

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 40-F

REGISTRATION STATEMENT PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13(a) OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended: December 31, 2021 Commission File Number: 001-35297

FORTUNA SILVER MINES INC.

(Exact name of Registrant as specified in its charter)

N/A

(Translation of Registrant's name into English (if applicable))

British Columbia, Canada

(Province or other jurisdiction of incorporation or organization)

1040

(Primary Standard Industrial
Classification Code Number (if applicable))

N/A

(I.R.S. Employer
Identification Number (if applicable))

**200 Burrard Street, Suite 650
Vancouver, British Columbia V6C 3L6, Canada
604-484-4085**

(Address and telephone number of Registrant's principal executive offices)

**National Corporate Research, Ltd.
10 East 40th Street, 10th Floor
New York, New York 10016
212-947-7200**

(Name, address (including zip code) and telephone number (including area code)
of agent for service in the United States)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares	FSM	New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act.

None

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None

(Title of Class)

For annual reports, indicate by check mark the information filed with this Form:

Annual information form Audited annual financial statements

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report:

There were 291,529,330 common shares with no par value outstanding as of December 31, 2021.

Indicate by check mark whether the Registrant: (1) has filed all reports to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files).

Yes No

Indicate by check mark whether the Registrant is an emerging growth company as defined in Rule 12b-2 of the Exchange Act.

Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards[†] provided pursuant Section 13(a) of the Exchange Act.

[†] The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the Registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

DISCLOSURE REGARDING CONTROLS AND PROCEDURES

Disclosure Controls and Procedures.

Disclosure controls and procedures are defined in Rule 13a-15(e) and Rule 15d-15(e) of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”) as those controls and procedures designed to ensure that information required to be disclosed in the annual filings and interim filings and other reports filed or submitted by Fortuna Silver Mines Inc. (the “**Company**”) under the Exchange Act is duly recorded, processed, summarized and reported, within the time periods specified in rules and forms of the United States Securities and Exchange Commission (the “**SEC**”). Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in the Company’s reports and filings is accumulated and communicated to management, including the Chief Executive Officer (“**CEO**”) and Chief Financial Officer (“**CFO**”) as appropriate, to allow timely decisions regarding required disclosure.

The Company evaluated, with the participation of its CEO and CFO, the effectiveness of its disclosure controls and procedures as of December 31, 2021. Based on that evaluation, the CEO and the CFO have concluded that, as of the end of the period covered by this Annual Report on Form 40-F, the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the Company’s annual filings and interim filings and other reports filed or submitted under the Exchange Act, is recorded, processed, summarized and reported within time periods specified in SEC rules and forms and is accumulated and communicated to management, including the CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

Notwithstanding the foregoing, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that the Company’s disclosure controls and procedures will detect or uncover every situation involving the failure of persons within the Company and its subsidiaries to disclose material information otherwise required to be set forth in the Company’s periodic reports. The Company’s disclosure controls and procedures are designed to provide reasonable assurance of achieving their objective of ensuring that information required to be disclosed in the reports that the Company files or submits under the Exchange Act is communicated to management to allow timely decisions regarding required disclosure.

Management’s Annual Report on Internal Control Over Financial Reporting.

Management is responsible for establishing and maintaining adequate internal control over financial reporting (as such term is defined in Rule 13a-15(f) and Rule 15d-15(f) under the Exchange Act) and has designed such internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board.

In designing and evaluating the Company’s internal control over financial reporting, the Company’s management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its reasonable judgment in evaluating the cost-benefit relationship of possible controls and procedures. Because of its inherent limitations, internal controls over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

Management assessed the effectiveness of the Company’s internal control over financial reporting as of December 31, 2021. In making this assessment, management used the Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management concluded that the Company’s internal control over financial reporting was effective as at December 31, 2021.

Except for the controls over purchase price adjustments related to the acquisition by the Company of Roxgold Inc. (“Roxgold”) on July 2, 2021, the Company has limited the scope of its internal control over financial reporting and disclosure controls and procedures to exclude the controls and policies and procedures of Roxgold as allowed by the United States Securities and Exchange Commission and Canadian Securities Administrators. The assets and revenues of Roxgold represent 50% (inclusive of the purchase price adjustments) and 17%, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2021.

See “Management’s Report on Internal Control Over Financial Reporting” in the Management’s Discussion and Analysis for the fiscal years ended December 31, 2021 and 2020, included as Exhibit 99.3 to this Annual Report on Form 40-F. The Company’s auditors have issued an attestation report on management’s assessment of the Company’s internal control over financial reporting. See “Attestation Report of the Registered Public Accounting Firm” below.

Attestation Report of the Registered Public Accounting Firm. The Company’s internal control over financial reporting as of December 31, 2021 has been audited by KPMG LLP, Independent Registered Public Accounting Firm, Vancouver, BC, Canada, Audit Firm ID 85. The required report is included in the “Report of Independent Registered Public Accounting Firm,” that accompanies the Company’s audited consolidated financial statements as at and for the fiscal years ended December 31, 2021 and 2020, filed as part of this Annual Report on Form 40-F in Exhibit 99.2.

Changes in Internal Control Over Financial Reporting. During the fiscal year ended December 31, 2021, there were no changes in the Company’s internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

NOTICES PURSUANT TO REGULATION BTR

None.

IDENTIFICATION OF THE AUDIT COMMITTEE

The Company has a separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Exchange Act. The members of the audit committee are Kylie Dickson, Alfredo Sillau and David Farrell. The board of directors has determined that each of Kylie Dickson, Alfredo Sillau and David Farrell is independent, as that term is defined in Rule 10A-3 under the Exchange Act and the Listed Company Manual of the New York Stock Exchange.

AUDIT COMMITTEE FINANCIAL EXPERT

The board of directors of the Company has determined that Kylie Dickson, a member of the Company’s audit committee, qualifies as an audit committee financial expert for purposes of paragraph (8) of General Instruction B to Form 40-F. The SEC has indicated that the designation of Kylie Dickson as an audit committee financial expert does not: (i) make her an “expert” for any purpose, (ii) impose any duties, obligations or liabilities on her that are greater than those imposed on members of the audit committee and the board of directors who do not carry this designation, and (iii) or affect the duties, obligations or liabilities of any other member of the audit committee or the board of directors.

CODE OF ETHICS

The Company has adopted a “code of ethics” (as that term is defined in Form 40-F), entitled the “Code of Business Conduct and Ethics and Whistle-Blower Policy”, that applies to all of its directors, officers, employees, and consultants including its principal executive officer, principal financial officer, principal accounting officer or controller, and persons performing similar functions.

The Code of Business Conduct and Ethics and Whistle-Blower Policy is available for viewing on the Company's website at www.fortunasilver.com under "About Fortuna / Our Governance".

PRINCIPAL ACCOUNTANT FEES AND SERVICES

The required disclosure is included under the heading "Audit Committee" in the Company's Annual Information Form for the fiscal year ended December 31, 2021, filed as part of this Annual Report on Form 40-F in Exhibit 99.1.

PRE-APPROVAL POLICIES AND PROCEDURES

The auditors of the Company obtain, as necessary, the pre-approval of the Audit Committee for any anticipated additional services required of the auditors for the coming fiscal year. If other service requirements arise during the year, the Audit Committee will pre-approve such services at that time, prior to the commencement of such services. No fees paid by the Company to its auditors during the fiscal year ended December 31, 2021, were approved by the Audit Committee pursuant to the de minimus exception provided by Section (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements required to be disclosed in this Annual Report on Form 40-F.

MINE SAFETY DISCLOSURE

The Company is currently not required to disclose the information required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

NEW YORK STOCK EXCHANGE CORPORATE GOVERNANCE

The Company is a "foreign private issuer" as defined in Rule 3b-4 under the Exchange Act and Rule 405 under the United States Securities Act of 1933, as amended, and the Company's common shares are listed on the New York Stock Exchange (the "NYSE"). Sections 103.00, 303A.00 and 303A.11 of the NYSE Listed Company Manual permit foreign private issuers to follow home country practices in lieu of certain provisions of the NYSE Listed Company Manual. A foreign private issuer that follows home country practices in lieu of certain provisions of the NYSE Listed Company Manual must disclose any significant ways in which its corporate governance practices differ from those followed by domestic companies either on its website or in the annual report that it distributes to shareholders in the United States. A description of the significant ways in which the Company's governance practices differ from those followed by domestic companies pursuant to NYSE standards is disclosed on the Company's website at www.fortunasilver.com under "Company / Corporate Governance / New York Stock Exchange".

The Company's corporate governance practices, as described on its website, are consistent with the laws, customs and practices in Canada.

INCORPORATION BY REFERENCE

Exhibits 99.1, 99.2 and 99.3 to this Annual Report on Form 40-F for the year ended December 31, 2021 are incorporated by reference into the Registration Statement on Form F-10 (Commission File No. 333-237897) of the Company.

UNDERTAKING

The Company undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the SEC staff, and to furnish promptly, when requested to do so by the SEC staff, information relating to: the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an annual report on Form 40-F arises; or transactions in said securities.

CONSENT TO SERVICE OF PROCESS

A Form F-X signed by the Company and its agent for service of process has been previously filed with the SEC together with the Company's Registration Statement on Form 40-F (File No. 001-35297) in connection with its securities registered on such form.

Any changes to the name or address of the agent for service of process of the Company shall be communicated promptly to the SEC by an amendment to the Form F-X referencing the file number of the Company.

SIGNATURE

Pursuant to the requirements of the Exchange Act, the Company certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereto duly authorized.

Date: March 31, 2022

FORTUNA SILVER MINES INC.

By: *"Jorge Ganoza Durant"*

Name: Jorge Ganoza Durant

Title: President, Chief Executive Officer & Director



EXHIBIT INDEX

Exhibit	Description
99.1	Annual Information Form for the year ended December 31, 2021
99.2	Audited Consolidated Financial Statements as at and for the years ended December 31, 2021 and 2020, including the Reports of Independent Registered Public Accounting Firms with respect thereto
99.3	Management's Discussion and Analysis for the years ended December 31, 2021 and 2020
99.4	Consent of KPMG LLP (PCAOB ID 85)
99.5	Consent of Eric Chapman
99.6	Consent of Amri Sinuhaji
99.7	Consent of Matthew Cobb
99.8	Consent of Paul Criddle
99.9	Consent of Paul Weedon
99.10	Consent of Craig Richards
99.11	Consent of Hans Andersen
99.12	Consent of Geoff Bailey
99.13	Consent of Shane McLeay
99.14	Consent of David Morgan
99.15	Consent of Lycopodium Minerals Canada Ltd.
99.16	Consent of Edwin Gutierrez
99.17	Consent of Geoff Allard
99.18	Consent of Denys Parra Murrugarra
99.19	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
99.20	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
99.21	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.22	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

EXHIBIT 99.1

ANNUAL INFORMATION FORM



FORTUNA
SILVER MINES INC.

ANNUAL INFORMATION FORM

For the Fiscal Year Ended December 31, 2021

DATED: March 30, 2022

CORPORATE OFFICE:

Suite 650, 200 Burrard Street
Vancouver, BC V6C 3L6, Canada
Tel: 604.484.4085
Fax: 604.484.4029

MANAGEMENT HEAD OFFICE:

Piso 5, Av. Jorge Chávez #154
Miraflores, Lima, Peru
Tel: 511.616.6060, ext. 2

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Audit Committee Charter	Schedule “A”

PRELIMINARY NOTES

This Annual Information Form (“AIF”) is dated March 30, 2022 and presents information about Fortuna Silver Mines Inc. (referred to herein as the “**Company**” or “**Fortuna**”). Except as otherwise indicated, the information contained herein is presented as at December 31, 2021, being the date of the Company’s most recently completed financial year end.

Fortuna has a number of direct and indirect subsidiaries which own and operate assets and conduct activities in different jurisdictions. The terms “**Fortuna**” or the “**Company**” are used in this AIF for simplicity of the discussion provided herein and may include references to subsidiaries that have an affiliation with Fortuna, without necessarily identifying the specific nature of such affiliation.

Cautionary Statement – Forward-Looking Statements

Certain statements contained in this AIF and the documents incorporated by reference into this AIF constitute forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 and Section 21E of the United States Securities Exchange Act of 1934, as amended (the “Exchange Act”), and forward-looking information within the meaning of applicable Canadian securities legislation (collectively, “forward-looking statements”). All statements included herein, other than statements of historical fact, are forward-looking statements and are subject to a variety of known and unknown risks and uncertainties which could cause actual events or results to differ materially from those reflected in the forward-looking statements. The forward-looking statements in this AIF include, without limitation, statements relating to:

- Mineral Reserves and Mineral Resources, as they involve implied assessment, based on estimates and assumptions that the Mineral Reserves and Mineral Resources described exist in the quantities predicted or estimated and can be profitably produced in the future;
- production rates and forecasted production for 2022 at the Company’s properties;
- cash costs estimates;
- forecasted cash cost and all-in sustaining cost estimates at the Company’s mines;
- timing for delivery of materials and equipment for the Company’s properties;
- the sufficiency of the Company’s cash position and its ability to raise equity capital or access debt facilities;
- the Company’s planned greenfields exploration programs including related activities and the costs and timing thereof;
- the Company’s planned capital expenditures and brownfields exploration programs planned at each of the Company’s mines;
- the Company’s construction of the open pit gold mine and processing plant at the Séguéla Project (as defined herein), and the estimated initial capital investment for the construction of the mine, the duration of the construction schedule and the timing for the ramp up to design capacity;
- the ability to successfully integrate the acquisition of Roxgold Inc. (“**Roxgold**”) into the operations of the Company, and risks that the anticipated benefits of the Roxgold acquisition will not be realized or fully realized;
- undisclosed risks and liabilities relating to the acquisition of Roxgold and the loss of key employees related to same;
- the Company’s ability to manage challenges presented by COVID-19 and the potential impact of COVID-19 on the Company’s business and operations, and financial condition, including the Company’s ability to operate or to continue operating at its sites;
- the effectiveness of the preventative measures and safety protocols put in place by the Company to curb the spread of COVID-19;
- maturities of the Company’s financial liabilities, finance leases and other contractual commitments;
- the expiry dates of bank letters of guarantee;
- the effectiveness and impact of, and Fortuna’s commitment to, the Sustainability Framework and related disclosure, ESG policies and targets and other operational and governance policies;
- complying with anti-corruption laws and internal controls;
- litigation matters;

- estimated mine closure costs and timing thereof; and
- the Company's plans and expectations for its material properties and future exploration, development and operating activities including, without limitation, capital expenditure and production estimates, exploration activities and budgets, forecasts and schedule estimates, as well as their impact on the results of operations or financial condition of the Company.

Often, but not always, these forward-looking statements can be identified by the use of words such as "anticipates", "believes", "plans", "estimates", "expects", "forecasts", "scheduled", "targets", "possible", "strategy", "potential", "intends", "advance", "goal", "objective", "projects", "budget", "calculates" or statements that events, "will", "may", "could" or "should" occur or be achieved and similar expressions, including negative variations.

The forward-looking statements in this AIF also include financial outlooks and other forward-looking metrics relating to Fortuna and its business, including references to financial and business prospects and future results of operations, including production, and cost guidance and anticipated future financial performance. Such information, which may be considered future oriented financial information or financial outlooks within the meaning of applicable Canadian securities legislation (collectively, "**FOFI**"), has been approved by management of the Company and is based on assumptions which management believes were reasonable on the date such FOFI was prepared, having regard to the industry, business, financial conditions, plans and prospects of Fortuna and its business and properties. These projections are provided to describe the prospective performance of the Company's business. Nevertheless, readers are cautioned that such information is highly subjective and should not be relied on as necessarily indicative of future results and that actual results may differ significantly from such projections. FOFI constitutes forward-looking statements and is subject to the same assumptions, uncertainties, risk factors and qualifications as set forth below.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any results, performance or achievements expressed or implied by the forward-looking statements. Such uncertainties and factors include, among others:

- operational risks associated with mining and mineral processing;
- uncertainty relating to Mineral Resource and Mineral Reserve estimates;
- uncertainty relating to capital and operating costs, production schedules and economic returns;
- uncertainties related to new mining operations such as the Lindero Mine and development projects such as the Séguéla Project, including the possibility that actual capital and operating costs and economic returns will differ significantly from those estimated for such projects prior to production;
- uncertainty relating to the costs of the construction, the financing of construction and timing for the completion of the Séguéla Project;
- risks relating to the Company's ability to replace its Mineral Reserves;
- risks associated with mineral exploration and project development;
- uncertainty relating to the repatriation of funds as a result of currency controls;
- environmental matters including obtaining or renewing environmental permits and potential liability claims;
- uncertainty relating to nature and climate conditions;
- risks associated with political instability and changes to the regulations governing the Company's business operations;
- changes in national and local government legislation, taxation, controls, regulations and political or economic developments in countries in which the Company does or may carry on business;
- risks associated with war, hostilities or other conflicts, such as the Ukrainian – Russian conflict, and the impact it may have on global economic activity;
- risks relating to the termination of the Company's mining concessions in certain circumstances;
- risks related to International Labour Organization ("**ILO**") Convention 169 compliance;
- developing and maintaining relationships with local communities and stakeholders;
- risks associated with losing control of public perception as a result of social media and other web-based applications;
- potential opposition to the Company's exploration, development and operational activities;

- risks related to the Company's ability to obtain adequate financing for planned exploration and development activities;
- substantial reliance on the Lindero Mine, the Yaramoko Mine and the San Jose Mine for revenues;
- property title matters;
- risks relating to the integration of businesses and assets acquired by the Company;
- impairments;
- risks associated with climate change legislation;
- reliance on key personnel;
- uncertainty relating to potential conflicts of interest involving the Company's directors and officers;
- risks associated with the Company's reliance on local counsel and advisors and its management and Board (as defined herein) in foreign jurisdictions;
- adequacy of insurance coverage;
- operational safety and security risks;
- risks related to the Company's compliance with the Sarbanes-Oxley Act;
- risks related to the foreign corrupt practices regulations and anti-bribery laws;
- legal proceedings and potential legal proceedings;
- uncertainties relating to general economic conditions;
- risks relating to a global pandemic, including COVID-19, which until contained could continue to cause a slowdown in global economic growth and impact the Company's business, operations, financial condition and share price;
- the duration of the COVID-19 pandemic and the impact of COVID-19 on the Company's business, operations and financial condition, including the Company's ability to operate or to continue to operate at its mine sites in the event of government restrictions, and possible future suspensions of operations at the mine sites related to COVID-19;
- the Company's ability to manage the various challenges (both anticipated and not) presented by COVID-19 to its business, operations and financial condition;
- competition;
- fluctuations in metal prices;
- risks associated with entering into commodity forward and option contracts for base metals production;
- fluctuations in currency exchange rates;
- failure to meet covenants under the 2021 Credit Facility (as defined herein), or an event of default which may reduce the Company's liquidity and adversely affect its business;
- tax audits and reassessments;
- risks related to hedging;
- uncertainty relating to concentrate treatment charges and transportation costs;
- sufficiency of monies allotted by the Company for land reclamation;
- risks associated with dependence upon information technology systems, which are subject to disruption, damage, failure and risks with implementation and integration;
- risks associated with climate change legislation;
- our ability to manage physical and transition risks related to climate change and successfully adapt our business strategy to a low carbon global economy;
- our plan to release climate-related goals in 2022 and the anticipated nature and effect of climate related risks;
- risks related to the volatility of the trading price of the Company's common shares ("**Common Shares**") and the Company's Debentures (as defined herein);
- dilution from future equity or convertible debt financings;
- risks related to future insufficient liquidity resulting from a decline in the price of the Common Shares or Debentures;
- uncertainty relating to the Company's ability to pay dividends in the future;
- risks relating to the market for the Company's securities;
- risks relating to the Debentures of the Company;
- uncertainty relating to the enforcement of U.S. judgments against the Company; and

- risk factors referred to in the “Risk Factors” section in this AIF, and the documents incorporated by reference herein (if any).

Forward-looking Statements contained in this AIF are based on the assumptions, beliefs, expectations and opinions of management, including but not limited to:

- all required third party contractual, regulatory and governmental approvals will be obtained and maintained for the exploration, development, construction and production of its properties;
- the ability to successfully integrate the operations of Roxgold into the operations of the Company;
- there being no significant disruptions affecting operations, whether relating to labor, supply, power, damage to equipment or other matter;
- the world-wide economic and social impact of COVID-19 is managed, and the duration and extent of the coronavirus pandemic is minimized or not long-term;
- there being no material and negative impact to the various contractors, suppliers and subcontractors at the Company’s mine sites as a result of the Ukrainian – Russian conflict, COVID-19 or otherwise that would impair their ability to provide goods and services;
- permitting, construction, development and expansion proceeding on a basis consistent with the Company’s current expectations;
- expected trends and specific assumptions regarding metal prices and currency exchange rates;
- prices for and availability of fuel, electricity, parts and equipment and other key supplies remaining consistent with current levels;
- production forecasts meeting expectations;
- management’s expectation that any investigations, claims, and legal, labor and tax proceedings arising in the ordinary course of business will not have a material effect on the results of operations or financial condition of the Company. and
- the accuracy of the Company’s current Mineral Resource and Mineral Reserve estimates.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. These forward-looking statements are made as of the date of this AIF. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements. Except as required by law, the Company does not assume the obligation to revise or update these forward looking-statements after the date of this document or to revise them to reflect the occurrence of future unanticipated events.

Notice Regarding Non-IFRS Measures

Fortuna's audited consolidated financial statements of the Company for the years ended December 31, 2021 and 2020 (the "**2021 Financial Statements**") which are referred to in this AIF have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"), as issued by the International Accounting Standards Board. However, this AIF includes certain financial measures and ratios that are not defined under IFRS and are not disclosed in the 2021 Financial Statements, including but not limited to: cash cost per tonne of processed ore; cash cost per ounce of gold sold; all in sustaining costs ("**AISC**") per payable ounce of gold sold; and AISC per payable ounce of silver equivalent sold.

These non-IFRS financial measures and non-IFRS ratios are widely reported in the mining industry as benchmarks for performance and are used by management to monitor and evaluate the Company's operating performance and ability to generate cash. The Company believes that, in addition to financial measures and ratios prepared in accordance with IFRS, certain investors use these non-IFRS financial measures and ratios to evaluate the Company's performance. However, the measures do not have a standardized meaning under IFRS and may not be comparable to similar financial measures disclosed by other companies. Accordingly, non-IFRS financial measures and non-IFRS ratios should not be considered in isolation or as a substitute for measures and ratios of the Company's performance prepared in accordance with IFRS.

Except as otherwise described below, the Company has calculated these non-IFRS financial measures and non-IFRS ratios consistently for all periods presented.

To facilitate a better understanding of these measures and ratios as calculated by the Company, descriptions are provided below. In addition, see “Non-IFRS Financial Measures” in the Company’s management’s discussion and analysis for the fiscal year ended December 31, 2021 (“**2021 MD&A**”), which section is incorporated by reference in this AIF, for additional information regarding each non-IFRS financial measure and non-IFRS ratio disclosed in this AIF, including an explanation of their composition; an explanation of how such measures and ratios provide useful information to an investor and the additional purposes, if any, for which management of Fortuna uses such measures and ratios; and a qualitative reconciliation of each non-IFRS financial measure to the most directly comparable financial measure that is disclosed in the Company's 2021 Financial Statements. The 2021 MD&A may be accessed on SEDAR at www.sedar.com under the Company’s profile, Fortuna Silver Mines Inc.

Equivalent Ounces Sold

At our San Jose and Caylloma Mines, production and sales of other metals are treated as a silver equivalent in determining a combined precious metal production or sales unit, commonly referred to as silver equivalent ounces. Silver equivalent ounces are calculated by converting other metal production to its silver equivalent using relative metal/silver metal prices at realized prices and adding the converted metal production expressed in silver ounces to the ounces of silver production. The Lindero and Yaramoko Mines do not make use of an equivalent ounce sold measure as all material production is gold.

Cash Cost and AISC

In this AIF, the Company has disclosed certain cash cost and AISC figures on a per unit basis, with each such per unit measure being a non-IFRS ratio.

Cash cost is a non-IFRS measure that is an industry-standard method of comparing certain costs on a per unit basis. Cash costs include all direct and indirect operating cash costs related directly to the physical activities of producing metals, including mining and processing costs, third-party refining and treatment charges, on-site general and administrative expenses, applicable production taxes and royalties which are not based on sales or taxable income calculations, net of by-product credits, but are exclusive of the impact of non-cash items that are included as part of the cost of sales that is calculated in the consolidated Income Statement including depreciation and depletion, reclamation, capital, development and exploration costs.

The most directly comparable financial measure to cash cost that is defined in IFRS and disclosed in the Company's 2021 Financial Statements is cost of sales. Unit based cash cost ratios contained in this AIF include:

- cash cost per ounce of gold sold; and
- cash cost per tonne of processed ore.

All-in sustaining cost is a non-IFRS measure that includes total production cash costs incurred at the applicable mining operation but excludes mining royalty recognized as income tax within the scope of IAS-12, as well as non-sustaining capital expenditures. Sustaining capital expenditures, corporate selling, general and administrative expenses, and brownfield exploration expenditures are added to the cash cost. AISC is estimated at realized metal prices. The most directly comparable financial measure to AISC that is defined in IFRS and disclosed in the Company's 2021 Financial Statements is cost of sales. Unit based AISC ratios contained in this AIF include:

- all-in sustaining cash cost per ounce of gold sold; and
- all-in sustaining cash cost per ounce of payable silver equivalent sold.

In 2020, the Company reported silver AISC on a payable silver equivalent ounce produced basis. In 2021 the Company changed the reporting of this measure to a silver equivalent ounce sold basis. This change was made when the Company adopted AISC and all-in sustaining cost to better align with the guidance published by the World Gold

Council as a result of the commencement of gold production from the Lindero Mine in the fourth quarter of 2020. Comparative figures for 2020 have been updated in in the 2021 MD&A to reflect this change.

Cautionary Note to United States Investors Concerning Estimates of Reserves and Resources

The Company is a Canadian “foreign private issuer” as defined in Rule 3b-4 under the Exchange Act and is permitted to prepare the technical information contained herein in accordance with the requirements of the securities laws in effect in Canada, which differ from the requirements of the securities laws currently in effect in the United States.

Technical disclosure regarding our properties included herein and in the documents incorporated herein by reference, if applicable, was prepared in accordance with National Instrument 43-101 — Standards of Disclosure for Mineral Projects (“NI 43-101”). NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. NI 43-101 differs significantly from the disclosure requirements of the Securities and Exchange Commission (the “SEC”) generally applicable to U.S. companies. Accordingly, information contained herein is not comparable to similar information made public by U.S. companies reporting pursuant to SEC disclosure requirements.

Documents Incorporated by Reference

The information provided in this AIF is supplemented by disclosure contained in the documents listed below which are incorporated by reference into this AIF. These documents must be read together with the AIF in order to provide full, true and plain disclosure of all material facts relating to Fortuna. The documents listed below are not contained within or attached to this document. The documents may be accessed on SEDAR at www.sedar.com under the Company’s profile for Fortuna Silver Mines Inc.:

Document	Effective Date	Date Filed on SEDAR website	Document Category on the SEDAR website
Technical Report, Lindero Property, Argentina	October 31, 2017	November 2, 2017	Technical Report(s)
Technical Report, San Jose Mine, Mexico	February 22, 2019	March 28, 2019	Technical Report(s)
Technical Report, Caylloma Mine, Peru	March 8, 2019	March 28, 2019	Technical Report(s)
Technical Report, Séguéla Project, Côte d’Ivoire	May 26, 2021	March 18, 2022	Technical Report(s)
Technical Report, Yaramoko Mine, Burkina Faso	December 31, 2021	March 30, 2022	Technical Report(s)

Scientific and Technical Information

Eric Chapman, Senior Vice President of Technical Services of the Company, is a “Qualified Person” as defined by NI 43-101. Mr. Chapman is responsible for ensuring that the technical information contained in this AIF is an accurate summary of the original reports and data provided to or developed by the Company and he has reviewed and approved the scientific and technical information contained in this AIF.

Currency

Unless otherwise noted, all dollar amounts in this AIF are expressed in United States dollars. References to “\$” or “US\$” in this AIF are to United States dollars and references to CAD\$ are to Canadian dollars.

CORPORATE STRUCTURE

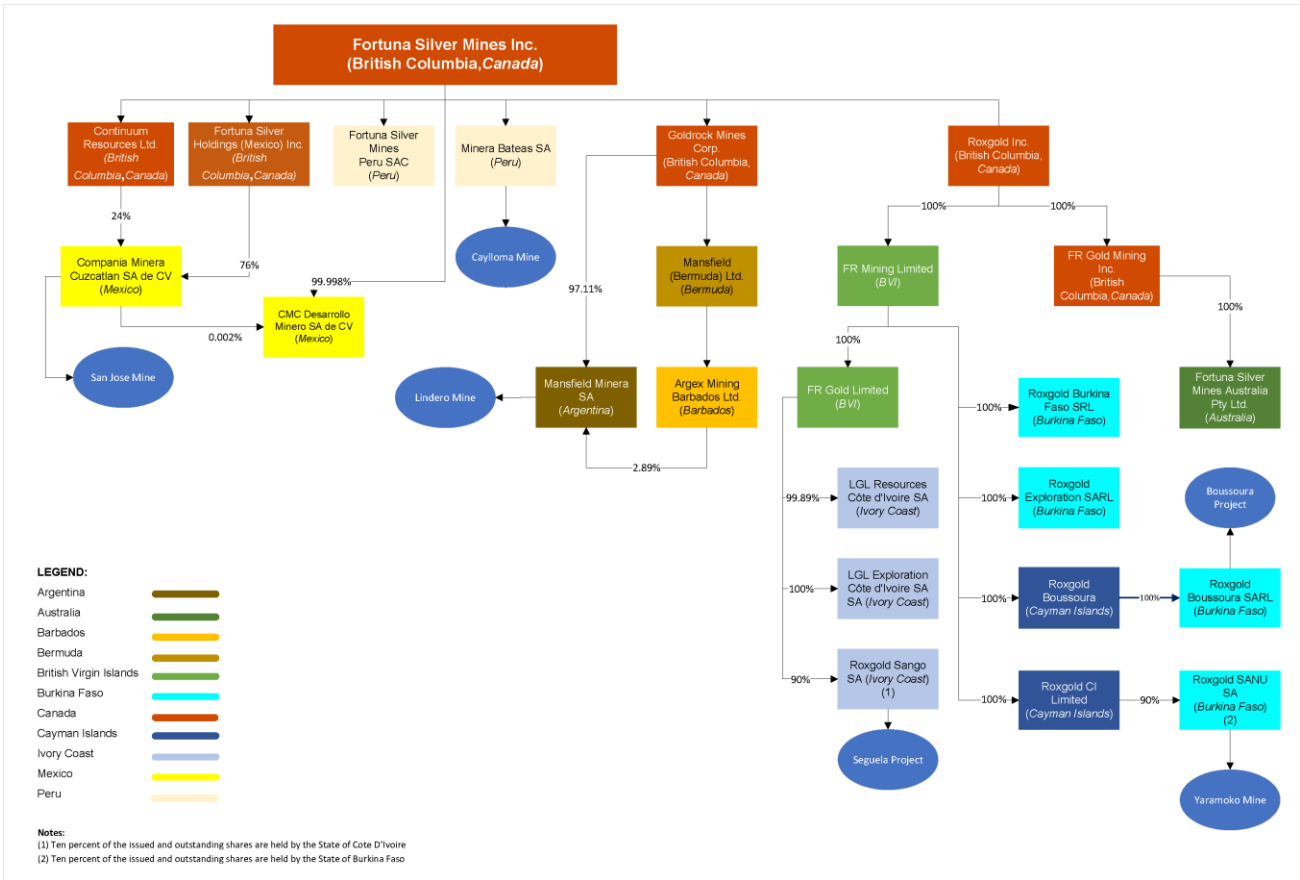
Name, Address and Incorporation

The Company was incorporated on September 4, 1990 pursuant to the Company Act (British Columbia) under the name Jopec Resources Ltd. and subsequently transitioned under the Business Corporations Act (British Columbia). On February 3, 1999, the Company changed its name to Fortuna Ventures Inc. and on June 28, 2005 to Fortuna Silver Mines Inc.

