stock option and the grant price of any SAR may not be less than the fair market value of our common stock on the date of grant of such option or SAR. Fair market value per

share under the 2013 Plan shall be the NYSE-MKT Closing Price, as defined in the 2013 Plan, on such date, provided, that if the actual transaction involving the shares occurs at a time when the NYSE MKT is closed for regular trading, then it shall be the most recent Closing Price.

Incentive stock options must expire no later than 10 years after the date of grant or, for persons who own more than 10% of the total voting power of all classes of stock, no later than five years after the date of grant. The term of all other awards shall be determined by the Committee.

Stock Options. The holder of an option is entitled to purchase a number of shares of our common stock at a specified exercise price during a specified time period, all as determined by the Committee. The option exercise price is payable in cash.

Stock Appreciation Rights. The holder of an SAR is entitled to receive in cash the excess of the fair market value, calculated as of the exercise date, of an equivalent value of a specified number of shares of our common stock over the grant price of the SAR. SARs vest and become exercisable in accordance with a vesting schedule established by the Committee.

Restricted Stock and Restricted Stock Units. The holder of restricted stock will own shares of our common stock subject to restrictions imposed by the Committee (including, for example, restrictions on the right to vote the restricted shares or to receive any dividends with respect to the shares) for a specified time period determined by the Committee. The holder of restricted stock units will have the right, subject to any restrictions imposed by the Committee, to receive shares of our common stock, or a cash payment equal to the fair market value of those shares, at some future date determined by the Committee.

Duration, Termination and Amendment. Unless discontinued or terminated by the Board, the 2013 Plan will expire on April 21, 2023. No awards may be made after that date. However, unless otherwise expressly provided in an applicable award agreement, any award granted under the 2013 Plan prior to expiration may extend beyond the expiration of the 2013 Plan through the award's normal expiration date.

The Board may amend, alter, suspend, discontinue or terminate the 2013 Plan at any time, although stockholder approval must be obtained for any action that would increase the number of shares of our common stock available under the 2013 Plan, increase the award limits under the 2013 Plan, or cause Section 162(m) of the Internal Revenue Code to become unavailable with respect to the 2013 Plan. Stockholder approval is also required for any action that requires stockholder approval under the rules and regulations of the Securities and Exchange Commission, the Toronto Stock Exchange or the NYSE MKT or any other securities exchange or the Financial Industry Regulatory Authority that are applicable to the Company.

Award Expiration and Termination. Unless the terms of an Option expressly provide for a different date of termination, the unexercised portion of an Option shall automatically and without notice terminate and become null and void at the time of the earliest to occur of the following: (1) on the ninetieth (90th) day following Holder's Separation for any reason except death, Disability or for Cause; or (2) immediately upon Separation as a result, in whole or in material part, of a discharge for Cause; or (3) on the first (1st) anniversary of a Separation by reason of death or Disability; or (4) in the case of a 10% Person, on the fifth (5th) anniversary of the Date of Grant; or (5) on the tenth (10th) anniversary of the Date of Grant.

Blackout periods. Notwithstanding any other provision of the 2013 Plan or any Award to the contrary, any exercise of disposition of any Award or any Reserved Share pursuant to the 2013 Plan shall be consistent with the Trading Restrictions and Blackout Periods policy stated within the Company's Disclosure Policy, or such other applicable written policy as necessary. If the term of any Award granted under the 2013 Plan ends on a day occurring within a Blackout Period or within ten business days thereafter, such Award shall continue to be exercisable under the terms of the 2013 Plan up to 5:00 p.m. (Denver time) on the tenth business day following the end of such Blackout Period.

Prohibition on Re-pricing Awards

Without the approval of the Company's stockholders, the Committee will not re-price, adjust or amend the exercise price of any options or the grant price of any SAR previously awarded, whether through amendment, cancellation and replacement grant or any other means.