The management head office of the Company is located at Piso 5, Av. Jorge Chávez #154, Miraflores, Lima, Peru. The corporate head and registered office of the Company is located at 200 Burrard Street, Suite 650, Vancouver, BC V6C 3L6.

Intercorporate Relationships

The chart below illustrates the Company’s intercorporate relationships with its subsidiaries including the name, jurisdiction of incorporation and the Company’s respective percentage ownership of each subsidiary:



Notes:

1. In some jurisdictions where the Company operates, laws require that a company operating mineral properties must have more than one shareholder. For those jurisdictions, a nominal interest may be held by an individual or other affiliated entity and this may not be represented on the above chart.
2. All ownership of subsidiaries is 100% unless otherwise indicated.
3. Ten percent of the issued and outstanding shares of Roxgold Sanu S.A. are held by the State of Burkina Faso
4. Ten percent of the issued and outstanding shares of Roxgold Sango S.A. are held by the State of Côte d’Ivoire.

GENERAL DEVELOPMENT OF THE BUSINESS

Business of the Company

Fortuna is engaged in precious and base metals mining and related activities in Latin America and West Africa, including exploration, extraction, and processing. The Company's principal products are silver and gold, although it also produces and sells lead and zinc.

On July 2, 2021, the Company completed its acquisition (the "**Roxgold Acquisition**") of all of the issued and outstanding common shares ("**Roxgold Shares**") of Roxgold by way of a court-approved plan of arrangement under the *Business Corporations Act* (British Columbia) pursuant to an arrangement agreement between the Company and Roxgold dated effective April 26, 2021 (the "**Arrangement Agreement**"). Under the terms of the Arrangement Agreement, holders of Roxgold Shares received 0.283 of a common share of Fortuna and CAD\$0.01 in cash for each Roxgold Share held. Upon completion of the Roxgold Acquisition, Fortuna issued an aggregate of 106,106,225 common shares of Fortuna and CAD\$374,934 in cash and Roxgold became a wholly-owned subsidiary of Fortuna. As a result of the Roxgold Acquisition, the Company acquired the producing Yaramoko mine in Burkina Faso, the Séguéla advanced gold project in Côte d'Ivoire and certain exploration projects in Burkina Faso and Côte d'Ivoire. On August 16, 2021, the Company filed a Form 51-102F4 – *Business Acquisition Report* in respect of the Roxgold Acquisition with applicable Canadian securities regulators, which is available under the Company's profile on SEDAR at www.sedar.com.

Following completion of the Roxgold Acquisition and as at December 31, 2021, Fortuna:

- operates the San Jose silver and gold mine (the "**San Jose Mine**") (100% ownership) in southern Mexico,
- operates the Lindero open pit gold mine (the "**Lindero Mine**") (100% ownership) in northern Argentina;
- operates the Yaramoko gold mine (the "**Yaramoko Mine**") (90% ownership) in southwestern Burkina Faso,
- operates the Caylloma silver, lead and zinc mine (the "**Caylloma Mine**") (100% ownership) in southern Peru, and
- is constructing an open pit gold mine at the Séguéla project (the "**Séguéla Project**") in northwestern Côte d'Ivoire.

The Company also has various greenfields exploration properties at different stages of development in Côte d'Ivoire, Mexico, Argentina and Burkina Faso, including the advanced stage exploration project at Boussoura located in the province of Poni in Burkina Faso.

Three-Year History and Recent Developments

Over the three most recently completed financial years, the significant events described below contributed to the development of the Company's business.

2019 Developments

The Company reported full year production results for 2019 from its two underground operating mines: the San Jose Mine in Mexico and the Caylloma Mine in Peru. In 2019, the Company produced 8,809,767 ounces of silver (one percent decrease over 2018), 50,525 ounces of gold (seven percent decrease over 2018), 28,746,074 pounds of lead (two percent increase over 2018) and 45,600,414 pounds of zinc (0.3 percent increase over 2018).

On March 12, 2019, the Board approved the establishment of a sustainability committee (the "**Sustainability Committee**") comprised of three directors.

On May 9, 2019, the Company published its first Sustainability Report, prepared using the Global Reporting Initiative Standards: Core Option as a guide. The report provided information on the Company's safety, environmental, social and economic performance in 2018.

On October 2, 2019, the Company completed a bought-deal public financing (the “**2019 Financing**”) with a syndicate of underwriters co-led by CIBC Capital Markets, Scotiabank, and including BMO Capital Markets, (collectively the “**Underwriters**”), pursuant to which the Company issued US\$40 million aggregate principal amount of senior subordinated unsecured convertible debentures (the “**Debentures**”) at a price of US\$1,000 per Debenture. Effective October 8, 2019, an over-allotment option granted to the Underwriters was exercised in full and the Company issued an additional US\$6 million aggregate principal amount of Debentures, bringing the total aggregate gross proceeds to the Company under the 2019 Financing to US\$46 million.

The Debentures mature on October 31, 2024 and bear interest at a rate of 4.65% per annum, payable semi-annually in arrears on the last business day of April and October in each year, commencing on April 30, 2020. The Debentures are convertible at the holder’s option into Common Shares at a conversion price of US\$5.00 per share, representing a conversion rate of 200 Common Shares per US\$1,000 principal amount of Debentures, subject to adjustment in certain circumstances. Refer to “*Description of Capital Structure – Debentures*” in this AIF. Net proceeds from the 2019 Financing were \$43.5 million after deduction of underwriting fees and expenses. The net proceeds from the 2019 Financing were used to pay expenses related to the start-up at the Lindero Project and for general working capital purposes.

In September 2017, the board of directors of the Company (the “**Board**”) approved the construction of an open pit gold heap leach mine at its Lindero property in Salta Province, Argentina. Construction at the Lindero property progressed during 2019, pre-production mining started in early September and the project was 89 percent complete by the end of January 2020.

2020 Developments

The Company reported full year production results for 2020 from its three operating mines the San Jose Mine in Mexico, the Lindero Mine in Argentina, and the Caylloma Mine in Peru. In 2020, the Company produced 7,133,717 ounces of silver (19 percent decrease over 2019), 55,349 ounces of gold (10 percent increase over 2019), 29,627,923 pounds of lead (three percent increase over 2019) and 45,545,299 pounds of zinc (in line with 2019).

During 2020, in response to the pandemic, the Governments of Mexico, Peru and Argentina implemented measures to curb the spread of COVID-19, which included among others, the closure of international borders, temporary suspension of non-essential activities and the declaration of mandatory quarantine periods. Certain of these measures were subsequently eliminated or relaxed during the year. However, the Company’s operations were negatively impacted by the spread of the COVID-19 pandemic. Operations at the San Jose Mine were suspended for 54 days in the second quarter as a result of a government mandated national quarantine in Mexico, and construction activities were suspended at the Lindero Mine for 60 days during the first and second quarter due to a government mandated period of national social isolation in Argentina. In response to a period of social isolation mandated by the Peruvian government in the first and second quarter of 2020, operations were able to continue at the Caylloma Mine, initially by drawing ore from the coarse ore stockpile during the first quarter, and as the stockpile decreased the mine was subsequently re-started in the second quarter using a reduced taskforce in compliance with applicable Peruvian Government requirements. However, operations were voluntarily suspended for 21 days at the Caylloma Mine in the third quarter to, among other things sanitize and disinfect the mine and make infrastructure improvements to accommodate social distancing guidelines.

As the situation with respect to the COVID-19 pandemic was extremely uncertain and involved government mandated restrictions on operations, the Company was unable to determine the impact of COVID-19 on its production and cost guidance for 2020, and on April 2, 2020, it withdrew its production and cost guidance for the remainder of 2020.

On May 11, 2020, the Company announced that it had entered into an agreement with a syndicate of underwriters led by Scotia Capital Inc. and BMO Nesbitt Burns Inc., and including PI Financial Corp., CIBC World Markets Inc. and National Bank Financial Inc. (collectively, the “**2020 Underwriters**”) who had agreed to purchase, on a “bought deal” basis, an aggregate of 20,000,000 Common Shares at a purchase price of \$3.00 per share (the “**Offering Price**”) for gross proceeds to the Company of \$60.0 million (the “**2020 Financing**”). The 2020 Financing was subject to an over-allotment option (the “**Over-Allotment Option**”) granted to the 2020 Underwriters to purchase up to an additional

3,000,000 Common Shares at the Offering Price to cover over-allotments if any, and for market stabilization purposes. The 2020 Financing was completed on May 20, 2020. The Company issued an aggregate of 23,000,000 Common Shares for gross proceeds to the Company of \$69.0 million, which included the exercise by the 2020 Underwriters of the over-allotment option in full.

On June 4, 2020, the Company secured amendments to its existing US\$150 million senior secured credit facility, including amendments to the financial covenants contained in the credit facility in response to the constraints on the Company's operations resulting from the COVID-19 pandemic.

On September 3, 2020, the Company announced the start of irrigation and leaching of ore placed on the heap leach pad at the Lindero project, and on October 20, 2020 announced the first gold pour at Lindero producing 728 ounces of gold. Construction at the Lindero Mine was substantially complete by the end of December 2020.

2021 Developments

The Company reported full year production results for 2021 from its four operating mines: the San Jose Mine in Mexico, the Lindero Mine in Argentina, the Yaramoko Mine in Burkina Faso, and the Caylloma Mine in Peru. In 2021, the Company produced 207,192 ounces of gold (274 percent increase over 2020), 7,498,701 ounces of silver (five percent increase over 2020), 32,989,973 pounds of lead (11 percent increase over 2020) and 47,549,301 pounds of zinc (four percent increase over 2020). Production results for each mine in 2021 compared to 2020 are as follows:

San Jose Mine: in 2021, the Company produced 6,425,029 ounces of silver, an increase over 2020 of 4 percent, and 39,406 ounces of gold, an increase over 2020 of 4 percent. Average head grades for silver and gold for the year were 209 g/t and 1.29 g/t, respectively, both a decrease of 7 percent over the respective head grades in 2020. Cash cost per tonne of processed ore¹ for 2021 increased to \$75.80 per tonne compared to \$68.79 per tonne for 2020 due to higher mine preparation and support and higher indirect costs.

Lindero Mine: in 2021, the Company produced 104,161 ounces of gold, comprised of 99,313 ounces in doré, 730 ounces of gold contained in precipitate/sludge and 4,118 ounces of gold-in-carbon (GIC) inventory, an increase of 675 percent over the 13,435 ounces produced in 2020. Cash cost per ounce of gold sold¹ for the first full year of production in 2021 was \$617.

Yaramoko Mine: as a result of the Roxgold Acquisition completed in July 2021, the Company acquired the Yaramoko Mine. From July 2, 2021, the Company produced 57,538 ounces of gold with an average gold head grade of 7.13 g/t. Cash cost per ounce of gold sold¹ for the second semester of 2021 was \$739.

Caylloma Mine: in 2021, the Company produced 1,073,62 ounces of silver, an increase over 2020 of 11 percent. Annual average head grade for silver was 76 g/t. Base metal production at the Caylloma Mine in 2021 totaled 33.0 million pounds of lead, an increase of 11 percent over 2020, and 47.5 million pounds of zinc, an increase of 4 percent over 2020. Average head grades for lead and zinc were 3.16% and 4.56%, respectively, for the year. Gold production for 2021 totaled 6,086 ounces, an increase of 48 percent over 2020, with an average head grade of 0.49 g/t. Cash cost per tonne of processed ore¹ for the full year 2021 increased to \$88.41 per tonne compared to \$77.19 per tonne for 2020 due to higher mine preparation and support and higher indirect costs related to administration and energy.

On February 8, 2021, the Company announced the resignation of Simon Ridgway as a director and Chairman of the Board. David Laing was appointed as an independent Chair of the Board.

On March 29, 2021, the Company announced the results from a successful 4,670 meters of step-out and infill drilling over 22 drill holes at the San Jose Mine which established continuity of high-grade mineralization in the upper levels of the Trinidad Footwall structures.

¹ Refer to "Notice Regarding Non-IFRS Financial Measures" section above.

In 2009, the Secretaría de Medio Ambiente y Recursos Naturales (“**SEMARNAT**”) granted an Environmental Impact Authorization (“**EIA**”) to Fortuna’s Mexican subsidiary, Compañía Minera Cuzcatlán (“**CMC**”), which authorized the construction, execution and maintenance of the San Jose Mine for a period of 12 years effective until October 23, 2021. In May 2021, CMC filed an application to extend the term of the EIA for an additional period of 10 years. On November 10, 2021 CMC received written notification from SEMARNAT that the application to extend the EIA had been denied. CMC appealed the decision of SEMARNAT and obtained the protection of the Mexican courts to continue to operate the San Jose mine beyond the expiry date of the EIA. On December 20, 2021, the Company announced that SEMARNAT had granted a 12 year extension to the EIA at the San Jose mine. On January 28, 2022, the Company announced that it had received a notice from SEMARNAT which advised that SEMARNAT had made a typographical error in the extension to the term of the EIA for the San Jose Mine and that the correct extension term is two years. CMC initiated legal proceedings to challenge and revoke the allegation of the typographical error and to reconfirm the 12 year extension granted by SEMARNAT in December 2021. The Mexican Federal Administrative Court has admitted the Company’s legal proceedings and has granted an injunction in favour of the Company, which suspends the reduction of the term of the EIA from 12 years to two years during the course of the legal proceedings.

On July 2, 2021, the Company completed the Roxgold Acquisition and acquired 100% of the issued and outstanding Roxgold Shares, along with ownership of Roxgold’s assets, which assets included the Yaramoko Mine and the Séguéla Project. See “Business of the Company”.

In connection with the Roxgold Acquisition, Kate Harcourt was appointed a director of the Company and a member of the Sustainability Committee on July 2, 2021. Additionally, various changes in the Company’s ‘executive officers were made during the second half of 2021 to reflect the expansion of the Company’s operations into West Africa.

On September 7, 2021, the Company announced continued high grade results from extension and scout drilling at the Séguéla Project in Côte d’Ivoire and the Boussoura project on Burkina Faso. Exploration activities at the Séguéla Project included a 7,115 meter step-out drilling program at the Koula deposit; a 1,774 meter 11 hole program at the Sunbird prospect and a 2,070 meter 11 hole program at the Gabbro North prospect. Exploration activities at the Boussoura project included a 5,958 meter 47 hole program at the Fofora Main prospect and a 3,419 meter 12 hole program at the Galgouli prospect.

On September 29, 2021, the Company announced the decision to proceed with the construction of an open pit mine at the Séguéla Project in Côte d’Ivoire with long lead items procured and development teams established on the ground. The updated Séguéla Project budgeted total capital investment is \$173.5 million. The anticipated construction schedule is approximately 20 months, with ramp-up to design capacity expected in the third quarter of 2023.

On October 7, 2021, the Company and the Mexican Geological Service (“**SGM**”) entered into a settlement agreement related to a disputed royalty on one of the mining concessions at the San Jose mine in Mexico. Pursuant to the settlement agreement, the Company paid to the SGM the amount of \$9.6 million plus value added tax to end any prior dispute and agreed to pay to the SGM a three percent royalty on the billing value of minerals obtained from the concession from May 1, 2021 on an ongoing basis. The terms of the royalty are set out in a royalty agreement between the parties dated March 18, 2022. The remaining terms of the settlement are confidential and the Company has not admitted any liability.

In November 2021, the Company entered into a fourth amended and restated credit agreement (the “**2021 Credit Facility**”) with a syndicate of banks led by BNP Paribas, and including the Bank of Nova Scotia, Bank of Montreal and Societe Generale which converted the Company’s non-revolving and revolving facility into a revolving credit facility and increased the amount of the facility from \$120 million to \$200 million, subject to certain terms and conditions. The 2021 Credit Facility has a term of four years and steps down to \$150 million after three years. Interest accrues on LIBOR loans under the 2021 Credit Facility at LIBOR plus the applicable margin of between two and three percent, which varies according to the consolidated leverage levels of the Company. The Company’s principal operating subsidiaries in Mexico, Peru, Côte d’Ivoire and Burkina Faso, and their respective direct and indirect holding companies, have guaranteed the obligations of the Company contemplated by the 2021 Credit Facility. The Company has pledged all of its assets to secure the payment of its obligations contemplated by the 2021 Credit Facility, and the Company’s principal operating subsidiaries in Mexico and Peru, as well as the direct and indirect

holding companies of the Company's principal operating subsidiaries in Mexico, Peru, Côte d'Ivoire and Burkina Faso, have pledged all of their respective assets to secure their respective guarantees of such payment, including the shares of the Company's principal operating subsidiaries in Mexico, Peru, Côte d'Ivoire and Burkina Faso. The Company's principal operating subsidiary in Burkina Faso has pledged its bank accounts to secure the obligations under its guarantee.

On December 9, 2021, the Company announced results from the exploration programs at the: Séguéla Project; the San Jose Mine; the Arizaro project in Argentina; and the Caylloma Mine.

As at February 28, 2022, the Company had drawn \$160 million from the 2021 Credit Facility.

Outlook for 2022

The Company's production and cost guidance set out below for 2022 assumes that operations will continue during the year without any major interruptions related to COVID-19. Health protocols for control, isolation and quarantine are in place at each of our mine sites, and these may be revised and modified based on the circumstances at each location.

Mine	Silver (Moz)	Gold (koz)	Lead (Mlbs)	Zinc (Mlbs)	Cash Cost ¹ (US\$/t)	AISC ^{1,2} (US\$/oz Ag Eq)
SILVER						
San Jose, Mexico	5.2 - 5.8	32 - 36	-	-	67.5 - 74.6	13.7 - 16.1
Caylloma, Peru	1.0 - 1.1	1.8 - 2.0	29 - 32	41 - 45	86.6 - 95.7	17.8 - 21.1
GOLD					(US\$/oz Au)	(US\$/oz Au)
Lindero, Argentina	-	115 - 127	-	-	567 - 714	900 - 1,100
Yaramoko, Burkina Faso	-	95 - 115	-	-	760 - 1,006	1,300 - 1,650
CONSOLIDATED TOTAL	6.2 - 6.9	244 - 280	29 - 32	41 - 45		

Notes:

- Cash Cost and AISC are non-IFRS financial measures. Refer to "Notice Regarding Non-IFRS Financial Measures" section above.
- The estimated increase in all in sustaining costs at Yaramoko for 2022 are due to decreased estimated gold ounce production coupled with increased operating and capital costs as mining moves to the deeper regions of the underground mine.
- Totals may not add due to rounding.

The corresponding equivalent cash costs and AISC for the Company's four operating mines for the financial year ended December 31, 2021 are set out in the table below:

Mine	2021 Cash Cost ^{1,2} (US\$/t)	2021 AISC ^{1,2} (US\$/oz Ag Eq)
SILVER		
San Jose, Mexico ³	75.80	14.38
Caylloma, Peru ⁴	88.41	18.94
GOLD		
	(US\$/oz Au)	(US\$/oz Au)
Lindero, Argentina	617	1,116
Yaramoko, Burkina Faso ⁵	739	1,317

Notes:

- Cash Cost and AISC are non-IFRS financial measures. Refer to "Notice Regarding Non-IFRS Financial Measures" section above.
- Presented on a cash basis
- Silver equivalent sold for 2021 is calculated for the San Jose Mine using a silver to gold ratio of 71.5:1
- Silver equivalent sold for 2021 is calculated for the Caylloma Mine using a silver to gold ratio of 70.9:1, silver to lead ratio of 1:25.3 pounds and silver to zinc ratio of 1:18.6 pounds
- Cash costs are AISC for the Yaramoko Mine are presented subsequent to the completion of the Roxgold Acquisition and are for the period from July 2, 2021 to December 31, 2021.
- Totals may not add due to rounding.

San Jose Mine, Mexico - production guidance for 2022

During 2022, the Company plans to process from the San Jose Mine 1.06 million tonnes of ore averaging 176 g/t silver and 1.09 g/t gold. Silver production and costs reflect the declining grade profile of Mineral Reserves. Capital investment is estimated at \$20.8 million, including \$13.4 million for sustaining capital expenditures and \$7.4 million for brownfields exploration programs. Major sustaining capital investment projects include \$3.7 million for fleet equipment acquisition, \$5.7 million for underground mine development and \$1.3 million for infill drilling.

Lindero Mine, Argentina – production guidance for 2022

During 2022, the Company plans to place on the leach pad at the Lindero Mine 6.2 million tonnes of ore averaging 0.80 g/t gold, containing an estimated 160,000 ounces of gold. Capital investment is estimated at \$26.3 million, including \$17.7 million for sustaining capital expenditures, \$7.3 million of capitalized stripping and \$1.3 million for brownfields exploration programs. Major sustaining capital investment projects include \$4.4 million for engineering and procurement for phase 2 of the leach pad expansion, \$6.4 million for mine fleet maintenance and acquisition and \$1.8 million for maintenance of crushing, SART and ADR plants.

Yaramoko Mine, Burkina Faso – production guidance for 2022

During 2022, the Company plans to process from the Yaramoko Mine 516,000 tonnes of ore averaging 6.52 g/t gold. Capital investments are estimated at \$48.4 million, including \$45.9 million for sustaining capital expenditures and \$2.5 million for brownfields exploration programs. Major sustaining capital investment projects include \$32.6 million for mine development extending depth at the 55 Zone, \$3.8 million for ventilation and refrigeration plant upgrade and \$0.9 million for underground pumping station.

Caylloma Mine, Peru – production guidance for 2022

During 2022, the Company plans to process from the Caylloma Mine 532,000 tonnes of ore averaging 73 g/t silver, 2.95% lead and 4.23% zinc. Capital investments are estimated at \$17.7 million, including \$16.3 million for sustaining capital expenditures and \$1.4 million for brownfields exploration programs. Major sustaining capital investment projects include \$5.7 million for mine underground development, \$4.3 million for mine backfill system and \$3.5 million for maintenance and energy projects.

Brownfields Exploration for 2022

The Company's brownfields exploration budget for 2022, for all five of its properties totals \$20.0 million, which includes 113,000 metres of exploration drilling across all types (reverse circulation, diamond core and air core), and 1,120 meters of underground development. Consolidated brownfields expenses in 2021 were \$18.5 million.

Reconnaissance exploration and evaluation of potential new projects will continue to be actively pursued during 2022 across various jurisdictions including Mexico, West Africa, Argentina in addition to other select other regions, with an estimated budget of \$8.8 million.

Séguéla Project, Côte d'Ivoire

As a result of the Roxgold Acquisition completed in July 2021, the Company acquired the Séguéla Project and related mining concessions located in Côte d'Ivoire.

In September 2021, the Company made a construction decision to proceed to build a 3,750 tonnes per day open pit mine at Séguéla, with first gold pour expected in mid-2023. Construction at the Séguéla Project is well underway.

Recent construction highlights and milestones include:

- The overall project is 42% complete as of February 28, 2022
- Approximately \$66.5 million of the \$173.5 million initial capital budget accrued as of February 28, 2022

- Approximately \$129.2 million committed as of February 28, 2022, consisting of \$66.5 million accrued and \$62.7 million in construction and G&A commitments
- Major equipment packages secured
- Major construction contracts executed
- Tender process and selection of the preferred mining contractor completed and contract negotiations ongoing
- First gold pour planned for mid-2023

Accommodation Camp

A 156-person accommodation camp is complete and ready for occupancy. Initially, this camp will support the project's development and house the owner's and contractors' construction personnel with surplus personnel residing in the nearby town of Séguéla. The camp is approximately two kilometers from the processing plant area and is complete with kitchen and mess, recreational facilities, water and sewage treatment plants, laundry services and high-speed internet. The camp management contract has been tendered and awarded to Allterrain Services.

Processing Plant

De Simone was awarded the process plant bulk earthworks contract and activities are ongoing with excavation for ground improvement in the mill/carbon-in-leach circuit, thickener and crusher areas complete. Rock backfill in these areas was completed prior to the mobilization of the engineering procurement and construction contractor on February 28, 2022.

Lycopodium was awarded the guaranteed maximum price contract for the engineering, procurement and construction of the gold processing facility. As of December 31, 2021 engineering activities were 55 percent complete, procurement activities 44 percent complete and construction activities are on-track to commence early in the second quarter of 2022. Of note, the SAG mill purchase order has been placed and remains on-track to be delivered to site in the third quarter of 2022. Detailed engineering for the SAG mill is complete and manufacturing of core components such as shell, heads and trunnions and gear and pinion has commenced.

Site Bulk Earthworks

Contracts have been awarded for the site bulk earthworks contract for the construction of the tailings storage facility (TSF), water storage dam (WSD) and sediment control structure (SCS). Bush clearing and topsoil stripping of the TSF footprint has been completed. Bush clearing of the WSD commenced in early January and is on-track to be completed by the middle of the second quarter of 2022, ahead of the upcoming wet season and will be capable of storing raw water for the commissioning, ramp-up and operation of the processing plant. Procurement of materials required for the TSF, WSD and SCS construction is underway with the TSF high density polyethylene liner already secured and expected to be delivered to site in early April 2022.

Grid Connection

Contracts for the supply and installation of the 90 kV grid connection transmission line and 33 kV transmission line diversion have been awarded. Likewise, contracts for the supply and construction of the substation have been awarded. Delivery of the transmission lines tower steel started in March. Similarly, civil works for the substation also started in March. Transformers were ready to be shipped to site in March 2022. Work is on-track to provide power to the site by the end of the fourth quarter of 2022 ahead of commissioning activities at the processing plant.

Mining

Contract negotiations with a preferred bidder are ongoing, targeting contract execution and the placement of orders for long lead equipment in early April 2022.

Cost

As of December 31, 2021, \$124.5 million of the total approved budget of \$173.5 million, including \$8.9 million contingency, has been committed. Approximately \$108 million of total commitments to date include contracts for a guaranteed maximum price for \$87 million, fixed price contract for \$7.5 million and earthworks bill of quantity/schedule of rates for \$13.5 million, mitigating risk to volatile market conditions and price escalations. Remaining commitments include the onboarding of key operational personnel, pre-production mining, equipment first fills and spare parts, mobile equipment and the implementation of livelihood restoration programs.

Selected upcoming milestones of the current construction schedule include:

2022

- First quarter:
 - Commence construction of the processing plant
 - Commence construction of the high voltage substation
- Second quarter:
 - Award mining contract
 - Agree upon terms and sign Mining Convention with the State of Côte d'Ivoire
 - Completion of the construction of the water storage dam
- Fourth quarter:
 - Power on high voltage substation
 - Mining contractor mobilizes to site
 - Completion of the construction of the tailings storage facility
 - Commence pre-strip of the Antenna deposit

2023

- First quarter: Processing plant practical completion
- Mid 2023: First gold pour

Updated Mineral Reserve and Mineral Resource Estimates

During the past three years, the Company has released updated Mineral Reserve and Mineral Resource estimates for its properties as follows:

- for the Caylloma Mine and the San Jose Mine as at December 31, 2018 – released in March 2019;
- for the Lindero project as at March 31, 2019 – released in April 2019;
- for the Caylloma Mine and the San Jose Mine as at December 31, 2019 – released in March 2020; and
- for the Caylloma Mine, the San Jose Mine and the Lindero Mine as at December 31, 2020 – released in March 2021.
- for the Company's four mines and the Séguéla Project as at December 31, 2021 – released in March 2022.

A summary of the current Mineral Reserve and Mineral Resource estimates for the Company's four mines and the Séguéla Project as at December 31, 2021 is as follows:

Highlights of Mineral Reserve and Mineral Resource Update

- Combined Proven and Probable Mineral Reserves are reported containing 3.3 Moz of gold and 25.9 Moz of silver, representing a year-over-year increase of 81 percent and decrease of 10 percent, respectively
- Combined Inferred Mineral Resources are reported containing 1.0 Moz of gold and 26.3 Moz of silver reflecting a year-over-year increase of 82 percent and decrease of 8 percent, respectively

2021 Mineral Reserves and Mineral Resources

Mineral Reserves – Proven and Probable							Contained Metal		
Property		Classification	Tonnes (000)	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)	Ag (Moz)	Au (koz)
Silver Mines	Caylloma, Peru	Proven	234	101	0.30	2.38	2.96	0.8	2
		Probable	2,933	83	0.19	2.55	3.76	7.8	18
		Proven + Probable	3,167	84	0.20	2.53	3.70	8.6	20
	San Jose, Mexico	Proven	75	205	1.40	N/A	N/A	0.5	3
		Probable	2,914	180	1.17	N/A	N/A	16.8	109
		Proven + Probable	2,989	180	1.17	N/A	N/A	17.3	113
	Total	Proven + Probable	6,156	131	0.67	N/A	N/A	25.9	133
Gold Mines	Lindero, Argentina	Proven	25,786	N/A	0.66	N/A	N/A	0.0	546
		Probable	62,821	N/A	0.53	N/A	N/A	0.0	1,068
		Proven + Probable	88,607	N/A	0.57	N/A	N/A	0.0	1,614
	Yaramoko, Burkina Faso	Proven	300	N/A	3.78	N/A	N/A	0.0	36
		Probable	1,826	N/A	7.27	N/A	N/A	0.0	427
		Proven + Probable	2,126	N/A	6.78	N/A	N/A	0.0	464
	Total	Proven + Probable	90,733	N/A	0.71	N/A	N/A	0.0	2,077
Gold Project	Séguéla, Côte d'Ivoire	Probable	12,100	N/A	2.80	N/A	N/A	0.0	1,088
		Proven + Probable	12,100	N/A	2.80	N/A	N/A	0.0	1,088
Total	Proven + Probable							25.9	3,298

Mineral Resources – Measured and Indicated							Contained Metal		
Property		Classification	Tonnes (000)	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)	Ag (Moz)	Au (koz)
Silver Mines	Caylloma, Peru	Measured	724	97	0.34	1.79	3.24	2.3	8
		Indicated	1,994	82	0.24	1.61	3.09	5.3	15
		Measured + Indicated	2,718	86	0.26	1.65	3.13	7.5	23
	San Jose, Mexico	Measured	38	121	0.82	N/A	N/A	0.2	1
		Indicated	901	98	0.65	N/A	N/A	2.8	19
		Measured + Indicated	940	99	0.66	N/A	N/A	3.0	20
	Total	Measured + Indicated	3,658	89	0.37	N/A	N/A	10.5	43
Gold Mines	Lindero, Argentina	Measured	1,723	N/A	0.50	N/A	N/A	0.0	28
		Indicated	31,552	N/A	0.38	N/A	N/A	0.0	387
		Measured + Indicated	33,275	N/A	0.39	N/A	N/A	0.0	415
	Yaramoko, Burkina Faso	Measured	48	N/A	5.83	N/A	N/A	0.0	9
		Indicated	456	N/A	5.80	N/A	N/A	0.0	85
		Measured + Indicated	504	N/A	5.80	N/A	N/A	0.0	94
	Total	Measured + Indicated	33,779	N/A	0.47	N/A	N/A	0.0	509
Gold Project	Séguéla, Côte d'Ivoire	Indicated	3,811	N/A	2.00	N/A	N/A	0.0	244
		Measured + Indicated	3,811	N/A	2.00	N/A	N/A	0.0	244
Total	Measured + Indicated							10.5	796

Mineral Resources – Inferred							Contained Metal		
Property		Classification	Tonnes (000)	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)	Ag (Moz)	Au (koz)
Silver Mines	Caylloma, Peru	Inferred	3,809	116	0.59	2.03	3.50	14.2	73
	San Jose, Mexico	Inferred	3,011	125	0.93	N/A	N/A	12.1	90
	Total	Inferred	6,820	120	0.74	N/A	N/A	26.3	163
Gold Mines	Lindero, Argentina	Inferred	27,052	N/A	0.43	N/A	N/A	0.0	373
	Yaramoko, Burkina Faso	Inferred	247	N/A	4.41	N/A	N/A	0.0	35
	Total	Inferred	27,299	N/A	0.46	N/A	N/A	0.0	408
Gold Project	Séguéla, Côte d'Ivoire	Inferred	4,935	N/A	2.89	N/A	N/A	0.0	454
Total		Inferred						26.3	1,024

Notes:

1. Mineral Reserves and Mineral Resources are as defined by the 2014 CIM Definition Standards for Mineral Resources and Mineral Reserves
2. Mineral Resources are exclusive of Mineral Reserves
3. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability
4. Factors that could materially affect the reported Mineral Resources or Mineral Reserves include changes in metal price and exchange rate assumptions; changes in local interpretations of mineralization; changes to assumed metallurgical recoveries, mining dilution and recovery; and assumptions as to the continued ability to access the site, retain mineral and surface rights titles, maintain environmental and other regulatory permits, and maintain the social license to operate
5. Mineral Resources and Reserves for the San Jose and Caylloma mines are estimated as of June 30, 2021. Mineral Resources and Reserves for the Lindero Mine are estimated as of July 31, 2021. Mineral Resources for the Yaramoko mine are estimated as of June 30, 2021 for underground and as of February 2, 2021 for open pit. Mineral Reserves for the Yaramoko mine are estimated as of June 30, 2021 for underground and as of February 2, 2021 for open pit. Mineral Resources and Reserves for the San Jose, Caylloma, Yaramoko and Lindero mines are reported as of December 31, 2021, taking into account production-related depletion for the period through December 31, 2021. Mineral Resources and Reserves for the Séguéla gold Project are estimated and reported as of March 31, 2021 with the exception of the Sunbird deposit which is estimated and reported as of December 31, 2021
6. Mineral Reserves for the San Jose Mine are based on underground mining within optimized stope designs using an estimated NSR break-even cut-off grade of US\$62.0/t to US\$67.8/t equivalent to 109 to 120 g/t Ag Eq based on assumed metal prices of US\$21/oz Ag and US\$1,600/oz Au; estimated metallurgical recovery rates of 91% for Ag and 90% for Au and mining costs of US\$33.89/t (C&F) to US\$28.00/t (SLS); processing costs of US\$16.23/t; and other costs including distribution, management, community support and general service costs of US\$17.73/t based on actual operating costs. Mining recovery is estimated to 92% (C&F) and 93% (SLS) and mining dilution 14% (C&R) and 24% (SLS). Mineral Resources are reported at a 100 g/t Ag Eq cut-off grade based on the same parameters used for Mineral Reserves and a 15% upside in metal prices. Proven and Probable Reserves include 1.94 Mt containing 11.3 Moz of silver and 63.5 koz of gold reported at a 111 to 122 g/t Ag Eq cut-off grade and Inferred Resources totaling 2.2 Mt containing 8.8 Moz of silver and 65.4 koz of gold reported at a 100 g/t Ag Eq cut-off grade located in the Taviche Oeste concession and subject to a 2.5% royalty
7. Mineral Reserves for the Caylloma Mine are reported above NSR breakeven cut-off values based on underground mining methods including; mechanized (breasting) at US\$82.79/t; mechanized (uppers) at US\$77.33/t; semi-mechanized at US\$90.19/t; and a conventional method at US\$155.1/t; using assumed metal prices of US\$21/oz Ag, US\$1,600/oz Au, US\$2,000/t Pb and US\$2,500/t Zn; metallurgical recovery rates of 82.5% for Ag, 45% for Au, 90% for Pb and 89% for Zn. Mining, processing and administrative costs used to determine NSR cut-off values were estimated based on actual operating costs incurred from July 2020 through June 2021. Mining recovery is estimated to average 95% with average mining dilution ranging from 21% to 37% depending on the mining methodology. Mineral Resources are reported at an NSR cut-off grade of US\$65/t for veins classified as wide (Animas, Animas NE, Nancy, San Cristobal veins) and US\$135/t for veins classified as narrow (all other veins) based on the same parameters used for Mineral Reserves, and a 15% upside in metal prices
8. Mineral Reserves for the Lindero Mine are reported based on open pit mining within a designed pit shell based on variable gold cut-off grades and gold recoveries by metallurgical type. Met type 1 cut-off 0.26 g/t Au, recovery 75.4%; Met type 2 cut-off 0.25 g/t Au, recovery 78.2%; Met type 3 cut-off 0.25 g/t Au, recovery 78.5%; and Met type 4 cut-off 0.28 g/t Au, recovery 68.5%. Mining recovery is estimated to average 100% and mining dilution 0% having been accounted for during block regularization to 10-meter x 10-meter x 8-meter size. The cut-off grades and pit designs are considered appropriate for long term gold prices of US\$1,600/oz, estimated mining costs of US\$1.51/t of material, total processing and process G&A costs of

US\$6.97/t of ore, and refinery costs net of pay factor of US\$7.10/oz Au. A new internal study suggested an increased heap leach capacity to 115 Mt, which eliminates the previous year's Mineral Reserves restriction of 84.2 Mt. Reported Proven Reserves include 4.7 Mt averaging 0.49 g/t Au of stockpiled material. Mineral Resources are reported within the same conceptual pit shell above a 0.2 g/t Au cut-off grade based on the same parameters used for Mineral Reserves and a 15% upside in metal prices

9. Mineral Reserves for Yaramoko are reported at a cut-off grade of 0.9 g/t Au for the 55 Zone open pit based on an assumed gold price of US\$1,500/oz, 3.4 g/t Au for 55 Zone underground and 3.0 g/t Au for Bagassi South underground, based on an assumed gold price of US\$1,600/oz, metallurgical recovery rates of 98.0%, surface mining costs of US\$3.26/t, G&A costs of US\$14.5/t, and processing cost of US\$22.85/t, underground mining costs of US\$101.9/t, G&A costs of US\$24.1/t and processing cost of US\$27.7/t. Underground mining recovery is estimated at 85% and 91% for Bagassi South and 55 Zone stopes respectively and 100% for sill drifts. A mining dilution factor of 10% has been applied for sill drifts, 0.7 meter and 1.0 meter dilution skin has been applied for 55 Zone and Bagassi South stopes respectively. Surface Mineral Reserves are reported in situ with modifying factors of 10% mining dilution and 85% mining recovery applied within an optimized pit shell and only Proven and Probable categories reported within the final pit designs. Reported Proven Reserves include 214 kt averaging 2.98 g/t Au of stockpiled material. Yaramoko Mineral Resources are reported in situ at a gold grade cut-off grade of 0.5 g/t Au for the 55 Zone open pit and 2.7 g/t Au for underground, based on an assumed gold price of US\$1,700/oz and the same costs, metallurgical recovery and constrained within an optimized pit shell. The Yaramoko Mine is subject to a 10% carried interest held by the government of Burkina Faso
10. Mineral Reserves for the Séguéla gold Project are reported constrained within optimized pit shells at an incremental cut-off grade of 0.54 g/t Au for Antenna, 0.55 g/t Au for Agouti, 0.55 g/t Au for Boulder, 0.56 g/t Au for Koula and 0.56 g/t Au for Ancien deposits based on an assumed gold price of US\$1,500/oz, metallurgical recovery rate of 94.5%, mining cost of US\$2.87/t for Antenna, US\$2.74/t for Agouti, US\$2.81/t for Boulder, US\$2.85/t for Koula and US\$2.93/t for Ancien, processing and G&A costs of US\$21.64/t, mining owner cost of US\$1.30/t, refining cost of US\$2.60/oz and Royalty rate of 6%. The Mineral Reserves pit design were completed based on overall slope angle recommendations of between 37° and 57° for Antenna, Koula and Agouti deposits from oxide to fresh weathering profiles, between 34° and 56° for Ancien deposit from oxide to fresh weathering profiles and 37° and 60° for Boulder deposit from oxide to fresh weathering profiles. Mineral Reserves are reported in situ with modifying factors of 15% mining dilution and 90% mining recovery applied. Mineral Resources for the Séguéla gold Project are reported in situ at a cut-off grade of 0.3 g/t Au for Antenna and 0.5 g/t Au for the satellite deposits, based on an assumed gold price of US\$1,700/oz and constrained within preliminary pit shells. The Séguéla gold Project is subject to a 10% carried interest held by the government of Côte d'Ivoire
11. Eric Chapman is the Qualified Person responsible for Mineral Resources reported for the San Jose, Caylloma and Lindero mines; Amri Sinuhaji is the Qualified Person responsible for Mineral Reserves reported for the San Jose, Caylloma and Lindero mines; both being employees of Fortuna. Matthew Cobb is the Qualified Person responsible for Mineral Resources reported for the Yaramoko Mine and Séguéla gold Project, being an employee of Roxgold Inc. (a wholly owned subsidiary of Fortuna). Craig Richards is the Qualified Person responsible for the underground and open pit Mineral Reserves reported for the Yaramoko Mine, being an employee of Fortuna). Shane McLeay is the Qualified Person responsible for Mineral Reserves reported for the Séguéla gold Project, being an employee of Entech Pty Ltd
12. N/A = Not applicable
13. Totals may not add due to rounding

Lindero Mine, Argentina

As of December 31, 2021, the Lindero Mine has Proven and Probable Mineral Reserves of 88.6 Mt containing 1.6 Moz of gold, in addition to Measured and Indicated Resources, exclusive of Mineral Reserves, of 33.3 Mt containing 415,000 ounces of gold, and Inferred Resources of 27.0 Mt containing 373,000 ounces of gold.

Since December 31, 2020, Mineral Reserve tonnes increased by 7 percent, while gold grade decreased 8 percent to 0.57 g/t. Changes are primarily due to mining related depletion of 6.2 Mt of material delivered to the heap leach pad in 2021 and an increase of the heap leach capacity limit to 114 Mt based on an updated internal design.

Measured and Indicated Resource tonnes, exclusive of Mineral Reserves, decreased slightly by 2.3 Mt or 6 percent since December 31, 2020 to 33.3 Mt, due to minor adjustments in operating costs and the reserve cut-off grade.

Inferred Resources tonnes decreased by 3.3 Mt or 11 percent, to 27.1 Mt since December 31, 2020 with the gold grade increasing 2 percent to 0.43 g/t. The decrease in Inferred Resources is due to the aforementioned changes in operating costs and the ultimate pit shell design.

Yaramoko Mine, Burkina Faso

As of December 31, 2021, the Yaramoko Mine has Proven and Probable Mineral Reserves of 2.1 Mt containing 464,000 ounces of gold, in addition to Measured and Indicated Resources, exclusive of Mineral Reserves, of 0.5 Mt containing 94,000 ounces of gold, and Inferred Resources of 0.25 Mt containing 35,000 ounces of gold.

Since June 30, 2020, Mineral Reserve tonnes decreased by 32 percent, while gold grade decreased slightly by 3 percent to 6.78 g/t. The reasons for the changes in Mineral Reserves are:

- Depletion related to production from the mine resulting in a decrease of 0.92 Mt or 203,000 ounces of gold extracted from June 30, 2020 through December 31, 2021, of which 84,000 tonnes containing 6,000 ounces of gold was added to Proven Reserves having been stockpiled
- Adjustments in the geological interpretation related to infill drilling and production data adjacent to currently mined stopes resulted in a decrease of 0.31 Mt containing 55,000 ounces of gold
- Exploration and infill drilling in the deeper levels of the deposit resulted in the upgrade of 0.37 Mt or 91,000 ounces of gold
- Updating of estimation parameters including treatment of outliers, adjustments in expected mining recovery, estimated costs and updating in classification resulted in a decrease of 0.24 Mt or 85,000 ounces of gold

Measured and Indicated Resource tonnes, exclusive of Mineral Reserves, decreased slightly from 0.6 Mt to 0.5 Mt since June 30, 2020 with the changes being related to the reasons indicated above.

Inferred Resources tonnes decreased by 0.31 Mt or 56 percent, to 0.25 Mt since June 30, 2020 with the gold grade decreasing 34 percent to 4.41 g/t. The decrease in Inferred Resources is due to the aforementioned infill drill program which resulted in the upgrading of 0.37 Mt to reserves.

San Jose Mine, Mexico

As of December 31, 2021, the San Jose Mine has Proven and Probable Mineral Reserves of 3.0 Mt containing 17.3 Moz of silver and 113,000 ounces of gold, in addition to Inferred Resources of 3.0 Mt containing a further 12.1 Moz of silver and 90,000 ounces of gold.

Year-over-year, Mineral Reserves decreased 17 percent in terms of tonnes, while silver grade decreased 10 percent and gold grade decreased 13 percent after net changes of minus 956,000 tonnes resulting from production-related depletion, adjustments amounting to 55,000 tonnes to the geological interpretation and updating of estimation parameters and the upgrading and conversion of 301,000 tonnes of Inferred Resources to Mineral Reserves due to infill and exploration drilling. Silver grade decreased 10 percent and gold grade decreased 13 percent to 180 g/t and 1.17 g/t, respectively due to upgraded grades having lower average grades than those depleted in 2021.

Measured and Indicated Resource tonnes exclusive of Mineral Reserves remained relatively unchanged year-over-year with tonnes decreasing by 2 percent.

Year-over-year, Inferred Resources decreased 13 percent in terms of tonnes, with grades remaining relatively unchanged. The net variation is due primarily to reductions resulting from the upgrading of Inferred Resources related to infill drilling and adjustments in the geological interpretation.

Brownfields exploration remains a priority at San Jose with a 2022 program budget of US\$7.4 million, which includes 26,200 meters of diamond drilling, aimed at expanding the mineralization at the mine (refer to Fortuna news release dated January 18, 2022, "*Fortuna reports 2021 full year record production of 305,859 gold equivalent ounces and issues 2022 annual guidance*").

In addition, a technical evaluation is underway to test the viability of recovering mineralized pillars from the Stockwork zone of the San Jose mine. Mineral Reserves and Mineral Resources will not include any potential tonnage from this pillar material until sufficient technical studies have been completed to confirm the methodology for recovery.

Caylloma Mine, Peru

As of December 31, 2021, the Caylloma Mine has Proven and Probable Mineral Reserves of 3.2 Mt containing 8.6 Moz of silver and 20,000 ounces of gold, in addition to Inferred Resources of 3.8 Mt containing 14.2 Moz of silver and 73,000 ounces of gold.

Year-over-year, Mineral Reserve tonnes increased by 91 percent, while silver grade decreased 22 percent to 84 g/t, lead grade decreased 4 percent to 2.53%, and zinc grade increased 5 percent to 3.70%. Changes are primarily due to mining related depletion of 475,000 tonnes, upgrading and conversion of 1.39 Mt of Inferred Resources to Mineral Reserves due to a successful infill drill program focused on the Animas and Animas NE veins and changes in zinc metal prices and commercial terms accounting for 534,000 tonnes.

Measured and Indicated Resource tonnes, exclusive of Mineral Reserves, increased by 27 percent year-over-year to 2.7 Mt with silver, lead and zinc grades decreasing by 13 percent, 7 percent and 7 percent, respectively due to the same reasons as detailed for reserves.

Inferred Resources tonnes increased slightly by 2 percent year-over-year. Silver, lead, and zinc grades decreased 5 percent, 25 percent, and 14 percent, respectively. The decrease in Inferred Mineral Resources is primarily due to a successful infill drill program of the Animas and Animas NE veins resulting in the upgrading of Inferred Mineral Resources to Mineral Reserves counteracted by the inclusion of new resources in relation to exploration drilling expanding identified mineralized material in the lower levels of the Animas and Animas NE veins.

Séguéla Gold Project, Côte d'Ivoire

As of December 31, 2021, the Séguéla Project has Proven and Probable Mineral Reserves of 12.1 Mt containing 1,088,000 ounces of gold, in addition to Inferred Resources of 4.9 Mt containing 454,000 ounces of gold.

There have been no changes from the Mineral Reserve and Mineral Resource numbers reported for the Séguéla Project as of March 2021, with the exception of the maiden estimation of Inferred Resources for the Sunbird discovery comprising 3.45 Mt averaging 3.16 g/t Au containing 350,000 ounces of gold reported above a 0.5 g/t Au cut-off grade. Please refer to "*Material Properties - Séguéla Project Maiden Inferred Mineral Resource*".

DESCRIPTION OF THE BUSINESS

General

Summary. The Company is engaged in the mining of silver, gold and base metals and related activities in Latin America and West Africa, including exploration, extraction, and processing. The Company operates the San Jose Mine located in southern Mexico, the Lindero Mine located in northern Argentina, the Yaramoko Mine located in Burkina Faso, and the Caylloma Mine located in southern Peru. The Company is also constructing an open pit gold mine at the Séguéla Project in Côte d'Ivoire. Each of the Company's producing mines is generally considered to be a reportable segment.

The Company's gold production at the Lindero Mine and the Yaramoko Mine is in the form of gold doré bars. It has entered into non-exclusive precious metals purchase agreement with Auramet International LLC, a precious metals merchant headquartered in New Jersey, USA. Refining arrangements are provided by Metalor USA Refining Corporation and Metalor Technologies SA.

The silver-lead, zinc, and silver-gold concentrates produced by the Company at its San Jose Mine and its Caylloma Mine are sold to international metals traders who in turn deliver the products to different clients around the world.

The material sources of revenue for 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
By type of concentrate:		
Silver-lead concentrate	10%	15%
Zinc concentrate	7%	9%
Silver-gold concentrate	36%	69%
Gold doré	47% ⁽²⁾	7% ⁽¹⁾
By metal contained in concentrate:		
Silver	29%	52%
Lead	5%	7%
Zinc	7%	9%
Gold	59%	25%

Notes:

1. First gold was poured at the Lindero Mine on October 20, 2020. The Lindero Mine produced 13,435 ounces of gold in 2020.
2. Includes gold doré produced at the Yaramoko Mine from July 2, 2021, being the date of the completion of the Roxgold Acquisition, to July 2, 2021.

Production Methods. The Lindero Mine is an open pit heap leach operation. Crushed ore is placed on a leach pad with the pregnant solution pumped to a sulphidization-acidification-recycle-thickening plant (“SART”) and an adsorption, desorption and recovery plant (“ADR”) prior to electrowinning and refining where gold is poured to doré bars.

The Yaramoko Mine complex is an underground project with feed ore from two underground portals at the 55 Zone and Bagassi South mines, where long hole open stoping and cemented rock backfill is the mining method. The mined ore is fed to a traditional gold processing facility where the ore is crushed, milled and subject to carbon-in-leach (“CIL”) extraction processes, prior to electrowinning and refining where gold is poured to doré bars.

The method of production both at the Caylloma Mine and the San Jose Mine consists of underground mining principally through cut and fill mechanized operations. Extracted ore is trucked to a conventional crushing, milling and flotation processing plant which consists of zinc, and lead-silver flotation circuits for the Caylloma Mine, and a gold-silver circuit for the San Jose Mine.

Specialized Skill and Knowledge. All aspects of the Company’s business require specialized skills and knowledge. Such skills and knowledge include the areas of geology, mining, metallurgy, engineering, environment issues, permitting, social issues, and accounting. While competition in the resource mining industry can make it difficult to locate and retain competent employees in such fields, the Company has been successful in finding and retaining personnel for the majority of its key processes. Management considers training and re-training of its staff to be a priority.

Competitive Conditions. The exploration and mining of precious metals and base metals is competitive. Competition relates to: the acquisition of mineral property interests that can be explored, developed and operated; technical experts that can find, develop and mine such mineral properties and interests; workers to operate the mineral properties; and capital to finance, exploration, development and operations, and customers to purchase products.

The Company competes with other mining companies, some of which have greater financial resources and technical facilities, for the acquisition of mineral property interests, the recruitment and retention of qualified employees; and for investment capital with which to fund its projects, and in the sale of its products.

Employees. The Company and its subsidiaries had 2,297 direct employees and 2,680 indirect employees through contractors as at December 31, 2021.

Foreign Operations. The Company's material mineral resource properties are located in Argentina, Burkina Faso, Côte d'Ivoire, Mexico and Peru. Through the Company's history of successfully developing and operating mines in foreign jurisdictions, Fortuna has developed various corporate governance policies, practices and frameworks to manage the social, economic and political risks and challenges associated with operating in foreign jurisdictions. See "Risk Factors" section for a detailed description of such risks.

Members of the Board and senior officers of the Company periodically visit the Company's operations in Latin America and West Africa. Most recently, the Board travelled to West Africa in January 2022. During these visits, Board Members interact with local employees, government officials and businesspersons; such interactions enhance the visiting directors' or officers' knowledge of local culture and business practices.

Additionally, in accordance with the Company's corporate governance practices, the Board regularly receives management and technical updates, risk assessment and progress reports in connection with the Company's operations, and in doing so, maintains effective oversight over its business and operations. For example, the Sustainability Committee meets at least quarterly and obtains such updates from management which is then reported by the Committee to the Board. Through these updates, assessments and reports, the Board gains familiarity with the conditions, laws and risks associated with the Company's foreign operations.

Sustainability and ESG Policies and Framework

The Company's business and operations involve the exploration, development, extraction and production of precious and base metals in Latin America and in West Africa, since the consolidation with Roxgold Inc. in July 2021. Our vision is to be valued by our stakeholders as a sustainable company and a leader in the precious metals industry and our mission is to create sustainable value through growth of our mineral reserves, metals production and the efficient operation of our assets, while remaining firmly committed to safety, and to social and environmental responsibility. To do so, we value:

- The health and safety of our employees. We do not tolerate unsafe actions or conditions.
- The environment. We adhere to strict environmental standards and mitigate our impact.
- Our communities. We show respect for cultural diversity, and work as a strategic partner to enable the sustainable development of our neighboring communities.
- A commitment to excellence. We achieve high standards and the best practices.
- Integrity. We act in accordance with our philosophy.

The Company's objective is to generate sustainable prosperity through its business operations which means, protecting the environment, providing a safe workplace for our employees and contractors, supporting the local communities in the areas in which the Company operates through education, employment and infrastructure investment. The Company has built strong relationships with the stakeholders in which it operates, in particular with local communities where we are dedicated to innovative, sustainable projects and partnerships that build trust in local communities while respecting their values, customs and traditions. The Company's operating practices are governed by the principles set out in its Code of Business Conduct and Ethics and Whistle-Blower Policy, which was adopted by the Board in order to promote integrity and honest and ethical conduct of the Company's business. It applies to all directors, officers, employees and consultants of the Company and its subsidiaries. In term of Board oversight, a Sustainability Committee composed of members of the Board of Directors is appointed to assist in fulfilling its oversight responsibilities related to health, safety, security, environmental, sustainable development and social responsibility obligations and corporate objectives.

Sustainability Framework

At Fortuna, we see sustainability as the creation of long-term economic, social, and environmental value for our stakeholders. This understanding has led us to make a fundamental commitment to integrate sustainability into our business strategy, organizational culture, and day-to-day operational activities.

Sustainability includes factors which affect all aspects of our business. Rather than isolating sustainability in a single, stand-alone policy, we have created a Sustainability Framework that is integrated into our overall corporate strategy and supported through a range of corporate policies and standards. The Sustainability Framework is a way to transform our aspirations into actions and achieve our vision.

Strategic Sustainability Objectives

Consistent with our Vision, Mission and Values, we have identified three Strategic Sustainability Objectives supported by six Sustainability Pillars. We provide disclosure on five Sustainability Pillars in our Sustainability Report which is filed on the Company’s website, and we report on the sixth Sustainability Pillar, our financial performance, through our regulatory filings in accordance with applicable securities laws and stock exchange requirements.

<i>Strategic Sustainability Objectives</i>	<i>Sustainability Pillars</i>
<p>GOVERNANCE Create through corporate governance: high ethical standards, respect for human rights and promotion of diversity and equal opportunity.</p>	<p>1. Financial Performance: Maintain a sound financial position while creating shared value. 2. Human Rights and Ethics: Be a responsible producer.</p>
<p>OUR PEOPLE Create a culture of health, safety, and social responsibility, and maintain positive relationships with our stakeholders.</p>	<p>3. Communities: Be a catalyst for sustainable development independent of the presence of the Company in the community. 4. Occupational Health & Safety: Demonstrate commitment in everything we do. 5. Human Resources: Attract and train a workforce which draws on the local stakeholder community.</p>
<p>OUR ENVIRONMENT Mitigate our impact on the environment through the efficient use of our resources and the implementation of clean technologies.</p>	<p>6. Environment: Minimize our impact on the environment to preserve it for future generations</p>

To support the implementation of the Company’s Sustainability Framework, we have developed the policies and standards listed below, relating to environmental, social and governance related matters:

- Human Rights Policy
- Diversity Policy
- Anti-corruption Policy
- Occupational Health and Safety Policy
- Environmental Policy
- Business Code of Conduct and Ethics and Whistle-blower Policy
- Supplier Business Code of Conduct and Ethics
- Design Standards for Tailings and Filtered Storage Facilities, Heap Leach Facilities and Waste Rock Storage Facilities

In March 2022, our Board approved two new sustainability policies: the Community Relations Policy and the Employee Relations Policy. All of our sustainability policies and standards are supported by guidelines, manuals, training and other means to facilitate their successful implementation and performance in the field. Copies of our main environmental and social policies can be found on the Company’s website.

Monitoring, reporting and disclosure framework

The Company measures and discloses its sustainability performance using the Global Reporting Initiative (GRI) guidelines, the Metals and Mining Industry Standard of the Sustainability Accounting Standards Board (SASB) and the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”).

Management reports on sustainability, including updates on environmental social and governance matters, updates on sustainability key performance indicators (see “Corporate Plan and Targets below”), are provided to the Board of Directors at least on a quarterly basis through the Sustainability Committee.

The Company has a dedicated Health, Safety, Security, Environment and Community (“HSSEC”) Corporate Committee comprised of members of Senior and corporate management. The HSSE Committee is tasked with

assisting the Company's Senior Management in achieving its governance and management objectives in the areas of health, safety, security, environment and the community. This includes the reporting and reviewing of health, safety, security, environment and community management programs and their performance.

In addition, each operating subsidiary provides a monthly report on its sustainability performance. The Country Managers present operational progress, sustainability data, and progress toward KPIs and goals. In all cases, performance is measured against operational KPIs and metrics control tools, and the indicators correspond to each of the six sustainability pillars.

Since 2019, the Company has released an annual Sustainability Report which is available on our website. The Report discloses: material sustainable topics applicable to the Company and its operations; summarizes the actions that the Company is taking in terms of economic, social and environmental sustainability in the Company's mining operations; and provides detailed information on the Company's environmental, social, socio-economic and health and safety performance, and compares its environmental, health, social and governance performance against its performance in prior years.

Corporate plan and targets

In 2019, the Company developed a five-year sustainability plan which contains short, medium and long-term commitments. As a result, key performance indicators ("KPIs") related to sustainability have been integrated into the management of the Company's business. The Board approves the KPI goals and targets on an annual basis. The achievement of these goals is monitored monthly. Management eligible for annual performance incentives as part of their annual compensation are held accountable for the Company's sustainability performance through the achievement of annual target performance goals. Performance metrics which include environmental, safety and social metrics have been included in the performance metrics for management eligible for annual performance incentives since 2021. For 2022, the performance metrics have been extended to include climate change and ESG framework and ratings metrics. ESG metrics performance metrics have a 35% weighting in the Company's corporate short-term incentive indicators.

2022 Outlook

During 2022, our Sustainability/ESG framework will be reviewed, and we will continue to review and update our ESG policies to reflect the growth of the Company and the materiality assessment completed in 2021.

During 2022, the Company anticipates disclosing a position statement on Climate Change, and undertaking other corporate initiatives to enhance the Company's commitment to create a sustainable business while ensuring Industry Standard performance in sustainability.

2021 Health and Safety management and performance

Health and safety statistics are collected from each of our operations on a monthly basis. Targets for health and safety key performance indicators are set each year and are one factor used in determining management compensation for 2022.

In 2021, our health and safety performance among our employees and contractors is highlighted by:

- zero fatalities from work-related injuries or illnesses
- zero cases of work-related illnesses

In 2021, our consolidated health and safety performance in terms of Recordable Incident Frequency Rate ("TRIFR") and Lost Time Incident Frequency Rate ("LTIFR") improved by almost 50% (see table below) by means of additional initiatives to develop visible leadership, encourage teamwork, and continuously enhance our management system and tools including:

- instilling operational discipline by reinforcing procedures and our zero-tolerance policy to unsafe working conditions;
- establishing a disciplinary committee that included the participation of employees from human resources, operations, safety and sustainability;
- conducting a deep dive evaluation for all high potential near miss incidents;

- conducting additional incident cause analysis method (“**ICAM**”) training; and
- enhancing data collection on material damage and operational delays.

The following statistics are for employees and contractors at the mine sites and on a consolidated basis. The terms set out below have the following meanings:

“**FI**” means fatal incidents

“**LTI**” means lost time injury

“**MTI**” means medical treatment injury

“**TRI**” means total recordable injuries

“**TRIFR**” means total recordable frequency incident rate = (number of FI+LTI+MTI) x 1,000,000/ worked-hours

“**LTIFR**” means lost time incident frequency rate = (number of LTI x 1,000,000) / worked-hours

“**LTISR**” means lost time incident severity rate = (number of days lost x 1,000,000/ worked-hours)

	Lindero Mine		San José Mine		Caylloma Mine		Yaramoko Mine (last 6 months of 2021)		All 4 operations	
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
LTIFR	4.94	2.53	3.45	2.03	1.31	1.09	NA	0.00	3.15	1.57
TRIFR	5.93	6.07	6.41	3.72	5.68	2.18	NA	0.81	5.99	3.36
LTISR	361.81	336.37	144.04	139.97	41.92	55.54	N/A	0.00	176.64	138.10

Notes:

1. Data is included from the four operating mines. It does not include data from the corporates offices or the Séguéla Project.
2. The information provided for Lindero in 2020 was collected during the construction phase of the mine.

In 2022, the Company intends to continue the implementation of new and improved corporate standards to support the performance of all operations including West African operations. For example, all operations will be subject to ISO 45001 as a mandatory standard with requirements to implement: critical controls management at site level; and a new Health, Safety, Environment and Community management software to improve accountability and efficiency in our health and safety activities.

The improvements in workplace safety achieved in 2021 were overshadowed in January 2022, when the Company reported a fatality at the Lindero Mine. No other personnel were injured in the incident.

Company’s Response to Spread of COVID-19

In 2021, we continued our response to the COVID-19 pandemic and maintained the same contagion prevention measures from 2020. Physical distancing was maintained where possible, and we conducted regular testing of employees (PCR testing at least once a month). A key focus in 2021 was on vaccination. We carried out awareness campaigns to promote vaccination by our employees. In 2021 in our operations in Latin America, 97% of our total workforce received at least one dose of a COVID-19 vaccine. 100% of our workers in Peru, 85% of our workers in Mexico and 88% of our workers in Argentina were fully vaccinated. In Burkina Faso, at least 92% of our workers in were fully vaccinated in 2021.

Environmental protection, management and performance

We are committed to best practices and high standards of environmental performance in all aspects of our operations, and we strive to avoid, or where this is not possible, minimize the impact of our activities on the environment. We believe it is possible to design, construct, and operate our mines based on efficient use of energy and resources, protection of the environment and biodiversity, compliance with all applicable laws and international guidelines. When we close our operations, our aim is to return the land disturbed by our activities to as close to its natural state as reasonably possible.