Transferability of Awards

Unless otherwise provided by the Committee, A SAR shall be transferable only to the extent, if any, provided in the agreement evidencing the SAR. All other Awards under the 2013 Plan may only be transferred by will or by the laws of descent and distribution.

Federal Income Tax Consequences

The following is a summary of the principal U.S. federal income tax consequences generally applicable to awards under the 2013 Plan. The following description applies to U.S. citizens and residents who receive awards under the 2013 Plan. Participants who are neither U.S. citizens nor residents but who perform services in the United States may also be subject to U.S. federal income tax under some circumstances. In addition, former citizens or long-term residents of the United States may be subject to special expatriate tax rules, which are not addressed in this summary.

Grant of Options and SARs. The grant of a stock option (either an incentive stock option or a non-qualified stock option) or SAR is not expected to result in any taxable income for the recipient.

Exercise of Incentive Stock Options. The holder of an incentive stock option generally will have no taxable income upon exercising the option (except that an alternative minimum tax liability may arise). If stock is issued to the optionee pursuant to the exercise of an incentive stock option, and if no disqualifying disposition of such shares is made by such award holder within two years after the date of grant or within one year after the transfer of such shares to such award holder, then (1) upon the sale of such shares, any amount realized in excess of the option price will be taxed to such optionee as a long-term capital gain and any loss sustained will be a long-term capital loss, and (2) we will not be entitled to a deduction for federal income tax purposes.

If the stock acquired upon the exercise of an incentive stock option is disposed of prior to the expiration of either holding period described above, generally (1) the optionee will realize ordinary income in the year of disposition in an amount equal to the excess (if any) of the fair market value of such shares at exercise (or, if less, the amount realized on the disposition of such shares) over the option price paid for such shares, and (2) we will be entitled to deduct such

amount for federal income tax purposes if the amount represents an ordinary and necessary business expense. Any further gain (or loss) realized by the optionee will be taxed as short-term or long-term capital gain (or loss), as the case may be, and will not result in any deduction by us.

Exercise of Non-Qualified Stock Options and SARs. Upon exercising a non-qualified stock option, the optionee must recognize ordinary income equal to the excess of the fair market value of the shares of our common stock acquired on the date of exercise over the exercise price, and we generally will be entitled at that time to an income tax deduction for the same amount. Upon exercising a SAR, the amount of any cash received is taxable to the recipient as ordinary income and generally are deductible by us.

Disposition of Acquired Shares. The tax consequence upon a disposition of shares acquired through the exercise of an option will depend on how long the shares have been held and whether the shares were acquired by exercising an incentive stock option or by exercising a non-qualified stock option. Generally, there will be no tax consequence to us in connection with the disposition of shares acquired under an option, except that we may be entitled to an income tax deduction in the case of the disposition of shares acquired under an incentive stock option before the applicable incentive stock option holding periods set forth in the Internal Revenue Code have been satisfied.

For an Award that is payable in shares of our common stock that are restricted as to transferability and subject to substantial risk of forfeiture, unless a special election is made pursuant to Section 83(b) of the Code, the holder of the Award must recognize ordinary income equal to the excess of (x) the fair market value of the shares of

our common stock received (determined as of the first time the shares became transferable or not subject to substantial risk of forfeiture, whichever occurs earlier) over (y) the amount (if any) paid for the shares of our common stock by the holder. The Company will be entitled at that time to a tax deduction for the same amount if and to the extent that amount satisfies general rules concerning deductibility.

Special Rules. Special rules may apply in the case of individuals subject to Section 16(b) of the Exchange Act. In particular, unless a special election is made pursuant to Section 83(b) of the Code, shares of our common stock received pursuant to the exercise of an option may be treated as restricted as to transferability and subject to a substantial risk of forfeiture for a period of up to six months after the date of exercise. Accordingly, the amount of any ordinary income recognized, and the amount of the Company's tax deduction, may be determined as of the end of such period.