All phases of the Company's operations are subject to environmental laws and regulations in the jurisdictions in which it operates. These environmental regulations provide directives and standards to avoid and/or limit spills, releases and emission of various substances related to industrial mining operations that could result in environmental contamination.

The Company conducts regular environmental and health and safety assessments of its operations. The overall objective is to assess key environmental risks and their associated controls and to assess regulatory compliance. Environmental statistics are collected from each of our operations on a monthly basis. To the best of management's knowledge, the Company is in compliance in all material respects with all environmental laws and regulations applicable to its exploration, development, construction and operating activities, including the renewal of environmental permits where applicable. Refer to *"Risk Factors – Environmental Protection, Management and Performance – Mine Closure"* below for additional information in respect of the financial and operational effects of such environmental laws and regulations on the Company.

Targets for environmental management plan key performance indicators are set each year and were one factor used in determining management compensation for 2021 and 2022. In terms of performance, the environmental management highlights for 2021 are:

- zero significant environmental fines
- significant reduction in waste intensity
- zero tailings dam incidents
- zero significant spills
- continuing trend in reduction of freshwater withdrawals and consumption intensity
- significant reduction in GHG emissions intensity and energy intensity

Tailings management

In 2021, we used our Tailings and Heap Leach Management Standard (the "**Standard**"), which is based on the guidelines of the Mining Association of Canada and the Canadian Dam Association for our operations in Latin America. At the Yaramoko Mine, the tailings facility is managed based on the ANCOLD Industry Standard and an operating manual has been established there to ensure that the tailings storage facility is managed to prevent any hazards.

Both Standards require the Company to locate, design, build, operate, and close all tailings storage facilities and heap leach facilities using a risk-based approach with site-specific data, or as specified by local regulatory requirements (whichever approach is more stringent). The Standards cover facility integrity, governance, monitoring and emergency preparedness. Our tailings storage facilities and heap leach facilities are subject to regular routine inspections, geotechnical and environmental monitoring and annual reviews to continually improve systems and methods in order to minimize potential harm related to these long-term facilities. All our tailings storage facilities were inspected in 2021 by third party engineering specialists to ensure their physical integrity and their proper management, and no significant risks were found under the applicable standards. In 2021, we also started to assess our facilities using the Global Industry Standard on Tailings Management ("**GISTM**") with the intention of developing an appropriate strategy to implement this standard.

Mine closure

The environmental permits under which the Company operates require it to reclaim certain lands that it disturbs during mining operations. Reclamation and closure activities can be significant and include land rehabilitation, decommissioning of mine facilities, ongoing care and maintenance and other costs. Costs of mine closures and reclamation of mine sites vary considerably due to factors such as location, climate, rainfall, environmental vulnerability, age of the mine, mining method, minerals being mined, waste characteristics, and labor costs. Closure cost estimates are reviewed regularly to reflect changing circumstances and adjusted according to inflation and work requirements.

Regulatory environmental requirements and best practices require the Company to establish mine closure plans and to review and update same periodically when required. Except as set out below, there have been no significant changes in requirements, laws, regulations, operating assumptions, estimated timing and amount of closure and

reclamation obligations in respect of the San Jose Mine, the Lindero Mine, the Yaramoko Mine, the Caylloma Mine and the Séguéla Project during the financial year ended December 31, 2021, other than the yearly update of the closure plans and the addition of the Yaramoko Mine and Séguéla Project mine closure plans. According to the plans in place, for accounting purposes the Company currently estimates the present value of the rehabilitation costs for the San Jose Mine, the Lindero Mine, the Yaramoko Mine, the Caylloma Mine and the Séguéla Project to be approximately US\$56.56 million which will be incurred between 2022 and 2044, depending on the life of the respective mines, as more particularly described in note 17 to the 2021 Financial Statements.

On August 19, 2021, the Peruvian Government approved Law N° 31347 which modifies the Mine Closing Law. This new law includes, among other things, new criteria for the calculation of the guarantee required to be in place for the closing of a mine in Peru. Currently the Mine Closing law requires a guarantee to be put in place for the final closure activities and post closure-activities of the mine, as is the case for the Caylloma Mine. As a result, a guarantee will be required to be put in place for the full mine closure plan, to include progressive closure costs, final closure activities and post closure-activities. The effective date for the new Mine Closing Law has not yet been confirmed by the Peruvian Government, but it is expected to be in effect in 2023, and when in effect it will apply to the Caylloma Mine.

Climate Change

We recognize that climate change is a major global challenge that could have significant impacts on operations, host communities, the resources used in production, the economy and society in general. Climate change is a systemic risk with the potential to affect our mine infrastructure and operations; the regulatory frameworks under which we operate; and the demand for the minerals we produce. It is an increasingly important issue for Fortuna's stakeholders, including investors who are seeking to understand the impact of climate change across their portfolios. Fortuna recognizes the current climate change science, supports the goals of the Paris Agreement and the recommendations of the Taskforce on Climate-related Financial Disclosures ("TCFD"). We believe that the mining sector has a key role to play in reducing global GHG emissions, as well as in supporting the transition to a lower carbon economy by supplying critical minerals and metals to advance low emission technologies and solutions. Fortuna is taking a phased approach to implementing the TCFD recommendations. Our disclosures will evolve over time as we continue to take action on climate change and further embed climate change into our business.

In term of governance, the Sustainability Committee of the Board of Directors provides oversight of climate change. The Board of Directors is involved in any major climate-related decision that involve a capital investment program, which are approved annually by the Board as part of the budget process. In 2021, the Board of Directors was actively engaged in the development of the climate change strategy and the development of Fortuna's Climate Change Position Statement and climate-related management targets. The Senior Vice President, Sustainability has accountability for all environmental issues, including climate change, at the Executive Leadership Team level and reports to the Sustainability Committee and the Board of Directors on climate change factors on a quarterly basis.

In 2021, Fortuna undertook a Climate Change Materiality Assessment to better understand the financially material climate change factors likely to impact company value. This was an important first step in the development of our Climate Change Strategy to ensure the strategy fosters value creation. We assessed the materiality of the TCFD's climate-related risks and opportunities based on the potential of the climate change factor to impact company value and the likelihood that a climate-related impact would occur over the short (0 to 1 years), medium (1 to 10 years) or long term (10+ years). The Climate Change Materiality Assessment also took into consideration how climate change factors are connected to other ESG factors and have the potential to increase exposure to ESG risks (e.g., community relations, water management, waste and hazardous materials management, energy management, biodiversity impacts). As part of this Climate Change Materiality Assessment, we considered:

- Existing climate-related regulations (e.g., Canadian Securities Administrators (CSA) Staff Notices, U.S. Securities and Exchange Commission (SEC) guidance, climate-related regulation in Canada, Mexico, Peru, Argentina and Burkina Faso)
- Climate-related guidance and industry initiatives (e.g., Mining Association of Canada's Towards Sustainable Mining Initiative, International Council on Mining & Metals' Mining Principles, World Gold Council's Responsible Gold Mining Principles)

- Climate change frameworks and standards (e.g., SASB Standards, SASB Climate Risk Technical Bulletin, TCFD recommendations)

In 2021, we made significant progress on the development of our corporate climate change strategy. Notably, we developed our Climate Change Position Statement to be published in the second quarter of 2022. This Statement articulates our approach to climate change and our key climate-related commitments.

As part of the development of our company-wide climate change strategy, we also conducted gap assessments to analyze how our current climate change practices compare to climate change best practices and the practices of our peers in the areas of Governance, Strategy, Risk Management, Metrics and Targets, and Reporting and Disclosure.

In recognition that the development of a comprehensive and credible climate change strategy is an ongoing journey, we have developed a multi-year climate change strategy implementation roadmap which focuses on addressing gaps between our existing practices and climate change best practices. Future work to be conducted during 2022 includes:

- Formalizing climate-related governance processes and internal reporting on climate change factors, such as Climate Change oversight by the Sustainability Committee and inclusion of Climate Change qualitative targets in the executive short Term incentives program.
- Conducting the required analysis to enable us to formalize climate-related metrics and set GHG emissions reduction targets, including site-level energy audits, identification and prioritization of GHG emission reduction opportunities and associated pathways, and internal capacity building.
- Evaluating opportunities for the strategic and controlled use of carbon offsets to complement our climate change actions plans.

We continue to evaluate our capacity to conduct climate change scenario analysis and are committed to continue to enhance the alignment of our climate change disclosure with the TCFD Recommendations.

In light of the combination with Roxgold, we reviewed and updated the Company's enterprise risk management process accordingly. As an input to this project, we reviewed the TCFD's best practices with respect to the integration of climate change factors into enterprise risk management processes and we are currently evaluating opportunities to enhance the integration of climate-related risks into our enterprise risk management processes.

2022 Outlook

In 2022, we intend to implement our Climate Change strategy such as formalizing climate-related governance processes and internal reporting on climate change factors by the Sustainability Committee and the inclusion of Climate Change qualitative targets in the executive short Term incentives program; conducting the required analysis to enable us to formalize climate-related metrics and set credible GHG emissions reduction targets, including site-level energy audits, identification and prioritization of GHG emission reduction opportunities and associated pathways; and evaluating opportunities for the strategic and controlled use of carbon offsets to complement our climate change actions plans. Also, we will continue our plan to use the GISTM as our standard concerning tailings management while continuing to implement and/or certify our ISO 14001 management systems and other environmental standards and best practices.

2021 Community relations management and performance

Mining operations can have significant environmental, social and economic impacts (both positive and negative) on surrounding communities. We are committed to the high standards of social performance in all aspects of our operations. An effective community relations approach can help to minimize conflicts and operational disruptions, facilitate permits and approvals, and enhance the Company's reputation. The COVID-19 pandemic has magnified the risks, as communities hard hit by the pandemic may be seeking additional support from companies.

We seek to maintain good relations in the communities where we operate, based on dialogue, transparency and respect, and to be a catalyst for social development. Our Country Heads and Vice Presidents, Operations have executive responsibility for community relations at the subsidiary level, reporting directly to the regional Chief Operating Officers, who report to the CEO. The Country Heads are supported by a Community Relations team

recruited at each site. In line with the Corporate Sustainability Framework, the Country Heads are responsible for developing and implementing a Community Relations Plan, which is approved annually. All community support agreements prepared under the Community Relations Plan must be prepared in writing and referred to the CCO for approval. Subsidiaries provide updates on their Community Relations Plans during reviews with the HSSEC Corporate Committee.

In terms of performance, the highlights for 2021 are:

- zero significant disputes with local communities
- zero confirmed cases of human rights violations
- 43% of employees are from local communities
- 100% of internal and external security personnel received human rights training

Risk Factors

The Company's ability to generate revenues and profits from its natural resource properties is subject to a number of risks and uncertainties including those listed below, any of which, individually or together could cause actual events to differ materially from those described in forward-looking statements and forward-looking information.

The risks described below are a summary only and are not exhaustive of the risks relating to Fortuna and its business and operations. There may be additional risks not presently known to the Company, or that the Company currently considers immaterial, which may also impair its business and operations.

Risks Relating to the Company's Business Operations

The Company's operations are subject to operating hazards and risks incidental to mining activities.

The operations of the Company are subject to all of the hazards and risks normally incidental to mining exploration, development and operational activities, including fire, explosions, floods, structural collapses, industrial accidents, unusual or unexpected geological conditions, ground control problems, power outages, pollution, industrial water shortages, inclement weather, cave-ins and mechanical equipment failure. Any such hazards could result in work stoppages, damage to or destruction of mines and other facilities, damage to life and property, environmental damage and possible legal liability for any or all damages. While the Company maintains insurance against certain risks, potential claims could exceed policy limits or be excluded from coverage. There are also risks against which Fortuna cannot or may elect not to insure. The potential costs which could be associated with any liabilities not covered by insurance or in excess of insurance coverage may have a material adverse effect on the Company's business, financial condition or results of operations.

Mineral resources, mineral reserves and precious metal recoveries are estimated.

There is a degree of uncertainty attributable to the estimation of mineral resources, mineral reserves and expected mineral grades. The mineral resource and mineral reserve estimates included or incorporated by reference in this AIF have been determined and valued based on assumed or estimated future prices, cut-off grades and operating costs. However, until mineral deposits are actually mined and processed, mineral resources and mineral reserves must be considered as estimates only. Any such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices.

Mineral resources and mineral reserves may require revision based on actual production experience. Market fluctuations in the price of metals, as well as increased production costs and reduced recovery rates, may render certain mineral reserves uneconomic and may ultimately result in a restatement of mineral resources and/or mineral reserves. Short-term operating factors relating to the mineral resources and mineral reserves, such as the need for sequential development of ore bodies, may adversely affect the Company's profitability in any accounting period. Estimates of operating costs are based on assumptions including those relating to inflation and currency exchange, which may prove incorrect. Estimates of mineralization can be imprecise and depend upon geometallurgical assumptions, geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable. In addition, the grade and/or quantity of precious metals ultimately recovered may differ

from that indicated by drilling results. There can be no assurance that precious metals recovered in small scale tests will be duplicated in large scale tests under onsite conditions or in production scale. Amendments to mine plans and production profiles may be required as the amount of mineral resources changes or upon receipt of further information during the implementation phase of the particular project. Extended declines in market prices for gold, silver and other metals may render portions of the Company's mineralization uneconomic and result in reduced reported mineralization. Any material reduction in estimates of mineralization, or in the Company's ability to develop its properties and extract and sell such minerals, could have a material adverse effect on the Company's business, financial condition or results of operations.

The Company's capital and operating costs, production schedules and economic returns are based on certain assumptions which may prove to be inaccurate.

The Company's expected capital and operating costs, production schedules and estimates, anticipated economic returns and other projections, estimates and forecasts for its mineral properties that are included or incorporated by reference in this AIF or included in any technical reports, scoping studies, pre-feasibility studies and feasibility studies prepared for or by the Company, including in respect of the assets acquired from Roxgold, are based on assumed or estimated future metals prices, cut-off grades, operating costs, capital costs, metallurgical recoveries, that the actual ore mined is amenable to mining or treatment, environmental considerations, labour volumes, permitting and other factors, any of which may prove to be inaccurate. As a result, technical reports, scoping studies, pre-feasibility studies and feasibility studies prepared for or by the Company may prove to be unreliable.

The Company's capital and operating costs are affected by the cost and availability of commodities and goods such as steel, cement, explosives, fuel, electrical power and supplies, including reagents. Significant declines in market prices for gold, silver and other metals could have an adverse effect on the Company's economic projections. Management assumes that the materials and supplies required for operations will be available for purchase and that the Company will have access to the required amount of sufficiently skilled labour. As the Company relies on certain third-party suppliers and contractors, these factors can be outside its control and an increase in the costs of, or a lack of availability of, commodities, goods and labour may have an adverse impact on the Company's financial condition. The Company may experience difficulty in obtaining the necessary permits for its exploration, development or operational activities, if such permits are obtained at all, and may face penalties as a result of violations of permits or other environmental laws, which may cause delays and increases to projected budgets. Any of these discrepancies from the Company's expected capital and operating costs, production schedules and economic returns could cause a material adverse effect on the Company's business, financial condition or results of operations.

The Company has in the past, and may in the future, provide estimates and projections of its future production, costs and financial results. Any such information is forward looking. Neither the Company's auditors nor any other independent expert or outside party compiles or examines these forward looking statements. Accordingly, no such person expresses any opinion or any other form of assurance with respect thereto. Such estimates are made by the Company's management and technical personnel and are qualified by, and subject to the assumptions, contained or referred to in the filing, release or presentation in which they are made, including assumptions about the availability, accessibility, sufficiency and quality of mineralized material, the Company's costs of production, the market prices of silver, gold and other metals, the Company's ability to sustain and increase production levels, the ability to produce and sell marketable concentrates, the sufficiency of its infrastructure, the performance of its personnel and equipment, its ability to maintain and obtain mining interests and permits, the state of the government and community relations, and its compliance with existing and future laws and regulations. Actual results and experience may differ materially from these assumptions. Failure to achieve estimates or material increases costs could have a material adverse impact on the Company's future cashflows, profitability, results of operations and financial condition. Any such production, cost, or financial results estimates speak only as of the date on which they are made, and the Company disclaims any intent or obligation to update such estimates, whether as a result of new information, future events or otherwise. Accordingly, such forward-looking statements should be considered in the context in which they are made and undue reliance should not be placed on them.

Uncertainties related to new mining operations.

Without limiting the generality of the foregoing, Fortuna is in the process of the development and construction of an open pit mine at the Séguéla Project. Any such development or expansion project which is progressed to commercial operations will face a number of risks inherent in new mining operations.

The successful completion of the Company's development and expansion projects requires the construction and operation of mines, processing plants and related infrastructure. As a result, the Company is and will continue to be subject to all of the risks associated with establishing new mining operations, including:

- the timing and cost, which can be considerable, of the construction of mining and processing facilities;
- the availability and cost of skilled labour, mining equipment and principal supplies needed for operations;
- the availability and cost of appropriate smelting and refining arrangements;
- the need to maintain necessary environmental and other governmental approvals and permits;
- the availability of funds to finance construction and development activities;
- potential opposition from governments, non-governmental organizations, environmental groups, local groups or other stakeholders, which may delay or prevent development activities; and
- potential increases in construction and operating costs due to changes in the cost of labour, fuel, power, materials and supplies.

It is not unusual in the mining industry for new mining operations to experience unexpected difficulties during the start-up phase or the initial production phase, resulting in production suspensions, delays and requiring more capital than anticipated. It is also common in new mining operations to experience unexpected problems, delays and costs during mine development and ramp-up to full production capacity. Such factors can add to the costs of the mine development, production and operations and/or impair production and mining activities, thereby affecting the Company's cashflows and profitability. Any unexpected complications and delays in the completion and successful functioning of these operational elements may result in additional costs being incurred by the Company beyond those already incurred and budgeted. There can be no assurance that current or future development and expansion plans in respect of the Yaramoko Mine and the Séguéla Project will be successful or completed on time or on budget.

Development projects such as the Séguéla Project are uncertain and it is possible that actual capital and operating costs, production schedules and economic returns will differ significantly from those estimated for a project prior to production.

Despite budget forecasting and planning activities undertaken by the Company, actual future capital and costs, production schedules and economic returns of the Company's development projects may differ significantly from those anticipated. Accordingly, there are no assurances that any future development activities will result in profitable operations.

The economic feasibility of the Company's development and expansion projects is based on many factors such as: estimation of mineral reserves, anticipated metallurgical recoveries, environmental considerations and permitting, future market prices of silver, gold and other metals, and anticipated capital and operating costs of such projects. The Séguéla Project has no operating history upon which to base estimates of future production and cash operating costs. Particularly for development projects, estimates of proven and probable mineral reserves and cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies that derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, expected recovery rates of minerals from the ore, estimated operating costs, anticipated climactic conditions and other factors. As a result, it is possible that actual capital and operating costs and economic returns will significantly differ from those currently estimated for the Séguéla Project prior to production.

Estimates of future capital and operating costs, production and economic returns of the Company's development projects may differ significantly from those ultimately realized due to a variety of factors, including those discussed above in respect of the Company's capital and operating costs, production schedules and economic returns, as well as in respect of uncertainties related to new mining operations, including but not limited to unanticipated changes in grades and tonnes of ore to be mined and processed, unanticipated adverse geological conditions, unanticipated metallurgical recovery problems and incorrect data on which engineering assumptions are made. Further, technical considerations, delays in obtaining government approvals and necessary permits, the inability to obtain financing and/or the unanticipated costs associated with the development and construction of such projects could prevent or delay the development of such properties. Accordingly, the Company's ability to meet development and production schedules and cost estimates for its development projects such as the Séguéla Project cannot be assured. Delays in development or production, or material increases in costs, could have an adverse impact on Fortuna's future cash flows, profitability, results of operation and financial condition.

The development of the Company's properties requires substantial exploration, expenditures and the development of infrastructure.

Development of the Company's non-producing properties, including the Boussoura project and the Séguéla Project, and the expansion of existing producing projects will only follow upon obtaining satisfactory exploration and engineering results that confirm economically recoverable and saleable volumes of minerals and metal as well as the legality of such development. The business of mineral exploration and development is speculative in nature and involves a high degree of risk, as few properties which are explored are ultimately developed into producing mines. Even with a combination of careful evaluation, experience and knowledge, there is no assurance that the Company's mineral exploration and development activities will result in any discoveries of mineral reserves. The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors.

Substantial expenditures are required to establish mineral resources and mineral reserves through drilling and development and for mining and processing facilities and infrastructure. No assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis. The economic feasibility of developing a mineral property is based on several other factors including anticipated metallurgical recoveries, the cost of operations, environmental considerations and permitting, future metal prices, and timely completion of the development plan.

In addition, completion of the development of the Company's advanced projects is subject to various requirements, including the availability and timing of acceptable arrangements for power, water, transportation, access and facilities. The lack of, or delay in, availability of any one or more of these items could prevent or delay development of the Company's advanced projects. There can be no assurance that adequate infrastructure, including road access, will be built, that it will be built in a timely manner or that the cost of such infrastructure will be reasonable or that it will sufficiently satisfy the requirements of the advanced projects. As well, accidents or sabotage could affect the provision or maintenance of adequate infrastructure.

The Company may be unable to replace its mineral reserves.

The Company must continually replace its mineral reserves depleted by production to maintain production levels over the long term. Mineral reserves can be replaced by expanding known ore bodies, locating new deposits or making acquisitions. Exploration is highly speculative in nature and involves many risks and is frequently unsuccessful. Substantial expenditures are required to complete drilling programs which may take several years to complete in order to establish mineral reserves. As a result, there is no assurance that current or future exploration programs will be successful. There is a risk that depletion of the Company's mineral reserves will not be offset by discoveries or acquisitions. The Company's mineral base may decline if mineral reserves are mined without adequate replacement and the Company may not be able to sustain production beyond the current mine lives, based on current production rates. If the Company's mineral reserves are not replaced either by the development of additional mineral reserves and/or additions to mineral reserves, there may be an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition, and this may be compounded by requirements to expend funds for reclamation and decommissioning.

The Company's operations are subject to extensive environmental regulation.

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. These laws address emissions into the air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, antiquities and endangered species and reclamation of lands disturbed by mining operations. The Company's operations generate chemical and metals depositions in the form of tailings. The Company's ability to obtain, maintain and renew permits and approvals and to successfully develop and operate mines may be adversely affected by real or perceived impacts associated with the Company's activities or of other mining companies that affect the environment, human health and safety. Environmental hazards may exist on the Company's properties which are unknown to the Company at present and were caused by previous or existing owners or operators of the properties, for which the Company could be held liable.

Tailings Management

The Company operates six tailings storage facilities, which includes two tailings dam facilities at the Caylloma Mine, one tailings dam storage facility and one dry stack tailings facility at the San Jose Mine, one heap leach pad at the Lindero Mine and one tailings storage facility at the Yaramoko Mine. In addition, the Company has one closed tailings dam facility at the Caylloma Mine. All tailings storage facilities operated by the Company are subject to the Company's tailings and heap leach management standard. As part of the Company's risk management protocols, the Company continually assesses its tailings dam management systems. Since 2019, the Company has planned and executed an annual comprehensive review of all of its tailings facilities. However, in 2020 as travel to the sites was restricted due to COVID-19, management completed an internal assessment of its tailings storage facilities and heap leach facilities. All of the Company's tailings storage facilities were externally audited in 2021 and no significant risks were identified under applicable standards. While the Company believes that appropriate steps have been taken to prevent safety incidents, there are inherent risks involved with tailings facilities, including among other things, seismic activity, particularly in seismically active regions such as Peru, and the ability of field investigations completed prior to construction of TSFs to detect weak foundation materials. There can be no assurance that a tailings dam or other tailings facility safety incident will not occur and such an incident could have a material adverse effect on the Company's business, results of operations and financial condition.

Use of Cyanide

Operations at the Lindero Mine involve heap leaching and this method of mineral processing uses sodium cyanide, a hazardous material, to leach metal bearing ore and then collect the resulting metal-bearing solution. There is an inherent risk of unintended discharge of hazardous materials in the operation of leach pads. Should sodium cyanide escape from a leach pad and collection infrastructure or otherwise be detected in the downstream surface and ground water points, the Company could be subject to liability for remediation costs, which could be significant and may not be insured against. In addition, metal production could be delayed or halted to prevent further discharges and to allow for remediation. Such delays or cessations in production could be long-term or, in some cases, permanent, and any interference with production could result in a significant reduction in, or loss of, cash flow and value for the Company. While appropriate steps may be taken to prevent discharges of sodium cyanide and other hazardous materials into the ground water, surface water, and the downstream environment, there is inherent risk in the operation of leach pads and there can be no assurance that a release of hazardous materials will not occur.

Cyanide is used in the carbon-in leach processing plant at the Yaramoko Mine for the extraction of gold. Cyanide is delivered by road in secure containers from our contractor's warehouse to the mine site. It is then stored on a covered concrete pad with roof to minimize the potential for soil contamination, to ensure good ventilation and to prevent damage from ground moisture. Any leaks or spills of dry or wet cyanide at any stage of cyanide use could lead to the pollution of the environment, including surface or ground water, soil, and air, and have potentially adverse effects on the environment and biodiversity, our employees, and the communities living nearby.

Procedures have been implemented at the mine site outlining the responsibilities and methods to be followed to ensure that a safe environment is maintained for all employees and nearby communities. This includes ensuring that cyanide is stored and handled appropriately to avoid impacts on the environment, and that, in the event of a leak or spill, the spill is contained and cleaned up.

Future Environmental Legislation.

Environmental legislation is evolving in a manner which is imposing stricter standards and enforcement, increased fines and penalties for non-compliance, in addition to more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. New environmental laws and regulations or more stringent enforcement of existing laws and regulations could have a material adverse effect on the Company, both financially and operationally, by potentially increasing capital or operating costs and delaying or preventing development activities at our mineral properties. Compliance with environmental laws and regulations may require significant capital outlays on behalf of the Company and may cause material changes or delays in the Company's intended activities. Failure to comply with applicable environmental laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities, causing operations to cease or be curtailed. Such enforcement actions may include the imposition of corrective measures requiring capital expenditure, installation of new equipment or remedial action. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

The Company intends to, and attempts to, fully comply with all applicable environmental regulations. While the health and safety of its people and responsible environmental stewardship are top priorities for the Company, there can be no assurance that the Company has been or will be at all times in complete compliance with such laws, regulations and permits, or that the costs of complying with current and future environmental and health and safety laws and permits will not materially and adversely affect the Company's business, results of operations or financial condition.

The Company's business is sensitive to nature and climate conditions.

The Company and the mining industry are facing continued geotechnical challenges, which could adversely impact the Company's production and profitability. Unanticipated adverse geotechnical and hydrological conditions, such as landslides, floods, seismic activity, droughts and pit wall failures, may occur in the future and such events may not be detected in advance. Such geotechnical risks could impact the structural integrity of our mines, stockpiles, leach pads and tailings storage facilities. Geotechnical instabilities and adverse climatic conditions can be difficult to predict and are often affected by risks and hazards outside of the Company's control, such as severe weather, droughts and considerable rainfall.

The Company's operations require water, and the Lindero Mine and the San Jose Mine are located in regions where water is scarce. While the Company believes it holds sufficient water rights to support its current operations, future developments could limit the amount of water available to the Company. New water development projects, or climatic conditions such as extended drought, could adversely affect the Company's operations. There can be no guarantee that extreme weather events such as a prolonged drought will not affect the operations at these mines, or that the Company will be successful in maintaining adequate supplies of water for its operations. In addition, too much precipitation can pose a risk to the Company's operations and the Lindero Mine and the San Jose Mine have in the past experienced abnormally high rainfall which has disrupted operations at these locations. Increased precipitation, either due to normal variances in weather or due to global climate change, could result in flooding that may adversely impact operations and could damage the Company's facilities, plant and operating equipment.

Geotechnical failures could result in limited or restricted access to mine sites, suspension of operations, government investigations, increased monitoring costs, remediation costs, loss of ore and other impacts, which could cause one or more of the Company's projects to be less profitable than currently anticipated and could result in a material adverse effect on the Company's business results of operations and financial position.

The Company's operations are subject to political and other risks in the regions in which it operates.

The Company currently conducts, or plans to conduct, exploration, development and production activity in a number of regions, including Peru, Mexico, Argentina and West Africa (including Burkina Faso and Côte d'Ivoire). The Company's mining investments and operations are subject to various political, economic and social risks normally associated with the conduct of business in foreign jurisdictions, which include:

- cancellation or renegotiation of contracts by government authorities;
- changes in foreign laws or regulations, including those relating to taxation, royalties, mineral title, imports and/or exports, environmental controls and permitting;

- expropriation or nationalization of property;
- inflationary risks, including the inflation of costs that are not off-set by a currency devaluation;
- restrictions on the ability of local operating companies to sell gold, silver or other minerals offshore for U.S. dollars, and on the ability of companies to hold U.S. dollars or other foreign currencies;
- restrictions on the purchase of foreign currencies and on the remittance of dividend and interest payments offshore;
- limitations on the repatriations of earnings;
- opposition to mining development projects from governments, non-governmental organizations, environmental groups, local groups or other stakeholders;
- mining companies are increasingly required to consider and provide benefits to the communities and countries in which they operate;
- uncertain political and economic environments, including increased risk of civil strife, acts of war, guerrilla activities, insurrection and terrorism;
- lack of certainty with respect to foreign legal systems, corruption and other factors that are inconsistent with the rule of law;
- reliance on advisors, consultants and employees in foreign jurisdictions to carry out the Company's planned exploration, operations, development and exploration activities, including in connection planned with regulatory, permitting and other governmental requirements; and
- other risks arising out of foreign sovereignty over the areas in which the Company's operations are conducted.

Such risks could potentially arise in any country in which the Company operates. These risks may limit or disrupt operating mines or projects, restrict the movement of funds, cause the Company to have to expend more funds than previously expected or required, and may materially adversely affect the Company's business, financial condition or results of operations. The Company may also evaluate business opportunities in other jurisdictions where such risks may exist.

Challenges also exist with respect to inconsistent application of the rule of law in certain of the jurisdictions in which the Company operates, as court systems in regions such as West Africa may offer less certainty as to the judicial outcome or a more protracted judicial process than is the case in more established economies. Businesses can become involved in lengthy court cases over simple issues when rulings are not clearly defined, and any inconsistencies in the drafting of laws and excessive delays in the legal process for resolving issues or disputes compound such problems. In addition, enforcement of laws may depend on and be subject to the interpretation placed upon such laws by the relevant local authority, and such authority may adopt an interpretation of an aspect of local law which differs from the advice that has been given to the Company by local lawyers or even previously by the relevant local authority itself. Furthermore, there is limited relevant case law providing guidance on how courts would interpret such laws and the application of such laws to the Company's contracts, joint ventures, licenses, license applications or other arrangements. Thus, there can be no assurance that contracts, joint ventures, licenses, license applications or other legal arrangements will not be adversely affected by the actions of government authorities.

Accordingly, the Company could face risks such as: (i) effective legal redress in the courts of certain jurisdictions in which the Company operates being more difficult to obtain, whether in respect of a breach of law or regulation, or in a contract or an ownership dispute, (ii) a higher degree of discretion on the part of governmental authorities and therefore less certainty, (iii) the lack of judicial or administrative guidance on interpreting applicable rules and regulations, (iv) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions, or (v) relative inexperience of the judiciary and courts in such matters.

Additionally, the introduction of new tax laws, regulations or rules, or changes to, or differing interpretation of, or application of, existing tax laws, regulations or rules in any of the countries in which the Company operates, could result in an increase in the Company's taxes, or other governmental charges, duties or impositions. No assurance can be given that new tax laws, rules or regulations will not be enacted or that existing tax laws will not be changed, interpreted or applied in a manner that could result in the Company's profits being subject to additional taxation or that could otherwise have an adverse material effect on the Company.

Argentina

The Company's operations at the Lindero Mine are subject to the payment of government taxes, fees and duties. This includes a 3 percent provincial royalty "boca mina" which is payable on revenue after deduction of direct processing, commercial, general and administrative costs. Under Argentina's federal laws exports of bullion, doré and unrefined gold are subject to an 8 percent export tax until December 31, 2023.

Effective December 23, 2019, changes to Argentina's tax laws proposed by the new Argentine Government were implemented. The changes ratified and extended legislation which was to expire on December 31, 2019 and allow the Argentine Central Bank to regulate funds coming into and flowing out of Argentina in order to maintain stability and support the economic recovery of the country. The Argentine Government has not set an expiry date for these restrictions, and they currently remain in place. These capital controls together with additional temporary controls enacted on May 29, 2020, have the effect of: requiring exporters to convert the equivalent value of foreign currency received from the export into Argentine Pesos; requiring the prior consent of the Argentine Central Bank to the payment of cash dividends and distributions of currency out of Argentina; requiring Argentine companies to convert foreign currency loans received from abroad into Argentine Pesos; and restricting the sale of Argentine Pesos for foreign currency. Accordingly, the Company is required to convert the equivalent value of proceeds received in foreign currency from the export of all gold doré from the Lindero Mine, into Argentine Pesos. In addition, the Company is required to obtain the prior consent of the Argentine Central Bank to the payment of cash dividends and distributions of profits out of Argentina.

Certain of the costs and expenses to fund the construction at the Lindero Mine were advanced by way of intercompany loans. Under the terms of the Argentine Central Bank regulation, any funds in foreign currency which were advanced by the Company as a loan to its Argentine subsidiary in connection with the payment of construction costs and expenses at the Lindero Mine, are to the extent that the funds were advanced in foreign currency, required to be converted into Argentine Pesos at a conversion rate negotiated at the foreign exchange market within five business days from the date of the receipt of the funds in Argentina. When the loan is to be repaid, the regulation requires proof that the loan was advanced in foreign currency and converted into local currency in order to repay the loan in foreign currency. Due to the volatility of the exchange rate for Argentine Pesos, the Company will apply additional measures in cash management to minimize potential gains or losses arising from the conversion of funds. In addition, the Argentine Central Bank has also issued a temporary measure in effect until December 31, 2022, which requires the consent of the Argentine Central Bank to the repayment of certain types of intercompany loans. There can be no assurance that the temporary measure will not be extended.

As part of the structure used to fund the construction of the Lindero project and the operation of the Lindero Mine, Fortuna has implemented a series of intercompany revolving pre-export financing facilities in an aggregate of \$110 million. This allows exporters to apply the proceeds of sales directly towards payment of principal and interest under the facility. The facilities are not impacted by the regulations described above, and the Company expects that it can continue to repatriate funds during 2022 through this mechanism.

Mexico

The Company's operations at the San Jose Mine are subject to the payment of government taxes, fees and duties. Under Mexican federal corporate income tax law, titleholders of mining concessions are required to pay annually a 7.5 percent duty on their mining related profits and a 0.5 percent duty on revenues obtained from the sale of gold, silver and platinum.

Additionally, the State of Oaxaca in Mexico has a history of social conflicts and political agitation which can lead to public demonstrations and blockades that can from time to time affect the Company's operations.

In 2015, the Mexican Government introduced a mining fund (the "Mining Fund") which was funded from taxes paid by mining companies operating in Mexico. The Mining Fund distributed monies to local communities where the activities of mining companies take place to promote infrastructure and social development and to mitigate environmental impacts. Effective January 1, 2020, 85 percent of the funds of the Mining Fund were reallocated to the Public Education Ministry, and 5 percent are to be distributed among the municipalities where the mining activities take place. The local communities where the Company operates may be affected by the cut-back in these funds. It is not yet known if this may have an impact on the business and operations of the Company.

In January 2020, the Oaxacan Congress approved a Previous, Free and Informed Consultation Law for the Indigenous and Afromexican Communities in the State of Oaxaca (the “Consultation Law”), which is now in full force and effect.

The Consultation Law settles the procedure that the authority, in this case any public administration sector or the legislative power of Oaxaca, must follow to acquire the prior and informed consent of the indigenous or Afromexican communities that may be affected or jeopardized by the approval of a specific law, or by the authorization of an administrative procedure or act. The Consultation Law is only applicable locally in the State of Oaxaca and specifically to state matters. The mining operations at the San Jose Mine, including the granting of mining concessions and the corresponding environmental impact authorizations are regulated federally and should not be affected by the recently published Consultation Law.

The Consultation Law has no impact on the ongoing business of the Company at the San Jose Mine, as it has no effect on the permits and authorizations already granted for the operations at the San Jose Mine. However, the new law may be applicable in the case of a new local license or permit that is needed. The Company is unable to predict how this new legislation may affect the business and operations of the Company at this time.

In June 2020, the Mexican Supreme Court of Justice mandated the Federal Congress to issue a Federal Consultation Law to regulate the previous, free and informed consent rights of the Indigenous and Afromexican Communities in compliance with Mexico’s obligations under ILO Convention 169. In April 2021, the House of Representatives approved a General Consultation Law for the Indigenous and Afromexican Communities. Currently the Senate is analyzing the House of Representative’s proposal and (i) may approve and send it to the Executive Branch for its enactment; or (ii) modify it and send it back to the House of Representatives for further analysis. The General Consultation Law settles the procedure that the authority, in this case the federal legislative and executive branches of government, must follow to acquire the prior and informed consent of the Indigenous or Afromexican Communities that may be affected or jeopardized by new legislation or by an administrative procedure or administrative act. The Company is unable to predict at this time how this new legislation, if enacted, may affect the business and operations of the Company at this time.

Peru

The Company’s operations at the Caylloma Mine are subject to the payment of government taxes, fees and duties. Holders of mineral concessions are obliged to pay to the Peruvian Government, a mining royalty, as a consideration for the exploitation of metallic and non-metallic natural resources, which is calculated based on the quarterly sales revenues from metallic and non-metallic mineral resources at a minimum rate of 1 percent and up to 12 percent.

In addition, an additional tax called the “Special Mining Tax” is payable to the Peruvian Government which imposes a tax on the operating profit of metallic resources at a tax rate that ranges from between 2 percent to 8.4 percent.

In some areas of Peru, the development of infrastructure projects and extractive industries have met with strong rejection from the local population. Such social conflict may lead to public demonstrations and blockades which could affect the Company’s operations.

West Africa

The Company’s operations at the Yaramoko Mine and the Boussoura project, as well as the Séguéla Project, are subject to the payment of government taxes, fees and duties in Burkina Faso and Côte d’Ivoire, respectively.

Operations in Burkina Faso are subject to the royalty regime set forth in the Burkina Faso 2015 Mining Code (“**Burkina Faso Mining Code**”). Pursuant to the Burkina Faso Mining Code, the granting of an exploitation permit entails the allocation to the state of 10% of the share capital of the exploitation company, free of charge. This 10% state participation must be maintained when there is an increase in the capital of the company. In addition, there is a gold price based sliding scale 3% to 5% royalty, payable to the government, on all gold production.

Operations in Côte d’Ivoire are subject to a similar royalty regime as in Burkina Faso, as set forth in the Côte d’Ivoire 2014 Mining Code (“**Côte d’Ivoire Mining Code**”). Pursuant to the Côte d’Ivoire Mining Code, the granting of an exploitation permit entails the allocation to the state of 10% of the share capital of the exploitation company, free of charge. This 10% state participation must be maintained when there is an increase in the capital of the company.

Future production (if any) from the Company's Séguéla Project will be subject to a gold price based sliding scale 3% to 6% royalty, payable to the government, which is calculated on the gross revenue from gold produced after deduction of transportation and refining costs.

While the Company believes that the governments of Burkina Faso and Côte d'Ivoire support the development of their natural resources by foreign companies, the Company's West African operations may face a heightened level of political and social risk, such as civil and ethnic unrest, war (including in neighbouring countries), terrorist actions, hostage taking or detainment of personnel, military repression, criminal activity, nationalization, invalidation of governmental orders, corruption and political instability.

Following instability in recent years in several West African countries, the prevailing security environment in these countries has deteriorated due to the presence of various militant secessionist and Islamist paramilitary groups, as well as a result of the January 2022 military coup in Burkina Faso. While the Company has implemented additional measures in response to ensure the security of its various assets, personnel and contractors, and continues to cooperate with regional governments, their security forces and applicable third parties, there can be no assurance that these measures will be successful. Any failure to maintain the security of its assets, personnel and contractors may have a material adverse effect on Company's business, prospects, financial condition and results of operations. To date, neither our employees nor our operations have been impacted by the security situation in Burkina Faso.

While there is no reason to believe that Fortuna's employees or operations will be targeted by criminal and/or terrorist activities in West Africa, risks associated with conducting business in the region, along with the increased perception that such incidents are likely to occur, may disrupt the Company's operations, limit its ability to hire and keep qualified personnel, and impair its access to sources of capital or insurance on terms and at rates that are commercially viable. Further, although the Company has developed procedures regarding the mitigation of such risks, due to the unpredictable nature of criminal and/or terrorist activities, there is no assurance that its efforts will be able to effectively mitigate such risks and safeguard the Company's personnel and assets.

As African governments continue to struggle with deficits and depressed economies, the strength of commodity prices has resulted in the gold mining sector being targeted as a source of revenue. Governments in West Africa are continually assessing the terms for a mining company to exploit resources in their country. Although the Company believes it has good relations with both the government of Burkina Faso and the government of Côte d'Ivoire, there can be no assurance that the actions of present or future governments will not materially adversely affect the business or financial condition of the Company.

Any of the above events could delay or prevent the Company from operating, developing or exploring its properties located in Burkina Faso and Côte d'Ivoire, even if economic quantities of minerals are found and could have a material adverse impact upon the Company's operations.

The Company is subject to global geopolitical risks.

In addition to the risks specific to the countries in which the Company operates, global events such as war and occupation, terrorism and related geopolitical risks may lead to increased market volatility and may have adverse short-term and long-term effects on world economies and markets generally. For example, in response to the current conflict between Russia and Ukraine, countries in which Fortuna operates have implemented economic sanctions against Russia and/or certain Russian individuals or organizations, and may impose further sanctions or other restrictive actions against governmental or other individuals or organizations in Russia or elsewhere. The effects of disruptive events could affect the global economy and financial and commodities markets in ways that cannot necessarily be foreseen at the present time. These events could also exacerbate other pre-existing political, social and economic risks, including those described elsewhere in this AIF.

The Company is subject to risks relating to the repatriation of funds.

The ability of the Company to repatriate funds from any foreign country may be hindered by the legal restriction of the countries in which it operates. The Company currently generates cash flow and profits at its foreign subsidiaries, and repatriates funds from those subsidiaries to fulfill its business plan. The Company may not be able to repatriate funds or may incur tax payments or other costs when doing so, due to legal restrictions or tax requirements at local

subsidiary levels or at the parent company level, which could be material. In light of the foregoing factors, the amount of cash that appears on the balance sheet of the Company from time to time may overstate the amount of liquidity it has available to meet its business or debt obligations. Although the Company has not historically experienced difficulties in repatriating capital, there is no assurance that the government of any foreign country in which it operates, or may operate in the future, will not impose additional restrictions on the repatriation of earnings to foreign entities. Any inability to repatriate funds could have a material adverse effect on the liquidity of the Company.

The Company is subject to risks relating to labour relations.

While the Company has good relations with its employees, there can be no assurance that it will be able to maintain positive relationships with its employees or that new collective agreements will be entered into without interruptions to the Company's operations. In addition, relations between the Company and its employees may be impacted by regulatory or governmental changes introduced by the relevant authorities in whose jurisdictions that the Company operates. Adverse changes in such legislation or in the relationship between the Company and its employees could have a material adverse impact on the Company's business, financial condition and results of operations.

The Company is subject to risks relating to the use of outside contractors.

As per a mining services contract, the Yaramoko Mine underground mining operations is conducted by outside contractors. As a result, the Company's operations in Burkina Faso are subject to risks, some of which are outside of the Company's control, including: (i) the inability to replace a contractor and its operating equipment in the event that either party terminates the agreement; (ii) reduced control over such aspects of operations that are the responsibility of the contractor; (iii) failure of a contractor to perform under the related mining services contract; (iv) interruption of operations in the event that a contractor ceases its business due to insolvency or other events; (v) failure of a contractor to comply with applicable legal and regulatory requirements, to the extent that it is responsible for such compliance, and; (vi) problems of a contractor with managing its workforce, labor unrest or other employment issues. In addition, the Company may incur liability to third parties as a result of the actions of a contractor. Although the mining contractors involved with the Company's projects are well-known and reputable, the occurrence of one or more of these risks could materially adversely affect the Company's business, financial condition and results of operations.

The Company is subject to extensive government regulations and permit requirements.

Operations, development and exploration on the Company's properties are affected to varying degrees by political stability and government regulations relating to such matters as environmental protection, health, safety and labor, mining law reform, restrictions on production, price controls, tax increases, maintenance of claims, tenure, and expropriation of property. Failure to comply with applicable laws and regulations may result in fines or administrative penalties or enforcement actions, including orders issued by regulatory or judicial authorities enjoining or curtailing operations or requiring corrective measures, installation of additional equipment or remedial actions, any of which could result in the Company incurring significant expenditures.

The activities of the Company require licenses and permits from various governmental authorities. The Company currently has been granted the requisite licenses and permits to enable it to carry on its existing business and operations. On December 20, 2021, the Company announced that SEMARNAT had granted a 12-year extension to the EIA for the San Jose Mine. Subsequently on January 28, 2022, the Company announced that it had received a notice from SEMARNAT which advised that SEMARNAT had made a typographical error in the extension to the term of the EIA for the San Jose Mine and that the correct extension term is two years. CMC is working with authorities to resolve this matter and has initiated legal proceedings to challenge the asserted typographical error and reconfirm the 12-year extension period for the San Jose EIA granted by SEMARNAT. The Mexican Federal Administrative Court has admitted the Company's legal proceedings and has granted an injunction in favour of the Company, which suspends the reduction of the term of the EIA from 12 years to two years during the course of the legal proceedings. The results of the legal challenge cannot be predicted with certainty due to the uncertainty inherent in litigation, including the difficulty of predicting decisions and the timing required to render decisions. The process of challenging the asserted typographical error could, as a result, take away from the time and effort of the Company's

management and could force the Company to pay substantial legal fees or penalties. Further, there can be no assurances that the resolutions of any such matters will not have a material adverse effect on the Company's business, financial condition and results of operations.

In addition, there can be no assurance that the Company will be able to obtain all the necessary licenses and permits which may be required to carry out exploration, development and mining operations for its projects in the future. The Company might find itself in situations where the state of compliance with regulation and permits can be subject to interpretation and challenge from authorities that could carry risk of fines or temporary stoppage.

The Company operates in countries with developing mining laws and regulations, and changes in such laws or regulations could materially impact Fortuna's rights or interests in its properties. For example, the recently elected Peruvian government has raised the prospect of implementing changes to the Peruvian constitution, imposing increased mining taxes and royalties, in addition to changes to mine closure requirements, and formalization of small-scale miners and artisanal miners. In addition, previous regional and local governments and other political parties have actively opposed mining projects in the Arequipa area. The Company is unable to predict the positions that will be taken in the future on foreign investment, mining concessions, land tenure or other regulations, or whether such positions will affect the Caylloma Mine.

Informal and artisanal mining occurs on or adjacent to certain of our properties exposing such sites to security risks.

Informal and artisanal miners have been active on, or adjacent to, some of the Company's properties, including concession areas of the Caylloma Mine and the Company's properties in Burkina Faso and Côte d'Ivoire. No such activities currently occur in the area where the mineral resources and mineral reserves are located. Informal or artisanal mining is associated with a number of potentially negative impacts, such as exposure to security risks and environmental degradation. The activities of artisanal miners are largely unregulated and work conditions are often unsafe and present health risks to the artisanal miners and local communities, which while unrelated to our operations, may have an impact on them. At the Caylloma Mine, artisanal miners are in dialogue with the Peruvian government to formalize their operation. Pursuant to Law No. 31388 published on December 31, 2021, artisanal miners have a deadline of December 31, 2024 to conclude the formalization process. While the Company believes it is unlikely that the artisanal miners will be successful in obtaining approval to formalize their operations, there can be no assurance of same. In Burkina Faso and Côte d'Ivoire, the Company is aware that small scale unauthorized artisanal mining activities are being conducted on land within the boundaries of its exploration and exploitation permits at the Yaramoko Mine and the Séguéla Project, but not within the respective areas of defined mineral resources and mineral reserves. The artisanal miners have no rights to access the land and no rights to conduct mining activities. No approval to conduct such activities has been granted by either the Company or the Mines Administrations in Burkina Faso or Côte d'Ivoire.

The Company's mining concessions may be terminated in certain circumstances.

Under the laws of the jurisdictions where the Company's operations, exploration and development projects and prospects are located, mineral resources belong to the state and governmental concessions are required to explore for, and exploit, mineral reserves. The Company holds mining, exploration and other related concessions in these jurisdictions. The concessions held by the Company in respect of its operations, exploration and development projects and prospects may be terminated under certain circumstances, including where minimum production levels are not achieved by the Company (or a corresponding penalty is not paid), if certain fees and/or royalties are not paid or if environmental and safety standards are not met. Termination of any of the Company's concessions could have a material adverse effect on the Company's business, financial condition or results of operations.

The Company is subject to risks related to ILO Convention 169 compliance.

The Company may, or may in the future, operate in areas presently or previously inhabited or used by indigenous peoples. As a result, the Company's operations are subject to national and international laws, codes, resolutions, conventions, guidelines and other similar rules respecting the rights of indigenous peoples, including the provisions of ILO Convention 169. ILO Convention 169 mandates, among other things, that governments consult with indigenous peoples who may be impacted by mining projects prior to granting rights, permits or approvals in respect of such projects.

ILO Convention 169 has been ratified by most Latin American countries including Argentina, Peru and Mexico. It is possible however that these governments may not (i) have implemented procedures to ensure their compliance with ILO Convention 169 or (ii) have complied with the requirements of ILO Convention 169 despite implementing such procedures.

Government compliance with ILO Convention 169 can result in delays and significant additional expenses to the Company arising from the consultation process with indigenous peoples in relation to the Company's exploration, mining or development projects. Moreover, any actual or perceived past contraventions, or potential future actual or perceived contraventions, of ILO Convention 169 by ratifying governments in the countries in which the Company operates create a risk that the permits, rights, approvals, and other governmental authorizations that the Company has relied upon, or may in the future rely upon, to carry out its operations or plans in such countries could be challenged by or on behalf of indigenous peoples in such countries.

Such challenges may result in, without limitation, additional expenses with respect to the Company's operations, the suspension, revocation or amendment of the Company's rights or mining, environmental or export permits, a delay or stoppage of the Company's development, exploration or mining operations, the refusal by governmental authorities to grant new permits or approvals required for the Company's continuing operations until the settlement of such challenges, or the requirement for the responsible government to undertake the requisite consultation process in accordance with ILO Convention 169.

As a result of the inherent uncertainty in respect of such proceedings, the Company is unable to predict what the results of any such challenges would be; however, any ILO Convention 169 proceedings relating to the Company's mining and exploration operations in Mexico or Peru, or its development of the Lindero Mine and exploration of other properties in Argentina, may have a material adverse effect on the business, operations, and financial condition of the Company.

On March 1, 2022, the Constitutional Court of Peru through Verdict N° 27/2022, declared that the right to prior consultation is not a fundamental right, therefore it is not possible to claim protection of ILO Convention 169 through a constitutional process.

The Company's success depends on developing and maintaining relationships with local communities and stakeholders.

The Company's ongoing and future success depends on developing and maintaining productive relationships with the communities surrounding its operations, including indigenous peoples who may have rights or may assert rights to certain of the Company's properties, and other stakeholders in its operating locations. The Company believes its operations can provide valuable benefits to surrounding communities, in terms of direct employment, training and skills development and other benefits associated with ongoing payment of taxes. In addition, the Company seeks to maintain its partnerships and relationships with local communities, including indigenous peoples, and stakeholders in a variety of ways, including in-kind contributions, volunteer time, sponsorships and donations. Notwithstanding the Company's ongoing efforts, local communities and stakeholders can become dissatisfied with its activities or the level of benefits provided, which may result in civil unrest, protests, direct action or campaigns against it. Any such occurrence could materially and adversely affect the Company's business, financial condition or results of operations.

As a result of social media and other web-based applications, companies today are at much greater risk of losing control over how they are perceived.

Damage to the Company's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. Although the Company places a great emphasis on protecting its image and reputation, it does not ultimately have direct control over how it is perceived by others. Reputation loss may lead to increased challenges in developing and maintaining community relations, decreased investor confidence and act as an impediment to the Company's overall ability to advance its projects, thereby having a material adverse impact on the Company's business, financial condition or results of operations.

Opposition of the Company's exploration, development and operational activities may adversely affect the Company's reputation, its ability to receive mining rights or permits and its current or future activities.

Maintaining a positive relationship with the communities in which the Company operates is critical to continuing successful exploration and development. Community support for operations is a key component of a successful exploration or development project. Various international and national laws, codes, resolutions, conventions, guidelines and other materials relating to corporate social responsibility (including rights with respect to health and safety and the environment) may also require government consultation with communities on a variety of issues affecting local stakeholders, including the approval of mining rights or permits.

The Company may come under pressure in the jurisdictions in which it explores or develops to demonstrate that other stakeholders benefit and will continue to benefit from its commercial activities. Local stakeholders and other groups may oppose the Company's current and future exploration, development and operational activities through legal or administrative proceedings, protests, roadblocks or other forms of public expression against the Company's activities. Opposition by such groups may have a negative impact on the Company's reputation and its ability to receive necessary mining rights or permits. Opposition may also require the Company to modify its exploration, development or operational plans or enter into agreements with local stakeholders or governments with respect to its projects, in some cases causing considerable project delays. Any of these outcomes could have a material adverse effect on the Company's business, financial condition, results of operations and Common Share price.

The Company is faced with uncertainty of funding for exploration and development.

The Company's ability to continue production, development and exploration activities, if any, will depend on its ability to generate sufficient operating cash flows from the Caylloma Mine, the San Jose Mine, the Lindero Mine and the Yaramoko Mine, and to obtain additional external financing where necessary. Any unexpected costs, problems or delays at the San Jose Mine, the Lindero Mine, the Yaramoko Mine or the Caylloma Mine could severely impact the Company's ability to generate sufficient cash flows and require greater reliance on alternative sources of financing, including but not limited to: project or bank financing, or public or private offerings of equity and debt, joint ventures, or utilize one or a combination of all of these alternatives. There can be no assurance that the Company will be able to obtain additional financing or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of some of its projects.

The Company is substantially reliant on its producing mines.

With the commencement of production at the Lindero Mine in 2020 and the acquisition of the Yaramoko Mine in 2021, the Company has secured additional operating revenue stream. However, until the Company develops additional properties or projects, it remains largely dependent upon the operation of the San Jose Mine, the Lindero Mine and the Yaramoko Mine and as its primary source of future revenue and profits, if any. If for any reason production at any of these mines was reduced or stopped, the Company's revenues and profits would decrease significantly. In addition, existing foreign exchange controls in Argentina may impact the ability to repay intercompany debt and to repatriate funds by way of the payment of dividends.

The title to the Company's properties could be challenged or impugned.

Although the Company has or will receive title opinions for any properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. The Company has not conducted surveys of the claims in which it holds direct or indirect interests and, therefore the precise area and location of the properties may be in doubt. The Company's properties may be subject to prior unregistered agreements or transfers or indigenous land claims and title may be affected by unidentified or unknown defects. Title insurance is generally not available for mineral properties and the Company's ability to ensure that it has obtained secure claims to individual mineral properties or mining concessions may be constrained. A successful challenge to the Company's title to a property or to the precise area and location of a property could cause delays or stoppages to the Company's exploration, development or operating activities without reimbursement to the Company. Any such delays or stoppages could have a material adverse effect on the Company's business, financial condition and results of operations.

Additional businesses and assets that the Company acquires may not be successfully integrated.

The Company undertakes evaluations from time to time of opportunities to acquire additional mining assets and businesses. For example, the Company completed the Roxgold Acquisition in July 2021, and the Company spent significant time and effort integrating Roxgold's operations and workforce during the remainder of 2021 and such integration efforts remain ongoing. Fortuna expects to continue to evaluate acquisition opportunities from time to time and to pursue opportunities the Company deems to be in its long-term best interest. Any such acquisitions may be significant in size, may change the scale of the Company's business, may require additional capital, and/or may expose the Company to new geographic, political, operating, financial and geological risks. The Company's success in its acquisition activities depends on its ability to identify suitable acquisition candidates, acquire them on acceptable terms, and integrate their operations successfully. Any acquisitions would be accompanied by risks such as:

- a significant decline in the relevant metal price after the Company commits to complete an acquisition on certain terms;
- the quality of the mineral deposit acquired proving to be lower than expected;
- the difficulty of assimilating the operations and personnel of any acquired companies;
- the potential disruption of the Company's ongoing business;
- the inability of management to realize anticipated synergies and maximize the financial and strategic position of the Company;
- the failure to maintain uniform standards, controls, procedures and policies;
- the impairment of relationships with employees, customers and contractors as a result of any integration of new management personnel; and
- the potential unknown liabilities associated with acquired assets and businesses.

There can be no assurance that any assets or business acquired will prove to be profitable or that the Company will be able to integrate the required businesses successfully, which could slow the Company's rate of expansion and cause the Company's business, results of operations and financial condition to suffer.

The Company may need additional capital to finance future acquisitions. There can be no assurance that such financing would be available, on favourable terms or at all. If the Company obtains further debt financing, it will be exposed to the risk of leverage and its operations could become subject to restrictive loan and lease covenants and undertakings. If the Company obtains equity financing, existing shareholders may suffer dilution. There can be no assurance that the Company would be successful in overcoming these risks or any other problems encountered in connection with such financings.

Impairments.

Mining and mineral interests are the most significant assets of the Company and represent capitalized expenditures related to the development of mining properties and related plant and equipment.

The Company reviews and evaluates its mining interests for impairment at each reporting period or when events or changes in circumstances indicate that the related carrying amounts may not be recoverable which evidences greater risk levels. It is possible that material changes could occur that may adversely affect management's estimate of the carrying value of non-current assets which may have a material adverse effect on the Company. Impairment estimates are based on management's assumptions, and sensitivity analyses and actual future outcomes may differ from these estimates.

The Company is dependent on key personnel.

The Company is dependent on a number of key management and employee personnel. The Company's ability to manage its exploration, development, construction and operating activities, and hence its success, will depend in large part on the ability to retain current personnel and attract and retain new personnel, including management, technical and skilled employees. The loss of the services of one or more key management personnel, as well as a prolonged labour disruption, could have a material adverse effect on the Company's ability to successfully manage and expand its affairs.

The Company will be required to recruit additional personnel and to train, motivate and manage its employees. The international mining industry is very active and the Company is facing increased competition for personnel in all disciplines and areas of operation, including geology and project management. In addition, as a result of the implementation of restrictions related to the COVID-19 pandemic, technological improvements, and the growth in work from home or hybrid employment arrangements, employees have become more mobile and available to a wider pool of employers and industries, presenting further challenges in retaining key personnel. There can be no assurance that the Company will be able to retain current personnel and attract and retain new personnel.

Incentive provisions for the Company's key executives include the granting of stock options and various share units that vest over time, which are designed to encourage such individuals to stay with the Company. However, a low Common Share price, whether as a result of disappointing progress in the Company's exploration, development, construction or operating activities or as a result of market conditions generally, could render such agreements of little value to the Company's key executives. In such event, the Company's key executives could be susceptible to being hired away by the Company's competitors who could offer a better compensation package. If the Company is unable to attract and retain key personnel, its business, financial conditions and results of operations may be adversely affected.

The Company relies on local counsel and advisors and the experience of its management and Board in foreign jurisdictions.

The Company's material mining or exploration property interests are located in Argentina, Burkina Faso, Côte d'Ivoire, Mexico, and Peru. The legal and regulatory requirements in certain of these countries with respect to mineral exploration and mining activities, as well as local business customs and practices, are different from those in Canada. The officers and directors of the Company must rely, to a great extent, on the Company's local legal counsel and local consultants retained by the Company in order to keep abreast of material legal, regulatory and governmental developments as they pertain to and affect the Company's business operations, and to assist the Company with its governmental relations. The Company must rely, to some extent, on those members of management and the Board who have previous experience working and conducting business in these countries in order to enhance its understanding of and appreciation for the local business customs and practices. The Company also relies on the advice of local experts and professionals in connection with current and new regulations that develop in respect of banking, financing, labour, litigation and tax matters in these countries. There can be no guarantee that reliance on such local counsel and advisors and the Company's management and the Board will result in compliance at all times with such legal and regulatory requirements and business customs and practices. Any such violations could result in a material adverse effect on the Company's business, financial condition and results of operations.

Certain of the Company's directors and officers may have conflicts of interest.

Certain of the directors and officers of the Company also serve as directors and/or officers of other companies involved in natural resource exploration and development and consequently there exists the possibility for such directors and officers to be in a position of conflict. To the extent that such other companies may participate in ventures that the Company may also participate in, or in ventures that the Company may seek to participate in, the Company's directors and officers may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. As a result of these potential conflicts of interests, the Company may miss the opportunity to participate in certain transactions. In all cases where the Company's directors and officers have an interest in other companies, such other companies may also compete with the Company for the acquisition of mineral property investments. Such conflicts of the Company's directors and officers may result in a material and adverse effect on its business, financial condition and results of operations.

The insurance coverage on the Company's operations may be inadequate.

The mining industry is subject to significant risks that could result in damage to, or destruction of, mineral properties or producing facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability. The Company's policies of insurance may not provide sufficient coverage for losses related to these or other risks. The Company's insurance does not cover all risks that may result in loss or damages and may not be adequate to reimburse the Company for all losses sustained. The occurrence of losses or damage not covered by insurance could have a material and adverse effect on the Company's business, operations and financial condition.

Insurance against certain environmental risks, including potential liability for pollution and other hazards as a result of the disposal of waste products occurring from production, is not generally available to companies within the mining industry. There is no assurance that the Company's insurance will be adequate to cover all liabilities or that it will continue to be available and at terms that are economically acceptable. Losses from un-insured or under-insured events may cause the Company to incur significant costs that could have a material adverse effect on its business and financial condition.

The Company must comply with the Sarbanes-Oxley Act.

The Sarbanes-Oxley Act ("SOX") requires an annual assessment by management of the effectiveness of the Company's internal control over financial reporting. Beginning with the Company's 2016 fiscal year, its auditor is also required to attest to the effectiveness of the Company's internal control over financial reporting. The Company may fail to maintain the adequacy of its internal control over financial reporting as such standards are modified, supplemented or amended from time to time. If this occurs, the Company may not be able to conclude, on an ongoing basis, that it has effective internal control over financial reporting in accordance with Section 404 of SOX and the Company's auditor may issue an adverse opinion on the effectiveness of its internal control over financial reporting. The Company's failure to satisfy the requirements of Section 404 of SOX on an ongoing, timely basis could result in the loss of investor confidence in the reliability of the Company's financial statements, which in turn could harm its business and negatively impact the trading price or the market value of its securities. In addition, any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company's operating results or cause it to fail to meet its reporting obligations. Future acquisitions of companies, if any, may provide the Company with challenges in implementing the required processes, procedures and controls in its acquired operations. No evaluation can provide complete assurance that the Company's internal control over financial reporting will detect or uncover all failures of persons within the Company to disclose material information otherwise required to be reported. The effectiveness of the Company's processes, procedures and controls could also be limited by simple errors or faulty judgments. As the Company continues to expand, the challenges involved in implementing appropriate internal control over financial reporting will increase and will require that the Company continue to monitor its internal control over financial reporting. Although the Company intends to expend substantial time and incur substantial costs, as necessary, to ensure ongoing compliance, it cannot be certain that it will be successful in complying with Section 404 of SOX.