Deductibility of Executive Compensation under Code Section 162(m). Section 162(m) of the Code generally limits to \$1,000,000 the amount that a publicly-held corporation is allowed each year to deduct for the compensation paid to each of the corporation's chief executive officer and the corporation's other four most highly compensated executive officers. However, "qualified performance-based compensation" is not subject to the \$1,000,000 deduction limit. In general, to qualify as performance-based compensation, the following requirements need to be satisfied: (1) payments must be computed on the basis of an objective, performance-based compensation standard determined by a committee consisting solely of two or more "outside directors," (2) the material terms under which the compensation is to be paid, including the business criteria upon which the performance goals are based, and a limit on the maximum bonus amount which may be paid to any participant pursuant with respect to any performance period, must be approved by a majority of the corporation's stockholders and (3) the committee must certify that the applicable performance goals were satisfied before payment of any performance-based compensation.

The 2013 Plan has been designed to permit grants of options and SARs issued under the 2013 Plan to qualify under the performance-based compensation rules so that income attributable to the exercise of a non-qualified stock option or an SAR may be exempt from the \$1,000,000 deduction limit. Grants of other Awards under the 2013 Plan may not so qualify for this exemption. The 2013 Plan's provisions are consistent in form with the performance-based compensation rules, so that if the committee that grants options or SARs consists exclusively of members of the board of directors of the Company who qualify as "outside directors," and the exercise price (or deemed exercise price, with respect to SARs) is not less than the fair market value of the shares of common stock to which such grants relate, the compensation income arising on exercise of those options or SARs should qualify as performance-based compensation which is deductible even if that income would be in excess of the otherwise applicable limits on deductible compensation income under Code Section 162(m).

2013 Plan Benefits and Stock Options Granted Under the 2013 Plan

As of April 29, 2013 no options or other awards have been granted under the 2013 Plan. Future grants under the 2013 Plan will be determined by the Committee and may vary from year to year and from participant to participant and are

not determinable at this time. Future benefits or amounts to be received by or allocated will be determined by future action of the Committee and are not determinable at this time.

Vote Required; Proposed Resolution; Board Recommendation

The following proposed resolution requires the affirmative vote of a majority of the votes cast by the shareholders at the Annual Meeting:

“RESOLVED THAT:

The 2013 Plan, in the form presented to the Shareholders in Appendix A to the Proxy Statement, providing for the issuance of up to 1,750,000 shares of Common Stock of the Company pursuant to the Awards granted under the 2013 Plan is hereby approved.”

THE BOARD RECOMMENDS THAT THE SHAREHOLDERS VOTE FOR APPROVAL OF THE 2013 PLAN.

4. EXECUTIVE OFFICERS AND DIRECTOR COMPENSATION

Compensation of Directors

In addition to any options granted pursuant to the 2006 Plan or that may later be granted pursuant to the 2013 Plan, our Directors receive the following compensation in their capacities as Directors:

Annual Director retainer fee.	\$10,000 (2,500 per quarter)
Additional Chairman fee.	\$ 6,000 (1,500 per quarter)
Additional Vice Chairman fee.	\$ 3,000 (750 per quarter)
Additional Audit Committee Chairman fee.	\$ 2,000 (500 per quarter)

All the above referenced fees are paid quarterly. Fees cover participation in all board and committee meetings, including the position of all committee chairmen (excluding audit chairman that receives an additional fee). A deduction of \$1,000 will be made for any regularly scheduled board meeting (four quarterly meetings) that is missed.

The following table provides summary information regarding compensation earned by our Directors during the fiscal year ended December 31, 2012:

DIRECTOR COMPENSATION

Name(1)	Fees earned or paid in cash (\$)	Stock Awards (\$)	Option Awards (2) (\$)	Non-equity incentive plan compensation	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Mr. Labadie, Chairman (3)	16,000	-	21,085	-	-	-	37,085
Mr. Hainey (4)	12,000	-	21,085	-	-	-	33,085
Mr. Harris (5)	10,000	-	21,085	-	-	-	31,085
Mr. Jones (6)	13,000	-	21,085	-	-	-	34,085