The Company may be responsible for corruption and anti-bribery law violations.

The Company's business is subject to the Foreign Corrupt Practices Act (the "FCPA") and the Corrupt Foreign Public Officials Act (Canada) (the "CFPOA"), which generally prohibit companies and company employees from engaging in bribery or other prohibited payments to foreign officials for the purpose of obtaining or retaining business. The FCPA also requires companies to maintain accurate books and records and internal controls, including at foreign-controlled subsidiaries. Since all of the Company's presently held interests are located in Argentina, Burkina Faso, Côte d'Ivoire, Mexico, and Peru, there is a risk of potential FCPA violations. In addition, the Company is subject to the anti-bribery laws of Argentina, Burkina Faso, Côte d'Ivoire, Mexico, and Peru and of any other countries in which it conducts business in the future. The Company's employees or other agents may, without its knowledge and despite its efforts, engage in prohibited conduct under the Company's policies and procedures and the FCPA, the CFPOA or other anti-bribery laws for which the Company may be held responsible. If the Company's employees or other agents are found to have engaged in such practices, the Company could suffer severe penalties and other consequences that may have a material adverse effect on its business, financial condition and results of operations. The Company's Anti-Corruption Policy and other corporate policies mandate compliance with these anti-bribery laws; however there can be no assurance that the Company's internal control policies and procedures always will protect it from fraudulent behavior or dishonesty and other inappropriate acts committed by the Company's employees and agents. As such, the Company's corporate policies and processes may not prevent all potential breaches of law or other governance practices.

The Company may be subject to legal proceedings that arise in the ordinary course of business.

Due to the nature of its business, the Company is at the date of this AIF subject to litigation and claims in Mexico and Peru and may, from time to time, be subject to regulatory investigations, claims, lawsuits and other proceedings in the ordinary course of its business. The Company's operations are subject to the risk of legal claims by employees, unions, contractors, lenders, suppliers, joint venture partners, shareholders, governmental agencies or others through private actions, class actions, administrative proceedings, regulatory actions or other litigation. Plaintiffs

may seek recovery of very large or indeterminate amounts, and the magnitude of the potential loss relating to such lawsuits may remain unknown for substantial periods of time. Defense and settlement costs can be substantial, even with respect to claims that have no merit. The results of these legal proceedings cannot be predicted with certainty due to the uncertainty inherent in litigation, including the effects of discovery of new evidence or advancement of new legal theories, the difficulty of predicting decisions of judges and juries and the possibility that decisions may be reversed on appeal. The litigation process could, as a result, take away from the time and effort of the Company's management and could force the Company to pay substantial legal fees or penalties. There can be no assurances that the resolutions of any such matters will not have a material adverse effect on the Company's business, financial condition and results of operations.

General economic conditions could impact the Company's business.

Turmoil in global financial markets have at times caused a loss of confidence in global financial and credit markets. Many industries, including the precious and base metals mining industry, have been impacted by these market conditions. Some of the key impacts have included contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets, and a lack of market liquidity. The global economic slowdown is an example of a visible risk to world financial stability. A continued or worsened slowdown in economic conditions, including, but not limited to, consumer spending, employment rates, business conditions, inflation, increasing government debt, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates, and tax rates may adversely affect the Company's growth and profitability. Specifically:

- a new global credit/liquidity crisis could impact the cost and availability of financing and the Company's overall market liquidity;
- the volatility of metal prices could impact the Company's revenues, profits, losses and cash flow;
- volatile energy prices, commodity and consumables prices and currency exchange rates could impact the Company's production costs or projected economic returns; and
- the devaluation and volatility of global stock markets, which are not related to the Company's operations or assets, could impact the valuation of the Company's equity and other securities.

These factors are beyond the control of the Company and could have a material adverse effect on the Company's financial condition and results of operations.

Diseases, epidemics and pandemics (including the COVID-19 pandemic) may adversely impact the Company's operations, financial condition and share price.

The outbreak of the COVID-19 virus was declared a global pandemic by the World Health Organization in March 2020 and resulted in a widespread global health crisis. The international response to the spread of the COVID-19 virus has led to significant restrictions on travel, temporary business closures, mandatory quarantines, global stock market volatility, operating and supply chain delays and disruptions, and a general reduction in consumer activity. Although a number of restrictions are in the process of being removed, the possibility of a resurgence of the COVID-19 virus, spread of new variants or mutations thereof, or outbreak of other communicable disease in areas in which Fortuna operates may result in the re-imposition of certain of the foregoing restrictions and/or may result in further restrictions.

The Company's business and operations have been and may continue to be materially affected by the COVID-19 pandemic (or any other disease, epidemic or pandemic), including ongoing uncertainty as to the extent and duration of the pandemic. During the year ended December 31, 2021, our operations in Latin America were impacted by the spread of the COVID-19 virus, including variants and mutations thereof which resulted in a reduced workforce at times and quarantine periods for those affected.

Even though the Company has and continues to implement business continuity measures to mitigate and reduce any potential impacts of the COVID-19 pandemic, future outbreaks of the COVID-19 virus (or any other disease, epidemic or pandemic) in the countries in which the Company operates could materially and adversely affect the domestic labour supply, the Company's ability to maintain a skilled workforce and the operations of the Company's suppliers, any of which would have an effect on the Company's financial condition. In particular, the materialization of one or more such risks could have a material adverse impact on the Company's producing mines or construction

and development activities at the Séguéla Project, the continued operation of the Company's mines and exploration projects, and the Company's ability to transport and sell concentrates and doré.

Given the ever evolving nature of the COVID-19 pandemic, it is difficult to predict the extent of the impact of the COVID-19 pandemic (or any other disease, epidemic or pandemic) on the Company and its business, which will depend on future developments, including: the duration, severity and geographic spread of the COVID-19 virus (or other communicable disease); further actions that may be taken by governmental authorities, which could include travel restrictions and the suspension of business activities, including mining; the effectiveness and timing of actions taken to contain and treat the COVID-19 virus and variants or mutations thereof, including the effectiveness and uptake of vaccines; and how quickly and to what extent normal economic conditions and operating conditions can resume.

In addition, the COVID-19 pandemic has and may continue to heighten many of the other risks described in this AIF, including: volatility in commodity prices (including gold, silver, lead and zinc); volatility in the stock markets on which the Company's Common Shares and Debentures are listed; and in the price of the Company's securities, any of which could impact the Company's ability to raise capital or refinance the Company's debt obligations in the future, which may have a material adverse effect on the business, operations and financial condition of Company. Additionally, inflationary pressures relating to global financial support measures taken in response to the COVID-19 pandemic, as well as the impact of current supply chain challenges related to the COVID-19 pandemic, are and may continue to have both direct and indirect impacts on the Company's operating costs, which could have a material impact on the Company's financial condition and results of operations.

The Company remains focused on ensuring the health and safety of the workforce and in continuing measures to prevent and manage transmission of COVID-19 amongst the workforce and the wider community, however there can be no assurance that such measures will continue to be successful.

The Company faces intense competition.

The mining industry is intensely competitive in all of its phases. Much of the Company's competition is from larger mining companies with greater liquidity, greater access to credit and other financial resources, and that may have newer or more efficient equipment, lower cost structures, more effective risk management policies and procedures and/or greater ability than the Company to withstand losses. The Company's competitors may be able to respond more quickly to new laws, regulations or emerging technologies, or devote greater resources to the expansion of their operations, than the Company can. In addition, current and potential competitors may make strategic acquisitions or establish cooperative relationships among themselves or with third parties. Competition could adversely affect the Company's ability to acquire suitable new producing properties or properties for exploration and development in the future. Competition could also affect the Company's ability to raise financing to fund the exploration and development of its properties or to hire qualified personnel. The Company may not be able to compete successfully against current and future competitors, and any failure to do so could have a material adverse effect on the Company's business, financial condition or results of operations.

Metal prices and the marketability of metals acquired or discovered by the Company may be affected by factors beyond the Company's control.

The marketability of metals acquired or discovered by the Company may be affected by numerous factors which are beyond the Company's control and which cannot be accurately foreseen or predicted, such as market fluctuations, the global marketing conditions for precious and base metals, the proximity and capacity of milling facilities, metal markets and processing equipment and government regulations, including regulations relating to royalties, allowable production, importing and exporting metals and environmental protection.

The price of silver, gold or other metals fluctuates widely and is affected by numerous factors beyond the Company's control, such as the sale or purchase of metals by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, the political and economic conditions of major metal-producing countries throughout the world, and the cost of substitutes, inventory levels and carrying charges.

The price of the Common Shares and the Company's financial condition and exploration, development and mining activities may in the future be significantly adversely affected by declines in the price of silver, gold or other metals. Declining metal prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. The continued exploration and development of or commercial production from the Company's properties may no longer be economically viable if serious price declines in the market value of silver, gold or other metals occur. Even if exploration, development or production is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed. Depending on the price of silver, gold and other metals, cash flow from mining operations may not be sufficient and the Company's financial condition and results of operations may be adversely affected. The Company may lose its interest in, or may be forced to sell, some of its properties as a result. If any such circumstances occur, the price of the Common Shares may be significantly adversely affected.

The Company's use of derivative contracts to protect against market volatility exposes the Company to risk of opportunity loss and mark to market fair value adjustments.

From time to time the Company may enter into price risk management contracts to protect against fluctuations in the prices of zinc, lead and precious metals, and changes in the prices of fuel and other input costs. These contracts could include forward sales or purchase contracts, futures contracts, purchased or sold put and call options and other derivative instruments.

In October 2021, the Company entered into zero cost collar contracts and forward swaps on 4,800 tonnes of expected zinc production for 2021. The contracts were settled monthly. These contracts were entered into to provide for a minimum level of revenue from the sales of the covered zinc produced at the Caylloma Mine in order to secure a level of certainty related to the Company's cashflows. (Refer to note 29(e) - Management of Financial Risk - metal price risk - in the 2021 Financial Statements).

In December 2020, the Company entered into zero cost collar contracts on a total of 720,000 gallons of heating oil and 1,680,000 gallons of jet fuel in 2021, and swap contracts on a total of 720,000 gallons of heating oil and 1,680,000 gallons of jet fuel in 2022 to protect against increases in the price of such commodities. The contracts are settled monthly.

The use of derivative instruments can expose the Company to risk of opportunity loss and may also result in significant mark-to-market fair value adjustments, which may have a material adverse effect on the Company's financial results. The zinc zero cost collar and forward swap contracts have a ceiling of \$3,500 per tonne and \$3,300 per tonne, respectively. The price ceilings may be lower than the actual zinc price at the time of settlement under those contracts. On March 1, 2022, the closing price of zinc was \$3,737 per tonne.

Similarly, if the price of heating oil falls below the floors of \$1.520 per gallon in 2022, and the floor of \$1.438 per gallon for jet fuel in 2022 respectively, the Company would pay to settle these contracts. On March 1, 2022, the closing prices of heating fuel and jet fuel were \$3.15 per gallon and \$3.00 per gallon respectively.

The Company may be adversely affected by operating expense exchange rate fluctuations.

The Company's activities and operations in Argentina, Burkina Faso, Côte d'Ivoire, Mexico, and Peru make it subject to foreign currency fluctuations. Although the Company uses U.S. dollars as the currency for the presentation of its financial statements, the Company's operating expenses are incurred in Mexican and Argentine Pesos, Peruvian Sol and West African CFA francs in proportions that will typically range between 30 percent and 45 percent of total expenses, depending on the country. The fluctuation of these currencies in relation to the U.S. dollar will consequently have an impact upon the profitability of the Company's mineral properties and therefore its ability to continue to finance its exploration, development and operations. Such fluctuations may also affect the value of the Company's assets and shareholders' equity. Future exploration, development and operational plans may need to be altered or abandoned if actual exchange rates for these currencies are less than or more than the rates estimated in any such future plans. In 2021, the Company hedged the purchase of \$18.5 million Euros related to the construction at the Séguéla Project. During the year ended December 31, 2021, the Company recognized an unrealized loss of approximately \$508,000. The Company cannot be sure that any hedging techniques it may implement in the future will be successful or that its business, financial condition, and results of operations will not be materially adversely affected by exchange rate fluctuations. During the year ended December 31, 2021, the Company recognized an unrealized/realized foreign exchange loss of \$0.3 million related to the value added tax

recoverable on the construction of the Lindero Mine. There can be no assurance that further losses will not be incurred.

Due to the volatility of the exchange rate for the Argentine Peso, the Company is applying additional measures in cash management to minimize potential losses arising from the conversion of funds. There can be no assurance that the Company will be successful in its cash management measures. With the capital controls currently in effect in Argentina, the Company is required to convert the equivalent value into Argentine Peso from the export sale of all gold doré from the Lindero Mine. In addition, the Company is required to obtain the prior consent of the Argentine Central Bank for the payment of cash dividends and distributions of profits out of Argentina. There can be no assurance that these capital controls will not have an adverse effect on the financial condition of the Company.

Tax Audits and Reassessments.

In the normal course of business, the Company is subject to assessment by taxation authorities in various jurisdictions. Any reassessment by applicable tax authorities of the Company's tax filings and the continuation or timing of any such process is outside of the Company's control. There is a risk that applicable tax authorities may audit the Company or its subsidiaries and issue a notice of reassessment for material amounts. In the event that applicable tax authorities issue one or more additional notices of reassessment for material amounts of tax, interest and penalties, the Company is prepared to vigorously defend its position. If the Company is unable to resolve any of these matters favourably, or if applicable tax authorities issue one or more additional notices of reassessment for material amounts of tax, interest and penalties, this could have a material and adverse effect on the Company's business and its financial condition.

The Company is subject to credit risk through its VAT receivables.

The Company is subject to credit risk through its VAT receivables in Mexico, Argentina and Burkina Faso that are collectible from the respective national governments. The balances are expected to be recoverable in full; however due to legislative rules and the complex collection processes, a significant portion of the asset is classified as non-current until government approvals of the respective recoveries are approved.

The 2021 Credit Facility contains financial covenants which the Company could fail to meet.

Under the terms of the 2021 Credit Facility, the Company is required to satisfy various affirmative and negative covenants and to meet certain financial ratios and tests. There is no assurance that in the future the Company will continue to satisfy these covenants. Furthermore, a breach of these covenants, including a failure to meet the financial tests or ratios, would likely result in an event of default under the 2021 Credit Facility unless the Company is able to obtain a waiver or consent in respect of any such breach. The Company cannot provide an assurance that a waiver or consent would be granted. A breach of any of these covenants or the inability to comply with the required financial tests or ratios could result in a default under the 2021 Credit Facility. In the event of any default under the 2021 Credit Facility, the lenders could elect to declare all outstanding borrowings, together with accrued interest, fees and other amounts due thereunder, to be immediately due and payable, which may have a material adverse impact on the Company's business, profitability or financial condition. In the event of a substantially further prolonged duration of COVID-19, or in the event that more rigorous capital controls are implemented in Argentina, the Company may be required to restructure the 2021 Credit Facility. There can be no assurance that the lenders will agree to such a request.

The Company is subject to fluctuating concentrate treatment charges and transportation costs.

The Company has entered into agreements to sell its concentrate production from the Caylloma Mine and the San Jose Mine for 2022. Treatment charges have shown a decrease from 2021 to 2022 while refining charges for 2022 have remained similar to those established for 2021. There is no assurance that the Company will be able to enter into smelting and refining contracts at similar competitive terms beyond 2022. The cost of transporting concentrate from the mines to off-takers is dependent on, among other things, the concentrate destination. Transportation-related costs increased during 2021 and are expected to remain high in the mid-to-near term due to a number of factors, including changes to the price of oil or a shortage in shipping availability. Increases in rates costs would have an adverse impact on the Company's results of operations and financial condition.

The Company may not have reserved sufficient monies to cover the costs associated with reclamation.

Land reclamation requirements are generally imposed on companies with mineral exploration, development and operations activity in order to minimize long-term effects of land disturbance. Reclamation may include requirements to treat ground and surface water to drinking water standards, control dispersion of potentially deleterious effluent and reasonably re-establish pre-disturbance land forms and vegetation. In order to carry out reclamation obligations imposed on the Company in connection with exploration, development and production activities, the Company must allocate financial resources that might otherwise be spent on further exploration and development programs. The actual costs of reclamation and mine closure are uncertain and planned expenditures may differ from the actual expenditures required. There is a risk that monies allotted for land reclamation may not be sufficient to cover all risks, due to changes in the nature of the waste rock or tailings and/or revisions to government regulations. Therefore, additional funds, or reclamation bonds or other forms of financial assurance, may be required over the tenure of any of the Company's projects to cover potential risks. These additional costs may have material adverse impact on the Company's business, financial condition and results of operations.

The Company is dependent upon information technology systems, which are subject to disruption, damage, failure and risks with implementation and integration.

The Company's information technology systems used in its operations are subject to disruption, damage or failure from a variety of sources including without limitation, computer viruses, security breaches, cyberattacks, natural disasters and defects in design. Cybersecurity incidents, in particular, are evolving and include, but are not limited to, malicious software, attempts to gain unauthorized access to data or machines and equipment, and other electronic security breaches that could lead to disruptions in systems, unauthorized release of confidential or otherwise protected information, the corruption of data or the disabling, misuse or malfunction of machines and equipment. Various measures have been implemented to manage the Company's risks related to information technology systems and network disruptions. However, given the unpredictability of the timing, nature and scope of information or operational technology disruptions, the Company could potentially be subject to production downtimes, operational delays, operating accidents, the compromising of confidential or otherwise protected information, destruction or corruption of data, security breaches, other manipulation or improper use of our systems and networks or financial losses from remedial actions, any of which would have a material and adverse effect on the Company's business, financial condition or results of operations.

The Company could also be adversely affected by system or network disruptions if new or upgraded information technology systems are defective, not installed properly or not properly integrated into operations. Various measures have been implemented to manage the risks related to the system implementation and modification, but system modification failures could have a material and adverse effect on the Company's business, financial condition or results of operations.

The Company is subject to climate change legislation.

Governments are introducing climate change legislation and treaties at the international, national, and local levels. Regulation relating to emission levels and energy efficiency is becoming more stringent. Some of the costs associated with reducing emissions can be offset by increased energy efficiency and technological innovation. If the current regulatory trend continues, this may result in increased costs at some of our operations. The physical risks of climate change may also adversely impact the Company's operations. These risks may include extreme weather events, resource shortages, changes in rainfall and storm patterns and intensities, water shortages, changing sea levels and changing temperatures.

There is significant evidence of the negative effects of climate change on our planet and public support for climate change action has grown in recent years, as has the impetus to pursue new technologies to mitigate the effects of climate change. Governments around the world, including those in countries in which the Company operates, have responded by adopting ambitious emissions reduction targets and supporting legislation, including measures relating to carbon pricing, emissions reduction initiatives and alternative energy incentives and mandates.

In 2021, Fortuna identified and assessed the physical and transitional risks of climate change based upon its business and the final report on the Recommendations of the Task Force on Climate-Related Financial Disclosures (2017). Fortuna has grouped its risks related to climate change into two main categories: (i) physical risks; and (ii) transition risks. Physical risks have been further sub-divided into: (a) acute physical risks (those that are event-driven, including increased severity of extreme weather events); and (b) chronic physical risks (those that relate to longer-term shifts in climate patterns). Transition risks have been further sub-divided into: (a) regulatory and policy risks; (b) reputational risks; and (c) technology risks.

Physical Risks – Acute Risks

Climate change has been linked to rising sea levels and increased extreme events, such as more intense hurricanes, increasing ocean acidification, extreme hot and cold weather, heavy snowfall and rainfall and increased risk of wildfires. Such extreme weather events may adversely impact the Company's operations, increasing their cost and negatively impacting current and future production. Fortuna's operations are in San Jose del Progreso, Oaxaca, Mexico; Caylloma, Arequipa, Peru; Tolar Grande, Salta, Argentina; and Bagassi, Bale Province, Burkina Faso. San Jose del Progreso's riverine and coastal flood risk is rated as low. Caylloma's riverine flood risk is rated as low to medium, and its coastal flood risk is rated as low. Tolar Grande's riverine and coastal flood risk is rated as low. Bagassi's riverine flood risk is rated as medium to high and coastal flood risk is rated as low. Mexico, Peru and Argentina's overall vulnerability to the negative impacts of climate change are considered low. Burkina Faso's overall vulnerability to the negative impacts of climate is considered high.

Moreover, extreme weather conditions may lead to disruptions in Fortuna's ability to transport its production, as well as goods and services in its supply chains. Fortuna has already experienced negative impacts as a result of the changing physical environment. Abnormally high rainfall at the San Jose mine in October 2018 and at the Lindero Mine in February 2019 disrupted operations/construction at these locations. Climate change is expected to increase the severity and frequency of extreme weather events over time, further exacerbating these impacts. The governments of Mexico, Peru, Argentina, and Burkina Faso have acknowledged the risks posed to their countries by climate change and have made commitments related to climate change mitigation and adaptation.

At this time, Fortuna is unable to determine the extent to which extreme weather events related to climate change may lead to increased hazards affecting its operations and production.

Physical Risks – Chronic Risks

Anthropogenic climate change is estimated to have brought about a warming of 1.0° Celsius above pre-industrial levels. As the level of activity in the mining industry is influenced by seasonal weather patterns, long-term shifts in climate patterns increase the risk of exacerbating development and/or operational delays at the Company's properties, as well as the other risks posed by seasonal weather patterns and geotechnical challenges discussed above. Fortuna's operations are in San Jose del Progreso, Oaxaca, Mexico; Caylloma, Arequipa, Peru; Tolar Grande, Salta, Argentina; and Bagassi, Bale Province, Burkina Faso. San Jose del Progreso's water stress risk is rated as low, and its drought risk is rated as medium. Caylloma's water stress risk is rated as medium to high, and its drought risk is rated as low to medium. Tolar Grande's water stress risk is rated as low, and its drought risk is rated as low to medium. Bagassi's water stress risk is rated as extremely high and its drought risk is rated as medium. Mexico, Peru and Argentina's overall vulnerability to the negative impacts of climate change are considered low. Burkina Faso's overall vulnerability to the negative impacts of climate is considered high.

In particular, extended periods of drought or sustained increases in precipitation at the Lindero Mine or the San Jose Mine, increases the risks that the Company will not have adequate supplies of water for its operations. In 2019, the Yaramoko Mine experienced a drier season than normal and a pipeline was built between a nearby public dam and the mine site to ensure adequate water supply.

In addition, long-term shifts in weather patterns, such as water scarcity, increased frequency and severity of storms and fires and prolonged heat waves may require the Company to incur greater expenditures (time and capital) to deal with the challenges posed by such changes to its development activities, operations, production supply chain, transport needs, and employee safety, which may in turn have a material adverse effect on the Company's business, operations and financial condition.

Transition Risks – Regulatory and Policy Risks

Climate change policy is evolving at regional, national and international levels and political and economic events may significantly affect the scope and timing of climate change measures that are ultimately put in place to prevent climate change or mitigate its effects. Existing and future laws and regulations may impose significant liabilities for a failure to comply with their requirements. Concerns over climate change, fossil fuels, emissions and water and land-use could lead to the enactment of more stringent laws and regulations applicable to the Company. Any new laws and regulations (or additional requirements to existing laws and regulations) could have a material impact on the Company's business, financial condition, results of operations and prospects.

Fortuna operates in Mexico, Peru, Argentina, and Burkina Faso which have all ratified the Paris Agreement. Mexico has committed to reducing its GHG emissions by 22% by 2030 compared to a baseline under a business-as-usual scenario. Mexico has established a carbon tax and an emissions trading system. Peru has committed to reduce its GHG emissions by 30% by 2030 compared to a baseline under a business-as-usual scenario. Peru is currently revising its Nationally Determined Contribution (NDC) target and has announced it will move from a target of 30% reduction in GHG emissions to a 35% reduction, while also aiming for carbon neutrality by 2050. Argentina has committed not to exceed net emissions of 359 million tons of carbon dioxide equivalent (tCO₂e) by 2030. Mexico and Peru's NDCs are rated as insufficient and Argentina's NDC is rated as critically insufficient, raising the prospect that further emissions reduction regulation could be enacted in these countries in the future. Burkina Faso has in place a National Climate Change Adaptation Plan (NAP) however the NAP is focused on regulation related to climate change adaptation as opposed to mitigation.

Adverse impacts to the Company's business as a result of climate change-related legislation may include, but are not limited to, increased compliance costs, permitting delays, increased operating costs and capital expenditures. Given the evolving nature of climate change policy, emission controls and resulting requirements, it is expected that current and future climate change regulations will have the effect of increasing Fortuna's compliance costs and operating expenses.

The Company's exploration, development and production activities emit greenhouse gasses, which requires Fortuna to comply with applicable emissions legislation. In addition, mining and processing operations are energy intensive and result in greenhouse gas emissions either directly or through the purchase of fossil fuel-based electricity. As a result, in addition to the Company's currently producing properties, future production at the Boussoura project, the Séguéla Project or any of the Company's development projects will also emit greenhouse gasses and such projects will also be required to comply with then applicable emissions legislation.

Transition Risks – Reputational Risks

Concerns regarding climate change may increase public scrutiny of industries that are thought to have more significant environmental impacts.

The price of Common Shares and/or the Company's business, financial condition or operations may be negatively impacted as a result of any negative public opinion towards the mining and mineral processing industry or as a result of any negative sentiment in respect of Fortuna's reputation with stakeholders, special interest groups, political leadership, the media or other entities. Public opinion may be influenced by certain media and special interest groups' negative portrayal of the mining industry, as well as their opposition to certain related projects. Concerns about climate change, and environmental harm more generally, have resulted in a number of environmental activists and members of the public opposing mining exploration, development and production activities, which may influence investors' willingness to invest in the mining industry. See also "*Opposition of the Company's exploration, development and operational activities may adversely affect the Company's reputation, its ability to receive mining rights or permits and its current or future activities*".

Transition Risks – Technology Risks

The Company is committed to operating responsibly and reducing the negative effects of its current and future operations on the environment. However, the Company's ability to reduce emissions, energy and water use and adopt new innovations is constrained by technological advancement, operational realities and economics. The adoption of new technologies by the Company to address climate change could require a significant capital investment.

Risks Relating to the Securities of the Company

The market price of the Company's Common Shares and Debentures is volatile.

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many mining companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. In particular, the price of the Common Shares on the Toronto Stock Exchange (the "TSX") and New York Stock Exchange (the "NYSE") fluctuated significantly during the past 12 months. Additionally, the price of the Debentures on the TSX has fluctuated significantly since being listed for trading in October 2019. There can be no assurance that continual fluctuations in price will not occur.

There are many factors that may influence such volatility. Macroeconomic conditions in North America, Peru, Mexico, Argentina or West Africa and changes in the laws and regulations of these regions may have a negative effect on the development prospects, timelines or relationships for the Company's properties. Negative changes in the public's perception of the Company's prospects or of mining companies in general could cause the price of the Company's securities, including the price of the Common Shares and Debentures, to decrease dramatically. The price of the Common Shares and Debentures is also likely to be affected by short-term changes in precious metal prices or other mineral prices, currency exchange fluctuations, the Company's financial condition or results of operations and the extent of research analyst coverage of its securities.

Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Shareholders may suffer dilution as a result of future offerings of the Common Shares or securities convertible into Common Shares.

The Company issued an aggregate of 106,106,224 Common Shares in connection with the Roxgold Acquisition. In addition, the Company may sell equity securities in future offerings (including through the sale of securities convertible into equity securities) and may issue additional equity securities to finance operations, exploration, development, acquisitions or other projects. The Company may also issue Common Shares as a result of exercises of the Company's outstanding stock options, or the vesting of the Company's outstanding share units or as a result of the conversion of the Company's Debentures. Any such convertible securities are more likely to be exercised when the market price of the Company's Common Shares exceeds the exercise price of such instruments. The Company cannot predict the size of future issuances of equity securities or the size and terms of future issuances of debt instruments or other securities convertible into equity securities. The Board has the authority to authorize certain offers and sales of additional securities without the vote of, or prior notice to, shareholders. It is likely that the Company will issue additional securities to provide capital to fund expected expenditures and growth. Any transaction involving the issuance of previously authorized but unissued Common Shares, or securities convertible into Common Shares, would result in potentially substantial dilution to shareholders.

The market price of the Common Shares and Debentures could decline as a result of future issuances or sales of the Company's securities, which could result in insufficient liquidity.

The market price of the Common Shares and Debentures could decline as a result of issuances of securities by the Company or sales by its existing shareholders of Common Shares or Debentures in the market, or the perception that these sales could occur. The issuance of Common Shares upon the exercise of the Company's outstanding stock options and Common Share purchase warrants or the vesting of the Company's outstanding share units may also reduce the market price of the Common Shares. Additional Common Shares, Debentures, stock options, Common Share purchase warrants and share units may be issued in the future. A decrease in the market price of the Common Shares could adversely affect the liquidity of the Common Shares on the TSX and the NYSE. Additionally, a decrease

in the market price of the Debentures could adversely affect the liquidity of the Common Shares on the TSX. The Company's shareholders may be unable, as a result, to sell significant quantities of the Common Shares or Debentures into the public trading markets. The Company may not, as a result, have sufficient liquidity to meet the continued listing requirements of the TSX and the NYSE. Sales of the Common Shares or Debentures by shareholders might also make it more difficult for the Company to sell equity or debt securities at a time and price that it deems appropriate, which may have a material adverse effect on the Company's business, financial conditions and results of operations.

The Company has never paid, and does not currently anticipate paying, dividends.

The Company has paid no dividends on the Common Shares since incorporation and does not anticipate paying dividends in the immediate future. The payment of future dividends, if any, will be reviewed periodically by the Board and will depend upon, among other things, conditions then existing including earnings, financial conditions, cash on hand, financial requirements to fund its commercial activities, development and growth, and other factors that the Board may consider appropriate in the circumstances.

Risks related to the Debentures of the Company.

The terms of the Debentures are governed by the terms and conditions set out in the Debenture indenture between the Company and Computershare Trust Company of Canada entered into on October 2, 2019 (the "**Indenture**"). The Indenture provides, among other things, for the repurchase, conversion and redemption of the Debentures in certain circumstances and the Company agrees to certain restrictive and affirmative covenants which are set out in the Indenture. Under the terms of the Indenture, there is a risk that the Company may choose to redeem the outstanding Debentures for Common Shares or to repay outstanding principal amounts thereunder at maturity of the Debentures by issuing additional Common Shares. Additionally, the Debentures are subordinate to all senior indebtedness of the Company. If the Company becomes bankrupt, liquidates its assets, reorganizes or enters into certain other transactions, the Company will be able to pay its obligations with respect to the Debentures only after it has paid senior indebtedness and any other secured indebtedness in full. There may be insufficient assets remaining following such payments to pay amounts due on any or all of the Debentures then outstanding. The Indenture does not restrict the Company from incurring additional indebtedness for borrowed money or otherwise from mortgaging, pledging or charging its real or personal property or properties to secure any indebtedness or other financing. A holder of a Debenture will be subject to such terms and conditions, as further described in the Indenture. A full copy of the Indenture is available under the Company's issuer profile at www.sedar.com.

Foreign investors may find it difficult to enforce judgments against the Company.

The Company is incorporated under the laws of British Columbia, Canada and the majority of the Company's directors and officers are not residents of the United States. Because all or a substantial portion of the Company's assets and the assets of these persons are located outside of the United States, it may be difficult for U.S. investors to effect service of process within the United States upon the Company or upon such persons who are not residents of the United States, or to realize in the United States upon judgments of U.S. courts predicated upon civil liabilities under U.S. securities laws. A judgment of a U.S. court predicated solely upon such civil liabilities may be enforceable in Canada by a Canadian court if the U.S. court in which the judgment was obtained had jurisdiction, as determined by the Canadian court, in the matter. There is substantial doubt whether an original action could be brought successfully in Canada against any of such persons or the Company predicated solely upon such civil liabilities.

Furthermore, many of the subsidiaries of the Company and its assets are located outside of Canada. Accordingly, it may be difficult for investors to enforce within Canada any judgments obtained against the Company, including judgments predicated upon the civil liability provisions of applicable Canadian securities laws. Consequently, investors may be effectively prevented from pursuing remedies against the Company under Canadian securities laws or otherwise.

Material Mineral Properties

The Company has five material mineral projects, described below. The Company filed a technical report on the Lindero Mine in 2017, on each of the San Jose Mine and the Caylloma Mine in 2019, and on the Yaramoko Mine in March 2022. The Company also filed in March 2022, Roxgold's technical report on the Séguéla Project. Each of these reports is incorporated by reference into this AIF. The executive summary of each report is set out below.

San Jose Mine, Mexico

The following is the Summary from the technical report (the "San Jose Technical Report") entitled "Fortuna Silver Mines Inc.: San Jose Mine, Oaxaca, Mexico" with an effective date of February 22, 2019 prepared by Eric Chapman, P.Geo. and Amri Sinuhaji, P.Eng. This Summary is subject to certain assumptions, qualifications and procedures described in the San Jose Technical Report and is qualified in its entirety by the full text of the San Jose Technical Report which is available for viewing on SEDAR at www.sedar.com and is incorporated by reference in this AIF, and is also filed with the SEC on EDGAR (available at www.sec.gov). Defined terms and abbreviations used herein and not otherwise defined shall have the meanings ascribed to such terms in the San Jose Technical Report.

1. Introduction

This Technical Report (the Report) on the San Jose Mine in Oaxaca, Mexico (the San Jose Mine or the Project), has been prepared by Mr Eric Chapman, P.Geo, and Mr Amri Sinuhaji, P.Eng. for Fortuna Silver Mines Inc. (Fortuna) in accordance with the disclosure requirements of Canadian National Instrument 43-101 (NI 43-101). The Report discloses updated Mineral Resource and Mineral Reserve estimates for the mine.

2. Property description, location and ownership

The San Jose Mine area is characterized by gently-sloping hills and adjoining colluvial-covered plains. Elevations above mean sea level range from approximately 1,540 m to 1,675 m. The vegetation is grasslands and thorn-bush that are typical of dry savannah climates being temperate in nature with an average annual temperature of 19.5°C. Mining operations are conducted on a year-round basis.

The mine is located in the central portion of the state of Oaxaca, Mexico. The mine site is 47 km by road south of the city of Oaxaca, which provides access to an international airport, and 0.8 km east of federal highway 175, the major highway between Oaxaca and Puerto Angel on the Pacific coast. The village of San Jose del Progreso is located 2 km to the southeast of the project site.

The underground mine is operated by Compania Minera Cuzcatlan S.A. de C.V. (Cuzcatlan), a Mexican subsidiary 100% owned by Fortuna. The operation has a relatively small surface infrastructure consisting primarily of the concentration plant, electrical power station, water storage facilities, filtered dry stack tailings facility, stockpiles, and workshop facilities, all connected by unsealed roads. Additional structures located at the property include offices, dining hall, laboratory, core logging and core storage warehouses. The tailings facility is located approximately 1,500 m to the southwest of the concentration plant.

The property comprises mining concessions; surface rights; a permitted 3,000 tonnes per day (tpd) flotation plant; connection to the national electric power grid; as well as permits for the infrastructure necessary to sustain mining operations.

The San Jose Property consists of mineral rights for 31 mining concessions all located in the state of Oaxaca for a total surface area of approximately 64,422 hectares (ha). Tenure is held in the name of Cuzcatlan with all mining concessions having an expiry date beyond the expected mine life.

As of December 31, 2018, the only concession that contains Mineral Resources or Mineral Reserves subject to back-in rights, liens, payments or encumbrances is Reduccion Taviche Oeste, which is subject to a 1.5 % NSR royalty to Maverix Minerals Inc., and a 1 % NSR royalty to SGM.

Cuzcatlan has signed 44 usufruct contracts, which have been registered before the National Agrarian Registry, with land owners to cover the surface area needed for the operation and tailings facilities.

Cuzcatlan has an environmental commitment related to the remediation of the current mining facilities located on the Progreso and Reduccion Taviche Oeste concessions. Cuzcatlan is to set aside US\$ 5.3 million to cover remediation and closure requirements. These programs are ongoing with funds assigned to various projects on an annual basis.

3. History

The earliest recorded activity in the San Jose del Progreso area dates to the 1850s when the mines were exploited on a small scale by the local hacienda. By the early 1900s, a large number of silver-and gold-bearing deposits were being exploited in the San Jeronimo Taviche and San Pedro Taviche areas. Mining activity in the district diminished drastically with the onset of the Mexican Revolution in 1910, only to resume sporadically in the 1920s.

Mining in the San Jose area was re-activated on a small scale in the 1960s and again in 1980 when the San Jose Mine was acquired by Minerale de Oaxaca S.A. (MIOXSA). The mine was worked intermittently by MIOXSA through to the end of 2006 when the property was purchased by Cuzcatlán a Mexican registered company then owned jointly by Fortuna and Continuum Resources Ltd. (Continuum) with sole ownership transferring to Fortuna in March 2009.

From 1980 through 2006, production by MIOXSA was intermittent and came primarily from existing stopes and from development of the fourth, fifth, and sixth levels of the San Jose Mine. Ore was mined primarily from the Bonanza and Trinidad veins and extracted at rates of approximately 100 tpd. The principal mining method used by MIOXSA was shrinkage stoping. The ore was processed at a small crushing and flotation plant in San Jeronimo de Taviche, located approximately 19 km from the San Jose Mine. Reliable estimates of the total production during MIOXSA's tenure are not available.

Commercial production commenced under the management of Cuzcatlan on September 1, 2011. Since then, underground mining has focused on the Bonanza, Trinidad and Stockwork veins. Total production since September 2011 through December 31, 2018 is estimated as 35.9 Moz of silver and 269 koz of gold.

4. Geology and mineralization

The San Jose Mine area is underlain by a thick sequence of sub-horizontal andesitic to dacitic volcanic and volcanoclastic rocks of presumed Paleogene age. These units have been significantly displaced along major north and northwest-trending extensional fault systems with the precious metal mineralization being hosted in hydrothermal breccias, crackle breccias, and sheeted stockwork-like zones of quartz/carbonate veins emplaced within zones of high paleo permeability associated with the extensional structures.

The mineralized structural corridor extends for more than 3 km in a north-south direction and has been subdivided into the Trinidad Deposit area and the San Ignacio area. The Mineral Resource and Mineral Reserve estimates discussed in this Technical Report are located in the Trinidad Deposit area.

The major mineralized structure in the Trinidad Deposit area consists of a sheeted and stockworked quartz-carbonate vein system referred to as the main Stockwork Zone located between the primary Trinidad and Bonanza structures. In addition, several secondary vein systems are present locally in the hanging wall and footwall of the Trinidad and Bonanza structures.

The Victoria mineralized zone is located approximately 350 m east of the Trinidad vein and north of the current underground operations of the San Jose Mine. It is structurally related to the same extensional behavior that dominates the Trinidad Deposit with a similar style of mineralization, corresponding to a low sulfidation epithermal deposit formed in a shallow crustal environment with a relatively low temperature resulting in the precipitation of silver and gold mineralization.

5. Exploration, drilling and sampling

The San Jose Mine has been subjected to a number of documented exploration programs since 1999 including:

- In 1999 Pan American Silver (Pan American) optioned the property from MIOXSA and conducted surface and underground mapping and sampling including the drilling of five diamond drill holes totaling 1,093.5 m
- In 2004, Continuum completed an option agreement with MIOXSA and completed detailed mapping and chip-channel sampling of the surface and of the existing underground workings in the Trinidad area followed by the completion of 15 surface diamond drill holes totaling 4,876.55 m
- From 2006 to 2015 the principal exploration conducted by Fortuna at the deposit has been surface and underground drilling, both to explore the deposit to the north and to depth and for infill purposes to increase the confidence level of the Mineral Resource estimates

- Since 2015, exploration has continued to explore the continuity of the mineralized system to the north, south and at depth of the Trinidad Deposit. During this period the Victoria mineralized zone was discovered approximately 350 m east of the Trinidad Deposit and has been explored with the drilling of 51 holes from underground totaling 27,671.60 m as of June 30, 2018

As of June 30, 2018, the data cut-off date for estimation of Mineral Resources, a total of 845 drill holes totaling 299,319.45 m have been completed on the San Jose Mine area with the drilling being concentrated in the Trinidad Deposit area and extensions to the south of the mineralized structural system. Wide-spaced exploration drilling has also been completed in the San Ignacio area along the southern extension of the structurally controlled mineralized corridor and to the far north of the Trinidad Deposit, as well as in the newly discovered Victoria mineralized zone. All of the drilling was conducted by diamond core drilling methods with the exception of 1,476 m of reverse circulation pre-collars in six of the 845 diamond drill holes.

A total of 662 diamond core holes totaling 221,400.75 m have been drilled in the Trinidad Deposit area and 51 holes totaling 27,671.60 m in the Victoria mineralized zone. In Trinidad, the majority of the holes have been drilled from east to west to cross-cut the steeply east-dipping mineralized zone at high angles, whereas in the Victoria mineralized zone, the holes have been drilled from west to east from underground to intersect the subvertical Victoria main structure. Of the 723 holes, 250 have been drilled from the surface and the remainder from underground.

The diamond drilling typically commences with HQ-diameter core (63.5 mm) and continues to the maximum depth allowable based on the mechanical capabilities of the drill equipment. Once this point is reached or poor ground conditions are encountered the hole is cased and further drilling undertaken with smaller diameter drilling tools with the core diameter being reduced to NQ2 (50.6 mm) or NQ-size (47.6 mm) to completion of the hole. In the Trinidad Deposit, five of the drill holes were further reduced to BQ-size (36.5 mm) diameter in order to complete the drill holes to the target depths. All of the drilling completed in the project area has been carried out by contract drilling service companies. Ground conditions are generally good with core recovery averaging 99 %.

Surface drill hole collars were surveyed using differential global positioning system (GPS) and total station survey methods. Concrete monuments are constructed at each collar location recording the drill hole name, azimuth, inclination and total depth. At locations where the drill hole collar is located in a cultivated field, the collar monument is constructed approximately 50 cm below the actual surface.

Underground drill hole collars were surveyed using total station survey methods. Concrete monuments similar to those used for surface collars are constructed to mark the location with the drill hole name, azimuth, inclination and total depth recorded.

Down-hole surveys have been completed for 827 of the 845 drill holes completed as of the data cut-off date. For the 18 holes where downhole surveys are not recorded, 17 were drilled prior to 2007 with only three being drilled in the Trinidad Deposit. The azimuth and dip orientation of these holes was recorded at the collar to account for drilling direction. The absence of downhole surveys in three of the 662 holes drilled at Trinidad is not regarded as material to the resource estimate.

Downhole surveys are typically completed at 50 m intervals although recent drill holes include downhole surveys at 10 m intervals until reaching 50 m depth and then at 50 m intervals thereafter. All downhole surveys have been carried out by the drilling contractor using Reflex electronic downhole survey tools.

To-date, drilling has been conducted at the Trinidad Deposit over a strike length of approximately 2,500 m and to depths exceeding 800 m from surface. Exploration drilling has generally increased in depth to the north.

Drilling of the Victoria mineralized zone has been conducted over a strike length of approximately 1,300 m and covers a vertical extent of approximately 500 m, with upper holes intersecting the structure at least 250 m below the surface.

The extent of drilling of the San Ignacio area continues directly to the south of the Trinidad Deposit and has been conducted over a strike length of approximately 1,000 m and to depths of up to 500 m from surface.

The relationship between the sample intercept lengths and the true width of the mineralization varies in relation to the intersect angle between the steeply dipping zone of mineralized veins and the inclined nature of the diamond

core holes. Calculated estimated true widths (ETWs) are always reported together with actual sample lengths by taking into account the angle of intersection between drill hole and the mineralized structure.

In 2018 all logging became digital, being incorporated daily into the Maxwell DataShed database system. Data were recorded initially with Excel templates, and later with the Maxwell LogChief application using essentially the same structure. Both input methods used pick-lists and data validation rules to ensure consistency between loggers. Separate pages were designed to capture metadata, lithology, alteration, minerals (sulfides, oxides, and limonite), structure (contacts, fractures, veins, and faults with attitudes to core axis). Intensity of alteration phases was recorded using a numeric 1 to 4 scale (weak, moderate, strong, complete).

Geotechnical logging consists of the collection of specified data fields including; recovery percentage and rock quality designation (RQD) length. Joint filling and joint weathering are described during the geologic logging. A tablet-based data entry program was developed by Cuzcatlan using the Maxwell LogChief software. Data checks are implemented into this program to prevent entry of erroneous data.

The sampling methodology, preparation, and analyses differ depending on whether it is drill core or a channel sample. All samples are collected by Cuzcatlan geological staff with sample preparation and analysis being conducted either at the onsite Cuzcatlan Laboratory or transported to the ALS Global preparation facility in Guadalajara prior to being sent on for analysis at their laboratory in Vancouver.

The Cuzcatlan Laboratory used by Fortuna/Cuzcatlan since 2012 for assaying channel samples was accredited as a testing laboratory with the requirements of ISO/IEC 17025:2005 for sample preparation and assaying of silver and gold on March 2, 2018, prior to this the laboratory was not certified. The Cuzcatlan Laboratory is not independent of Fortuna/Cuzcatlan.

The ALS Global Laboratory is an independent, privately-owned analytical laboratory group. The Vancouver laboratory holds ISO 17025 accreditation. The Mexican laboratory holds ISO 9001:2000 certification.

The SGS Laboratory used by Cuzcatlan as an umpire laboratory is an independent privately-owned analytical laboratory located in Durango, Mexico and holds ISO/IEC 17025:2005 accreditation for sample preparation and assaying.

Channel chip samples are generally collected from the face of newly exposed underground workings. The entire process is carried out under the mine geology department's supervision. Sampling is carried out at 3 m intervals within the drifts and stopes of all veins. The channel's length and orientation are identified using paint in the underground working and by painting the channel number on the footwall. The channel is typically approximately 20 cm wide and approximately 1 to 2 cm deep, with each individual sample preferably being no smaller than 0.4 m and no longer than 1.5 m.

Drill core is laid out for sampling and logging at the core logging facility at the camp. Sample intervals are marked on the core and depths recorded on the appropriate box. A geologist is responsible for determining and marking the drill core intervals to be sampled, selecting them based on geological and structural logging. The sample length must not exceed 2 m or be less than 20 cm.

All samples collected by Cuzcatlan are assayed by atomic absorption (AA) spectroscopy and by fire assay (FA) with gravimetric finish. For drill samples only, a full suite of trace elements is analyzed using an aqua regia digestion followed by inductively-coupled plasma (ICP) analysis. Assay results and certificates are reported electronically by e-mail. Since mid-2018 the onsite laboratory has also assayed channel samples and selected composites for fluorine using a selective ion electrode (ISE) technique.

Bulk density samples have been primarily sourced from drill core with a limited number being sampled from underground workings. Bulk density measurements are performed at the ALS Global Laboratory in Vancouver using the OA-GRA08 methodology.

Sample collection and transportation of drill core and channel samples is the responsibility of Brownfields exploration and the Cuzcatlan mine geology departments and must follow strict security and chain of custody requirements established by Fortuna. Samples are retained in accordance with the Fortuna corporate sample retention policy.

Implementation of a quality assurance/quality control (QAQC) program is current industry best practice and involves establishing appropriate procedures and the routine insertion of certified reference material (CRMs), blanks, and duplicates to monitor the sampling, sample preparation and analytical process. Fortuna implemented a full QAQC program to monitor the sampling, sample preparation and analytical process for all drilling campaigns in accordance with its companywide procedures. The program involved the routine insertion of CRMs, blanks, and duplicates. Evaluation of the QAQC data indicate that the data are sufficiently accurate and precise to support Mineral Resource estimation.

6. Data verification

Cuzcatlan staff follow a stringent set of procedures for data storage and validation, performing verification of data on a monthly basis. The operation employs a Database Administrator who is responsible for overseeing data entry, verification and database maintenance. A separate Database Auditor is responsible for performing a detailed independent review of the database on a quarterly basis and submitting a report to Fortuna management detailing the findings. Any issues identified are immediately resolved by the administrator.

Data used for Mineral Resource estimation are stored in Maxwell GeoService's commercial SQL database system (DataShed), storing both mine related data (including channel samples) and drilling related results (exploration and infill drilling).

Data was transferred from an inhouse SQL database system to DataShed in 2017 with the support of Maxwell personnel. Both databases were run in tandem until a full verification process had been completed to prove parity between the systems, at which point the original database was archived.

As a component of the 2018 Mineral Resource estimate, a preliminary validation of the Cuzcatlan database was performed by the Database Administrator in June 2018. The database has a series of automated import, export, and validation tools to minimize potential errors. Any inconsistencies identified were corrected during the analysis with the database then being handed over to the QP for the resource estimate for final review on June 30, 2018 in Microsoft Access format.

In addition, data verification by the QP was also conducted through the inspection of selected drill core to assess the nature of the mineralization and to confirm geological descriptions as well as the inspection of geology and mineralization in underground workings of the Trinidad, Bonanza, and Stockwork veins.

A series of plan and cross sections were generated displaying the lithologic and mineralization interpretation by the Cuzcatlan geology and exploration departments and reviewed by the QP.

The QP is of the opinion that the data verification programs performed on the data collected by Cuzcatlan are adequate to support the geological interpretations, the analytical and database quality, and Mineral Resource estimation at the San Jose Mine.

7. Mineral processing and metallurgical testing

Initial metallurgical test work to assess the optimum processing methodology for treating ore from the Trinidad Deposit was conducted by METCON in 2009 and reported in the prefeasibility study written by CAM (2010), with Cuzcatlan continuing to build on this original work with additional tests to support operational requirements.

Metallurgical tests have not been conducted as of the effective date of this Report for material from the Victoria mineralized zone but are planned for the second half of 2019. Petrographic studies conducted by Albinson (2018) indicate that mineralogically the material is similar to that from the Trinidad Deposit.

It is the opinion of the QP that the San Jose Mine has an extensive body of metallurgical investigation comprising several phases of testwork as well as an extensive history of treating ore at the operation since 2011. In the opinion of the QP, the San Jose metallurgical samples tested and the ore that is presently treated in the plant is representative of the material included in the life-of-mine plan (LOMP) in respect to grade and metallurgical response. Metallurgical recovery is estimated to be constant for the LOMP at 92 % for silver and 91 % for gold. Differences between vein systems are minimal with regard to recovery.

Deleterious elements detected in ore located in certain parts of the deposit have the potential to affect economics due to penalties that could be applied during smelting. This includes elevated levels of fluorine (>1,000 ppm), which has been accounted for as part of the financial analysis.

8. Mineral Resources

Mineral Resource estimation involved the usage of drill hole and channel samples in conjunction with underground mapping to construct three-dimensional wireframes to define individual vein structures. Samples were selected inside these wireframes, coded, composited and top cuts applied if applicable. Boundaries were treated as hard with statistical and geostatistical analysis conducted on composites identified in individual veins. Silver and gold grades were estimated into a geological block model consisting of 4 m x 4 m x 4 m selective mining units (SMUs) representing each vein. All veins in the Trinidad Deposit were estimated by sequential Gaussian simulation (SGS). The Victoria main structure located in the Victoria mineralized zone was estimated by inverse distance weighting employing a power of two (IDW). Estimated grades were validated globally, locally, visually, and (where possible) through production reconciliation prior to tabulation of the Mineral Resources.

By the application of a silver equivalent value taking into consideration the average metallurgical recovery and long term metal prices for each metal, and the determination of a reasonable cut-off grade using actual operating costs, as well as the exclusion of Mineral Resources identified as being isolated or economically unviable using a floating stope optimizer, the Mineral Resources have 'reasonable prospects for eventual economic extraction'.

Resource confidence classification considers a number of aspects affecting confidence in the resource estimation including; geological continuity and complexity; data density and orientation; data accuracy and precision; grade continuity; and simulated grade variability.

Mineral Resources exclusive of Mineral Reserves as of December 31, 2018 are reported in Table 1.1.

Table 1.1 Mineral Resources as of December 31, 2018

Classification	Tonnes (000)	Ag (g/t)	Au (g/t)	Contained Metal	
				Ag (Moz)	Au (koz)
Measured	49	77	0.56	0.1	1
Indicated	272	84	0.59	0.7	5
Measured + Indicated	321	83	0.59	0.9	6
Inferred	2,415	196	1.44	15.2	112

Notes:

- Mineral Resources are as defined by the 2014 CIM Definition Standards for Mineral Resources and Mineral Reserves
- Mineral Resources are exclusive of Mineral Reserves
- Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability
- Mineral Resources are estimated as of June 30, 2018 and reported as of December 31, 2018 taking into account production related depletion for the period through December 31, 2018
- Eric Chapman, P.Geo. (APEGBC #36328) is the Qualified Person for resources being an employee of Fortuna Silver Mines Inc.
- Mineral Resources are reported based on underground mining within optimized stope designs using a cut-off grade of 100 g/t Ag Eq based on assumed metal prices of US\$ 18.25/oz Ag and US\$ 1,320/oz Au, estimated metallurgical recovery rates of 92 % for Ag and 91 % for Au ($\text{Ag Eq (g/t)} = \text{Ag (g/t)} + (\text{Au (g/t)} * ((1,320/18.25) * (92/91)))$), and an operating cost of US\$ 52.50/t
- Mineral Resource tonnes are rounded to the nearest thousand
- Totals may not add due to rounding

Factors that may affect the estimates include metal price and exchange rate assumptions; changes to the assumptions used to generate the cut-off grade; changes in local interpretations of mineralization geometry and continuity of mineralized zones; changes to geological and mineralization shape and geological and grade continuity assumptions; variations in density and domain assignments; geometallurgical assumptions; changes to geotechnical, mining, dilution, and metallurgical recovery assumptions; change to the input and design parameter assumptions that pertain to the conceptual stope designs constraining the estimates; and assumptions as to the continued ability to access the site, retain mineral and surface rights titles, maintain environment and other regulatory permits, and maintain the social license to operate.

There are no other known environmental, legal, title, taxation, socioeconomic, marketing, political or other relevant factors that would materially affect the estimation of Mineral Resources or Mineral Reserves that are not discussed in this Report.

9. Mineral Reserves

Mineral Reserve estimates follow standard industry practices, considering only Measured and Indicated Mineral Resources as only these categories have sufficient geological confidence to be considered Mineral Reserves (CIM, 2014). Subject to the application of modifying factors, Measured Resources may become Proven Reserves and Indicated Resources may become Probable Reserves. Mineral Reserves are reconciled quarterly against production to validate dilution and recovery factors.

Metal prices used for Mineral Reserve estimation were determined as of May 2018 by the corporate financial department of Fortuna from market consensus.

Metallurgical recoveries were based on metallurgical test work and operational results at the plant from July 2017 to June 2018.

NSR values were dependent on various parameters including metal prices, metallurgical recovery, price deductions, refining charges and penalties.

A breakeven cut-off grade was determined based on all variable and fixed costs applicable to the operation. These include exploitation and treatment costs, general expenses and administrative and commercialization costs (including concentrate transportation).

Mineral Reserves as of December 31, 2018 are reported in Table 1.2.

Table 1.2 Mineral Reserves as of December 31, 2018

Classification	Tonnes (000)	Ag (g/t)	Au (g/t)	Contained Metal	
				Ag (Moz)	Au (koz)
Proven	393	237	1.97	3.0	25
Probable	4,779	235	1.51	36.0	232
Proven + Probable	5,172	235	1.55	39.0	257

Notes:

- Mineral Reserves are as defined by the 2014 CIM Definition Standards for Mineral Resources and Mineral Reserves
- Mineral Reserves are estimated as of June 30, 2018 and reported as of December 31, 2018 taking into account production-related depletion for the period through December 31, 2018
- Mineral Reserves are reported based on underground mining within optimized stope designs using an NSR breakeven cut-off of US\$ 65.90/t, equivalent to 131 g/t Ag Eq and 134 g/t Ag Eq for the Taviche Oeste concession due to an additional 2.5 % royalty
- Metal prices used in the NSR evaluation are US\$ 18.25/oz for silver and US\$ 1,320/oz for gold
- Metallurgical recovery values used in the NSR evaluation are 92 % for silver and 91 % for gold based on actual plant recoveries
- NSR values taking into account refining charges used in the estimation are US\$ 15.67/oz for silver and US\$ 1,129/oz for gold with the exception of material located in the Taviche Oeste concession where NSR values are US\$ 15.27/oz for silver and US\$ 1,100/oz for gold
- Costs used in NSR breakeven cut-off determination are US\$ 31.48/t for mining; US\$ 16.55/t for processing; and US\$ 17.91/t for other costs including distribution, management, community support, general service and administration
- Mining recovery is estimated to average 89 % and mining dilution 12 %
- Amri Sinuhaji, P.Eng (APEGBC #48305) is the Qualified Person for reserves, being an employee of Fortuna Silver Mines Inc.
- Mineral Reserve tonnes are rounded to the nearest thousand
- Totals may not add due to rounding

10. Mining methods

Cuzcatlan commenced production at the San Jose Mine in September 2011 and as of December 31, 2018 had produced 35.9 Moz of silver and 269 koz of gold. The mining method applied in the exploitation of the veins is overhand cut-and-fill using a mechanized extraction methodology.

Production capacity at the mine has been increased on two occasions; in September 2013 it was increased to 1,800 tonnes per day and most recently, in June 2016 the production capacity was increased to 3,000 tpd, through a further plant expansion.

In May of 2018, a third-stage filtered dry stack tailings facility was commissioned on time and on budget with an increased capacity of filtered tailings to handle 1.5 years of production with further expansions planned for 2019 and 2020 that would be sufficient to store all tailings for the presently defined life-of-mine plan (LOMP). Cuzcatlan is in the process of obtaining the permit to allow the construction of the 2019 tailings expansion.

Mineral Reserves are estimated at 5.2 million tonnes as of December 31 2018, which is sufficient for almost a five-year life-of-mine (LOM) consisting of 350 days in the year at a mill throughput rate of 3,000 tpd. The LOM annual average production will be approximately 7 Moz of silver and 46 koz of gold based on an average head grade of 232 g/t Ag and 1.52 g/t Au.

The QP is of the opinion that:

- The mining method being used is appropriate for the deposit being mined. The underground mine design, stockpiles, tailings facilities, and equipment fleet selection are appropriate for the operation
- The mine plan is based on historical mining and planning methods practiced at the operation for the previous seven years, and presents low risk
- Inferred Mineral Resources are not included in the mine plan, and were set to waste
- The mobile equipment fleet presented is based on the actual present-day mining operations, which is known to achieve the production targets set out in the LOM
- All mine infrastructure and supporting facilities meet the needs of the current mine plan and production rate

11. Recovery methods

The current process plant design is split into four principal stages including; crushing; milling; flotation; and thickening, filtering and shipping.

The QP considers process requirements to be well understood, and consistent based on the actual observed conditions in the operating plant. There is no indication that the characteristics of the material planned for mining will change and therefore the recovery assumptions applied for future mining are considered as reasonable for the LOM.

12. Project infrastructure

The QP is confident that all mine and process infrastructure and supporting facilities are included in the present general layout to ensure that they meet the needs of the mine plan and production rate and notes that:

- The San Jose Mine is located 47 km, or one hour by road from the city of Oaxaca, the main service center for the operation, with good year-round access
- The mine site infrastructure has a compact layout footprint of 50.15 ha, with an additional 69.69 ha for the tailings storage facilities
- An expansion to the dry stack tailings facility will commence in 2019, with a second phase planned for 2020, increasing total capacity to 4,039,000 m³, sufficient for the LOM
- Power is provided to the mine from the main grid via a 115,000 volt circuit, as well as a secondary reserve power supply line, all managed by CFE
- Water requirements are 2.7 m³ of water to process one tonne of ore being primarily sourced from water pumped to the surface from the underground dewatering system
- All process buildings and offices for operating the mine have been constructed, with camp facilities not required due to the proximity of the site to urban

13. Market studies and contracts

Since the operation commenced commercial production in September 2011 a corporate decision was made to sell the concentrate on the open market. In order to get the best commercial terms for the concentrates, it is Fortuna's policy to sign contracts for periods no longer than one year. All commercial terms entered between the buyer and Cuzcatlan are regarded as confidential, but are considered to be within standard industry norms.

The QP has reviewed the information provided by Fortuna on marketing, contracts, metal price projections and exchange rate forecasts and notes that the information provided support the assumptions used in this Report and are consistent with the source documents, and that the information is consistent with what is publicly available within industry norms.

14. Environmental studies and permitting

The mining operation has been developed in strict compliance with the regulations and permits required by the government agencies involved in the mining sector. In addition, all work follows the international quality and safety standards set forth under standards ISO 14001 and OHSAS 18000.

Despite the above, on October 8, 2018 abnormally high rainfall caused a contingency pond to overflow at the dry stack tailings facility. The contingency pond collects water from a ditch system at the dry stack facility designed to capture and manage rain water.

Cuzcatlan took steps to mitigate the risk of future overflows by immediately increasing its pumping capacity at the contingency pond. No damage occurred to the tailings dam or to the dry stack infrastructure. San Jose tailings are monitored and sampled continuously, are free of heavy metals or other contaminants, and are characterized as sterile.

Cuzcatlan notified the relevant environmental authorities, PROFEPA and CONAGUA on the day of the incident. Cuzcatlan worked with federal, state and local authorities as they conducted inspections of the facilities at San Jose and sampling of the Coyote Creek. Results of the sampling indicated no contamination or pollution occurred due to the overflow.

On February 14, 2019, PROFEPA released their final report on the incident confirming that the overflow did not contaminate soil, and therefore no remediation was required. As of the effective date of this Report, Cuzcatlan is awaiting issuance of the final report from CONAGUA.

To the extent known, all permits that are required by Mexican law for the mining operation have been obtained, with the exception of the permit to construct the stage 4 expansion of the dry stack tailings facility. Cuzcatlan is in the process of obtaining the permit from the Secretary of the Environment and Natural Resources (SEMARNAT) and expect to obtain this in the second quarter of 2019.

Cuzcatlan continues developing sustainable annual programs for the benefit of local communities, including educational, nutritional and economic programs. The above mentioned social and environmental responsibilities support a good relationship between the company and local communities. This will aid the development and continuity of the mining operation and improve the standard of living and economies of local communities.

The mine closure plan has been designed to ensure the rehabilitation of the area where the mine is located. The projected total cost required to close present and future infrastructure at the mine is US\$ 5.3 million.

15. Capital and operating costs

Capital and operating cost estimates are based on established cost experience gained from current operations, projected budget data and quotes from manufacturers and suppliers.

The capital and operating cost provisions for the LOMP that supports Mineral Reserves have been reviewed. The basis for the estimates is appropriate for the known mineralization; mining and production schedules; marketing plans; and equipment replacement and maintenance requirements.

The QP considers the capital and operating costs estimated for the San Jose Mine as reasonable based on industry-standard practices and actual costs observed for 2018.

16. Economic analysis

Fortuna is using the provision for producing issuers, whereby producing issuers may exclude the information required under Item 22 for technical reports on properties currently in production and where no material production expansion is planned.

Mineral Reserve declaration is supported by a positive cashflow for the period set out in the LOMP based on the assumptions detailed in this Report.

17. Other relevant data and information

Fortuna considers that this Report contains all the relevant information necessary to ensure the report is understandable and not misleading.

18. Conclusions, risks and opportunities

This Report represents the most accurate interpretation of the Mineral Reserve and Mineral Resource available as of the effective date of this report. The conversion of Mineral Resources to Mineral Reserves was undertaken using industry-recognized methods, and estimated operational costs, capital costs, and plant performance data. Thus, it is considered to be representative of future operational conditions. This Report has been prepared with the latest information regarding environmental and closure cost requirements.

A number of opportunities and risks were identified by the QPs during the evaluation of the San Jose Mine.

Opportunities include:

- The wide nature of mineralization of the Stockwork zone in combination with the medium to good rock quality provides an opportunity to implement a more productive (bulk) mining methodology such as long hole stoping to extract this material. Implementation of this method could potentially reduce mining costs and increase mine productivity.
- Improvements in mining productivity through optimizing the mining cycle. As shotcreting comprises a significant component of the mining cycle, a better accelerator agent could shorten the curing and overall cycle times. Additionally, cycle times could be further reduced by implementing a trim or controlled blasting system so that less ground support is required due to over-blasting or over scaling.
- Operational delays could be reduced by implementing a better underground communication system.
- The ventilation system could be improved in specific areas of the mine where elevated temperature are encountered improving productivity in these areas.
- Significant exploration potential exists for the Victoria mineralized zone as mineralization remains open in all directions.

Risks include:

- The recently discovered presence of elevated fluorine in the concentrate resulting in unexpected penalties to sales. Limited information is currently available to understand the orogenesis, dynamics, and distribution of fluorine within the deposit, although preliminary sampling suggests it is focused in the Trinidad vein with a limited spatial extent. However, a risk exists that fluorine levels may be elevated in other veins and areas of the deposit.
- Environmental liability from the pond over-flow in October 2018, mitigated by the rapid response to the incident and independent testing of the affected area that indicates no heavy metals or other contaminants are present.
- Potential litigation regarding the disputed royalty on the Progreso concession, which has been mitigated by Cuzcatlan obtaining multiple legal opinions that state the royalty is invalid and taking steps to remove the royalty from the register.

19. Recommendations

Recommendations for the next phase of work have been broken into those related to ongoing exploration activities and those related to additional technical and operational studies. Recommended work programs are independent of each other and can be conducted concurrently unless otherwise stated. The exploration-related programs are estimated at a total cost of US\$ 4.22 million. The operational improvement studies are recommended to be conducted inhouse and therefore do not involve a direct cost.

i) Exploration activities

- **Exploration of the Trinidad Deposit.** The Fortuna vein is known to extend south of the presently-estimated Mineral Resource by the presence of historical workings and previous drilling demarking where the Fortuna vein was located in the San Ignacio area. It is recommended that Cuzcatlan explore the mineralized continuity of this vein as it extends from the Trinidad Deposit into the San Ignacio area with a first phase drill program involving the drilling of 3,500 m diamond holes at an estimated cost of US\$ 492,000. In addition to testing the extents of the Fortuna vein, the Paloma vein remains open at higher elevations and it is recommended that upon the issuance of appropriate permits the near-surface potential of the Paloma vein be explored with the drilling of 1,500 m of diamond holes from surface at an estimated cost of US\$ 203,000.
- **Exploration of the Victoria mineralized zone.** It is recommended that Cuzcatlan continue to explore the extent of the Victoria mineralized zone above and to the north of the presently-estimated Mineral Resource. The higher elevations of the vein system can be drilled from surface, with the issuance of the appropriate permits, and would involve the drilling of 2,000 m diamond holes at an estimated cost of US\$ 257,000. To gain access for exploration of the vein to the north and at depth it is recommended that a 200 m exploration drift be mined at a cost of US\$ 520,000. The drive will allow the drilling of 4,500 m of underground diamond drill holes to explore the vein continuity at an estimated cost of US\$ 509,000.
- **Metallurgical testwork.** It is recommended that metallurgical testwork be conducted on samples obtained from the Victoria mineralized zone to establish likely metallurgical recoveries and processing characteristics. Testwork should include mineralogical evaluations, along with bond work index, grinding, flotation and granulometry tests. The estimated cost of the testwork is US\$ 32,000.
- **Other exploration programs.** The Guilla concession of the San Jose Mine has been identified as an area that has high potential for the discovery of epithermal veins based on surface mapping. It is recommended that permits be obtained to allow targets to be drilled on this concession. If permits are obtained a drill program consisting of 9,000 m of diamond holes at an estimated cost of US\$ 1,305,000 is recommended. In addition, it is recommended that a 250 m underground exploration drift be mined in 2019 to the north of the Trinidad Deposit to facilitate future underground drilling programs to explore the convergence of the Trinidad Deposit and the Victoria mineralized zone where obtaining surface drill permits has proved problematic. The estimated cost of this drift is US\$ 500,000.
- **Delineation (infill) drilling.** Cuzcatlan is planning to continue the delineation drilling from underground in 2019 of the Trinidad Deposit. A total of 2,780 m of drilling is planned at a budgeted cost of US\$ 400,000.

ii) Technical and operational studies

- **Fluorine.** It is recommended that the operation continues to assay representative pulps for fluorine and uses these to improve short term and long-term estimates of fluorine behavior in the deposit as well as conducting metallurgical tests at the plant to determine methods to reduce fluorine levels in the concentrate.
- **Mine plan optimization and risk analysis.** The conditional simulation methodology used in the estimation of the primary veins results in the generation of 50 equi-probable realizations. By assessing these multiple potential scenarios, the mine plan can be optimized with the identification of low- and high-risk regions of the deposit.

- **Bulk density measurements.** It is recommended that the number of bulk density measurements be increased in secondary veins. If sufficient measurements are obtained, bulk density can be estimated rather than the presently-used density assignment methodology.
- **Mining method.** As part of continuous improvement initiatives to reduce mining cost and to increase mine productivity, it is recommended that a study be conducted to evaluate the feasibility of a bulk mining method. Part of the considerations for the mining method selection is to investigate mining method and mining sequence that eliminate the necessity to leave mineralized material as pillars. Additionally, the study should investigate mine productivity, equipment and manpower requirements, as well as infrastructure and cost evaluations.
- **Mining recovery.** A review on pillar design is recommended, particularly for narrow veins with more competent country rock where mining recovery could be increased. Cell mapping and geotechnical logging should be performed on a more frequent basis and detailed pillar analysis conducted based on the specific local rock conditions.
- **Mining dilution.** It is recommended that the mine implements an improved survey practice by increasing the number of points taken per survey or to implement the usage of a scanner. It is further recommended that the mine reconciles the dilution estimate on a more frequent basis and stores the information into a database so that statistical analysis such as trends, variations and local dilution analysis can be performed. This information will assist the Cuzcatlan mine planning department in making timely decisions to remediate dilution issues and improve Mineral Reserve estimates.

[End of Extract of Summary from San Jose Technical Report]

See “Three Year History and Recent Developments - Mineral Reserve and Mineral Resource Estimates” herein for further information regarding the San Jose Mine.

Exploration Work Subsequent to the San Jose Technical Report

San Jose Brownfields Exploration Results 2021

During the second half of 2020 and the first quarter of 2021, the Company undertook step-out and infill drilling at the San Jose Mine which has established continuity of high-grade mineralization in the upper levels of the Trinidad Footwall structures. The successful drill program represents 4,670 meters of step-out and infill drilling in 22 drill holes and targeted both resource upgrades and the potential to expand the resource outside of the current area of Mineral Reserves. Mineralization remains open in at least two directions and it is adjacent to existing mine infrastructure, and as a result there is potential for inclusion of this material in near-term production. Highlights of the step-out and infill drilling include:

Step-out drill highlights:

SJOM-955: 699 g/t Ag and 3.57 g/t Au over an estimated true width of 4.1 meters
SJOM-1002: 1,931 g/t Ag and 6.76 g/t Au over an estimated true width of 5.4 meters

Infill drill highlights include:

SJOM-1014: 306 g/t Ag and 1.38 g/t Au over an estimated true width of 9.5 meters
SJOM-1016: 760 g/t Ag and 3.24 g/t Au over an estimated true width of 3.4 meters
SJOM-1017: 967 g/t Ag and 4.25 g/t Au over an estimated true width of 8.4 meters
SJOM-1020: 809 g/t Ag and 2.78 g/t Au over an estimated true width of 1.4 meters
SJOM-1021: 473 g/t Ag and 1.25 g/t Au over an estimated true width of 14.9 meters

Please refer to the Company’s news release dated March 29, 2021 entitled “Fortuna intersects 1.93 kilos of silver and 6.76 g/t gold over 5.4 meters at the San Jose Mine, Mexico”, for full details.

On December 9, 2021, the Company announced the results of a 25,064 meter, 59 hole step-out exploration drilling program from underground platforms ahead of production at San Jose, started in March 2021 and which has continued to define continuity of key mineralized structures and targeted the Bonanza Hanging wall (Bhw), Trinidad Norte and Victoria mineralized zone (VMZ) structures. In addition to the underground drilling, testing of two target zones to the north and south of the mine was successful in identifying additional mineralized structures with drilling continuing. *Highlights of the program include:*

- **SJOM1053 (VMZ):** 290 g/t Ag and 2.00 g/t Au over an estimated true width of 1.5 meters
- **SJOM1088 (Magdalena):** 245 g/t Ag and 1.41 g/t Au over an estimated true width of 4.6 meters
- **SJOM1091 (Magdalena):** 506 g/t Ag and 2.61 g/t Au over an estimated true width of 1.7 meters
- **SJOM1103 (San Ignacio):** 209 g/t Ag and 1.47 g/t Au over an estimated true width of 1.1 meters
- **SJOM1105 (Magdalena):** 302 g/t Ag and 0.77 g/t Au over an estimated true width of 1.8 meters including 1,010 g/t Ag over 0.5 meters

Please refer to the Company's news release dated December 9, 2021 entitled "*Fortuna drills 16.5 g/t gold over 6.3 meters at Séguéla and provides exploration update*", for full details.

Lindero Mine, Argentina

The following is the Summary from the technical report (the "Lindero Technical Report") entitled "Fortuna Silver Mines Inc.: Lindero Property, Salta Province, Argentina", with an effective date of October 31, 2017 prepared by Eric Chapman, P.Geo, Edwin Gutierrez, SME Registered Member, Geoff Allard, PE, and Denys Parra Murrugarra, SME Registered Member. This Summary is subject to certain assumptions, qualifications and procedures described in the Lindero Technical Report and is qualified in its entirety by the full text of the Lindero Technical Report which is available for viewing on SEDAR at www.sedar.com and is incorporated by reference in this AIF, and is also filed with the SEC on EDGAR (available at www.sec.gov). Defined terms and abbreviations used herein and not otherwise defined shall have the meanings ascribed to such terms in the Lindero Technical Report.

Property Description, Location and Access

The Project is in the Argentine puna, a cool, arid zone with a minimum elevation of approximately 3,500 to 4,000 m. The climate is generally dry and windy; it can be cold and snowy during storms.

The Lindero Project is located 260 km due west of Salta, Argentina, the main service center of the region, at latitude 25° 05' south and longitude 67° 47' west. Drive time from Salta to the Project is approximately 7 to 7.5 hours, over a road distance of 420 km. The nearest town to the Lindero Project is Tolar Grande (population 250) located 75 km to the northeast.

Access to the Lindero Project is via National Route 51, which passes through the towns of San Antonio de Los Cobres and Olacapato; and Provincial Route 27, via Pocitos and Tolar Grande.

The Lindero Project contains two known porphyry gold-copper deposits. The Lindero Deposit is the focus of the Feasibility Study and the Lindero Technical Report; whereas the Arizaro Deposit, located 3.2 km southeast of the Lindero Deposit, is described only in terms of exploration conducted to date.

The mineral tenement holdings cover 3,500 ha, and comprise 35 pertenencias, each of 100 ha, which are constrained by Gauss Kruger Posgar co-ordinates generated by survey. Tenure is held in the name of Mansfield Minera S.A. ("Mansfield"), an indirectly wholly-owned subsidiary of the Company. There is no expiry date on the pertenencias, providing Mansfield meets expenditure and environmental requirements, and pays the appropriate annual mining fees.

A 3 % provincial royalty "boca mina" is payable on revenue after deduction of direct processing, commercial, general and administrative costs. There are no royalties payable to any other third party.

Surface rights are owned by the provincial state (Propiedad Fiscal) of Salta. There are no reservations, restrictions, rights-of-way or easements on the Lindero Project to any third-party. Mansfield holds a registered camp concession, and a granted and surveyed access right-of-way. Water permits and rights of access to the Lindero Project are guaranteed through water and access licenses granted by the Mining Court of Salta.

Surface rights for construction of a mining operation and plant have not been granted from the Provincial authorities. Development of such infrastructure will require additional negotiation and potentially, supporting studies. Mansfield does not foresee any issues with obtaining the necessary permits for construction.

History

Gold–copper mineralization associated with potassic alteration was first discovered at the Lindero Project by Goldrock geologists in November 1999, and led to claim staking.

The area was explored using reconnaissance and detailed geological mapping, soil geochemistry (talus fines), trench sampling and mapping during 2000 and early 2001. As a result of this work, mineralization at what is now the Lindero Deposit was identified in September 2000.

From April 2002 to March 2003, Rio Tinto had an option on the property with Goldrock, during which time additional exploration including drilling and metallurgical testwork was conducted. An inhouse preliminary Mineral Resource estimate for the Lindero Deposit was performed. As the tonnage and grade estimate did not meet Rio Tinto's corporate targets, the option was not exercised.

Goldrock resumed as project operator, and between 2005 and 2013 completed additional exploration and drilling. Based on this, a Pre-Feasibility Study for the Lindero Deposit was completed by AMEC in 2010, assuming a production throughput of 30,000 tonnes of ore per day (AMEC Americas Ltd., 2010a; 2010b). In 2012, Goldrock commissioned Kappes, Cassidy & Associates (KCA) to complete a Feasibility Study using a reduced throughput of 18,750 tpd.

In 2015, Goldrock commissioned KCA to work with local engineering firms in advancing the engineering design for the Project to a basic engineering level, and update the 2013 Feasibility Study. A new Feasibility Study incorporating these design changes, additional metallurgical testwork, and updated costs and gold price assumptions was filed by KCA in 2016 (KCA, 2016a).

In July 2016, the Company completed the acquisition of all issued and outstanding shares of Goldrock, making Mansfield a wholly-owned subsidiary of Fortuna. Upon completion of the transaction, Fortuna continued to advance the optimization of the 2016 Feasibility Study through additional drilling as well as conducting tradeoff metallurgical tests and detailed engineering revisions with the objective of reaching a construction decision for the Lindero Project.

Geology and Mineralization

In the Central Andes, the altiplano or puna is a high plateau of more subdued relief between the Eastern Cordillera, a rugged region usually rising to between 3 km and 4.5 km, and the Western Cordillera, which is a high spine of mountains that may reach as much as 5 km in height. The Arizaro Volcanic Complex consists of two superimposed concentric volcanic centers, the Arizaro and the Lindero cones, located in the Archibarca volcanic arc at the southern margin of the Salar de Arizaro basin. Basement rocks crop out to the north of the Lindero Deposit, and consist of coarse-grained Ordovician granites unconformably overlain by Early Tertiary red bed sandstones. The Lindero–Arizaro complex, a series of diorite to monzonite porphyritic stocks, intrudes these units.

Mineralized zones at the Lindero Deposit form a semi-circular shape about 600 m in diameter which extends to a depth of 600 m, consisting of four different zones at the surface. The distribution of gold–copper mineralization at Lindero shows a strong relationship to lithology, stockwork veinlets, and alteration assemblages. Gold values average 0.70 g/t Au and copper values are typically about 0.11 % Cu. Higher grades of gold–copper (approximately 1 g/t Au and 0.1 % Cu) are commonly associated with sigmoidal quartz, quartz–magnetite–sulfide, biotite–magnetite–chalcopyrite, magnetite–chalcopyrite and quartz–limonite–hematite stockworks that are strongly associated with K-feldspar alteration. This association is very common in the east zone of the deposit, where the highest gold grades occur. At other locations where one or more stockwork types are missing or the intensity of fracturing is lower, mineralization tends to be weaker and the grades of gold tends to be lower (approximately 0.4 g/t Au).

Gold mineralization at Lindero is characterized by native, free-milling gold associated with chalcopyrite and/or magnetite grains with rare interstitial quartz.

The weathered oxidation zone at Lindero is generally poorly developed and averages 44 m in thickness.

The Arizaro volcanic center is characterized by fine- to medium-grained hornblende diorite to monzonite porphyritic stocks. The Arizaro Deposit is dominated by a main, moderately to strongly mineralized intrusive unit that crops out in the central part of the prospect area. It consists of fine hornblende porphyritic diorite intruded by several stocks, dikes, igneous-cemented breccias and hydrothermal breccias. Smaller stocks are exposed in a few areas. Dikes of andesitic and dacitic composition are generally distributed radially to the main intrusive unit.

Several alteration assemblages are noted in the Arizaro Deposit area. Alteration patterns are semi-concentric and asymmetric, with a core of moderate to strong potassic alteration including zones of K-feldspar-rich magnetite–silica alteration. An incomplete rim of chloritic alteration is developed outboard of the potassic alteration. In the southeast part of the deposit, intermediate argillic alteration has formed and overprints potassic alteration. Sericitic and very weak argillic alteration (hydrolytic alteration) has developed in the volcanic tuffs. To the south and west of the deposit, chloritic alteration passes directly to propylitic alteration. An actinolite–magnetite alteration assemblage forms in the eastern part of the deposit area.

Arizaro gold–copper mineralization is hosted in one body which has a semi-oval shape at the surface. In the center there is a high-grade body with a semi-ellipsoidal form, extending north-south for 480 m and about 50 m wide. The Arizaro Deposit has mineralization styles with copper–gold grades that are strongly correlated with different alteration assemblages. Mineralization is mainly associated with potassic alteration. This occurs generally in multi-directional veins, vein stockworks and disseminations. In some areas, the vein density is high, forming vein stockworks in the intrusive rocks. These vein stockworks are limited to magnetite–biotite veinlets, quartz–magnetite–chalcopyrite veinlets, late magnetite breccias and in late-stage mineralization events, anhydrite–sulfide veinlets. Chalcopyrite and bornite are the main copper minerals. Coarse gold was observed and confirmed with X-ray diffraction analysis in the University of Neuquen, Argentina, laboratory.

Lindero and Arizaro are examples of gold-rich porphyry copper deposits as described by Sillitoe (2000). More specifically, they show affinities with the porphyry gold deposit model (Rytuba and Cox, 1991; also termed dioritic porphyry gold deposits by Seedorff et al., 2005). These are exemplified by the Refugio, Cerro Casale, Marte, and Lobo gold deposits of the Miocene-age Maricunga belt, Chile, approximately 200 km south of Lindero. Vila and Sillitoe (1991) and Muntean and Einaudi (2000, 2001) described those deposits in detail.

The deposits of the Project area are considered to be examples of porphyry-style deposits, in particular gold-rich porphyries based on the following:

- High level (epizonal) stock emplacement levels in magmatic arc
- High-level stocks and related dikes intrude their coeval and cogenetic volcanic piles. Intrusions range from fine through coarse-grained, equigranular to coarsely porphyritic
- Mineralization in or adjoining porphyritic intrusions of quartz diorite/monzonite composition
- Mineralization is spatially, temporally, and genetically associated with hydrothermal alteration of the intrusive bodies and host rocks
- Gold–copper mineralization formed during intrusion of multiple phases of similar composition intrusive rocks
- Large zones of quartz veining, stockwork mineralization, and disseminated pyrite
- Tenor of gold and copper grades, i.e., large tonnage but low grade

At the Lindero Deposit, native gold and electrum are finely disseminated in subparallel to stockwork quartz + sulfide ± magnetite ± anhydrite veins and in some cases in matrices of hydrothermal breccias. Magnetite is common to abundant in mineralized zones. These mineralized stockworks and potassic alteration are interpreted to have formed as the result of degassing of the early intrusive bodies. Fluid pressures during degassing triggered fracturing of the intrusions and wall rock, allowing gold-rich fluids to circulate and precipitate, forming a gold–copper orebody. Later intrusions resulted in weak to moderate gold–copper mineralization forming mostly along and immediately fringing these intrusive contacts. Finally, post mineralized intrusives were overprinted onto the north and west of the deposit.

Understanding of the geological setting and model concept of the Lindero and Arizaro is adequate to provide guidance for exploration and development of the deposits.

Exploration, Drilling and Sampling

The Lindero Deposit was discovered in late 2000. Several exploration programs have been conducted by Rio Tinto, Goldrock and Fortuna on the Lindero Property:

- Goldrock campaign: August 2000 to October 2001, which included geologic mapping, soil sampling, and trench sampling
- Rio Tinto Campaign: May 2002 to February 2003, which included road sampling, geophysics (43 km of ground magnetics and 11 km of induced polarization (IP)), and drilling (10 holes for a total of 3,279 m)
- Goldrock campaign: October 2005 to January 2008, which included geologic mapping and modeling, trenching, and a significant drilling program (106 holes for a total of 30,024 m)
- Goldrock campaign: September 2008 and August 2010 to November 2010, which consisted of additional drilling (23 holes) for the Pre-Feasibility Study
- Fortuna campaign: September 2016 to December 2016 consisting of 8 holes for metallurgical samples, 2 holes for geologic interpretation and 2 twin holes

Drilling completed at the Lindero Property comprises 151 diamond drill holes totaling 42,598 m at the Lindero Deposit, as well as 29 diamond drill holes totaling 8,855 m at the Arizaro Deposit. Mineral Resources are only estimated at the Lindero Deposit. Ground conditions were good, and core recovery was generally above 90 %. Drill hole collars were marked with PVC pipes introduced in the hole at surface and then cemented. All holes drilled since 2005 as well as the 10 holes drilled during the 2002 campaign were surveyed by Servicios Topograficos with a differential GPS. Coordinates are projected on the WGS 84 Datum ellipsoid and calibrated according to the position of Geodetic point IGM N° PR-02-015, located a few kilometers from the Project. The results are available in geographic co-ordinates and in metric co-ordinates (UTM and Gauss Kruger), using the WGS 84 datum.

During Rio Tinto's exploration drilling campaign in 2002, undertaken by Connors Drilling, no downhole surveys were completed despite the fact that many of the holes extended beyond 300 m in depth. Holes drilled during the first Goldrock campaign were not originally downhole surveyed either. In June 2006 GEC-Geophysical Exploration & Consulting S.A. (GEC) was contracted by Goldrock to perform borehole surveying services with a Reflex Maxibor II System 3™ Probe (Maxibor™), which is not affected by magnetism. In 2008, Goldrock detected that the Maxibor™ surveys showed an unacceptably large deviation in the drill holes and a decision was made to re-survey all holes that showed a deviation of more than 5 %. Comprobe Chile Ltd. (Comprobe) was contracted to re-survey the holes considered by Goldrock as having incorrect downhole deviations. A surface-recording gyroscopic instrument was used, and orientation and dip parameters were recorded every 10 m. For the 2016 drilling campaign, Fortuna retained the services of Construccion & Minería S.A., based out of Mendoza, Argentina, to complete downhole surveys for each hole upon completion. Downhole surveys were conducted using Reflex™ gyroscopic equipment with readings taken at 5-m intervals.

All core was logged for geology and geotechnical characteristics. All logging was digital, and was incorporated daily into the Maxwell DataShed™ database system. Data were recorded initially with Excel™ templates, and later with Maxwell LogChief™ application using essentially the same structure. Separate pages were designed to capture metadata, lithology, alteration, veins, sulfide-oxide zones, sulfide-oxide surfaces, minerals (sulfides, oxides, and limonite), sulfates, structures (contacts, fractures, veins, and faults with attitudes to core axis), magnetic susceptibility, and special data (samples collected for geochemistry, thin section examinations, the core library, skeleton core, etc.). Intensity of alteration phases was recorded using a numeric 1 to 4 scale (weak, moderate, strong, complete); abundance of veins and most other minerals were estimated in volume percent.

The Lindero Deposit is a gold-rich porphyry with low-grade mineralization permeating throughout the deposit, making the calculation of true thickness impossible as no definitive across strike direction exists. The mineralization appears to be annular in shape at surface due to the intrusion of barren to low-grade intrusive rocks into the core of the system, but this circular shape is not representative of true thickness.

Core samples are marked and collected on 2 m intervals that honor lithological boundaries. Samples weigh between 4 and 8 kg depending on core diameter and recovery. Channel samples were collected using a rock saw to cut a 2 x 3 cm channel in exposed bedrock in trenches and road cuts. The material was removed from the channel with a chisel. Sample preparation for most samples consisted of crushing to 70 % passing 10 mesh and pulverization to 95% passing 150 mesh. Density samples are routinely collected by Mansfield from drill core on approximate 10-m intervals. Samples consist of pieces of core approximately 7 cm in length and weighing between 93 g and 408 g.

All samples collected by Mansfield were assayed for gold using a 30 g fire assay–atomic absorption (FA-AA) finish and a second aliquot was selected for copper analysis using aqua regia digestion and AA analyses. For the drill samples only, a full suite of trace elements was analyzed using an aqua regia digestion followed by inductively-coupled plasma (ICP) analysis. Assay results and certificates were reported electronically by e-mail.

Fortuna samples were sent to the ALS Global sample preparation facility in Mendoza, Argentina. Following drying at 55°C, the samples were weighed and the entire sample crushed using a two-stage method, first with a jaw crusher to 1 cm, and then by cone crusher to 70 % passing 10 mesh. The entire crushed sample was then pulverized to a minimum of 95 % passing 80 mesh. Pulverized samples were then split using a riffle splitter to generate a 300 g subsample that was pulverized to 95 % passing 150 mesh. This subsample was then split again using a riffle splitter to generate three 100 g samples.

All samples were sent to accredited laboratories independent of Mansfield, Rio Tinto, and Fortuna.

Implementation of a quality assurance/quality control (“QAQC”) program is current industry best practice and involves establishing appropriate procedures and the routine insertion of standard reference material (SRMs), blanks, and duplicates to monitor the sampling, sample preparation and analytical process. Fortuna implemented a full QAQC program to monitor the sampling, sample preparation and analytical process for the 2016 drilling campaign in accordance with its companywide procedures. The program involved the routine insertion of SRMs, blanks, and duplicates. Evaluation of the QAQC data indicate that the data are sufficiently accurate and precise to support Mineral Resource estimation.

Data Verification

In 2009 an independent audit of the information used for the estimation of Mineral Resources and Mineral Reserves at the time was conducted by AMEC, and summarized in the KCA (2016a) Technical Report. The work included independent audits of the database, collar and downhole surveys, drill logs, assays, bulk density measurements, core recovery, and QAQC results.

The 2009 audit concluded that the data verification programs undertaken on the data collected from the Lindero Deposit up to 2009 supported the geologic interpretations, and the analytical and database quality, and therefore the data could support Mineral Resource and Mineral Reserve estimation.

Fortuna reviewed the work performed by AMEC and concurs with their opinion. Fortuna has conducted additional audits and verification of historical information used in prior Mineral Resource and Mineral Reserve estimates as well as verifying new data generated during the 2016 drilling campaign to support assumptions for a construction decision and the Mineral Resource and Mineral Reserve estimates reported in Section 14 and Section 15 of the Lindero Technical Report. The verification process focused on the database; collars and downhole surveys; lithologic logs; assays; metallurgical results; and geotechnical parameters. Fortuna checked all collar and downhole survey information for each campaign against source documentation and completed a hand-held GPS survey of randomly selected drill hole collars. The results showed a good agreement with locations in the database. In August 2016, Fortuna initiated a comprehensive program of relogging to verify the original lithologic descriptions.

Fortuna contracted Call & Nicholas Inc. (CNI) to validate all geotechnical data, data collection methods, slope stability analysis methods, and slope angle recommendations presented previously by other consultants to determine feasibility-level slope angle recommendations for design of the planned Lindero final pit.

The QP is of the opinion that the data verification programs performed on the data collected from the Project are adequate to support the geological interpretations, the analytical and database quality, and Mineral Resource estimation at the Lindero Project.

Mineral Processing and Metallurgical Testing

The Lindero Project has an extensive body of metallurgical investigation comprising several phases of testwork as indicated in the KCA (2016a) Technical Report, and summarized in Section 13 of the Lindero Technical Report. In general, the testwork was done to industry standards. However, some leach conditions set for the testwork made interpretation difficult. Reinterpretation of the raw test data provided the basis for advancing the metallurgical knowledge base for Fortuna.

Since September 2016, Fortuna has performed complementary metallurgical testwork in the areas of comminution, heap permeability and cement agglomeration, gold extraction in column tests, and copper removal with sulfidization-acidification-recycle-thickening (SART) technology with the purpose of confirming and optimizing process design criteria.

Table 1.1 shows key gold extraction results for 10-m columns from laboratory testwork, carried out in the first semester of 2017, on material cured in a cyanide solution and agglomerated. A 4 % deduction (absolute) has been used in the design to allow for the differences between laboratory and expected operational results.

Table 1.1 Key gold extraction results for 10-m columns

Met Type	Met Type Description	Met Type as Percentage of Reserve	Gold Extraction	
			Laboratory	Field
			(%)	(%)
1	Fresh Intrusive	63	79.4	75.4
2	Oxide Porphyry	20	82.2	78.2
3	Fresh porphyry	9	82.5	78.5
4	Sediments	8	72.5	68.5
Weighted average			79.7	75.7

Optimization of the process design has confirmed the benefit of the use of a high-pressure-grinding-roll (HPGR), the inclusion of cyanide cure of ore, and copper removal/cyanide recovery with a SART plant. Results indicate that these components allow for improved gold leaching kinetics and effective extraction of copper from the pregnant solution.

Ore will be crushed at a nominal rate of 18,750 tpd using a three-stage crushing system including a HPGR in the tertiary stage. A final crush size of P₈₀ 6.0 mm is projected. The crushed product will be agglomerated and cured with a cyanide solution and then conveyed to the leach pad. A mobile conveying and stacking system will be used to stack ore in 10-m-high lifts. The life-of-mine (LOM) leach pad area is projected at 105 ha with a maximum height of 110 m. Leaching will be carried out in two stages with a first stage of 30 days and a second stage of 60 days.

The gold pregnant solution will be pumped at a rate of 400 m³/hr to a SART plant, where copper in solution will be precipitated to maintain copper levels below 400 ppm in the solution. The Project contemplates an expansion of the pregnant solution flow rate from 400 m³/hr to 600 m³/hr in year four with the objective of reducing gold ounce inventory in the heap at the end of mining.

Following the SART plant, the pregnant solution will go to an adsorption, desorption, recovery (ADR) plant and then to electrowinning and refining where gold will be poured in doré bars. LOM recovery is estimated at 75 %.

It is the opinion of the QP that the Lindero samples tested represent the orebody with respect to grade and metallurgical response. The differences between metallurgical lithologies are minimal with regard to extraction. Cyanide consumptions are higher with the more oxidized Met 2 samples as would be expected. Minimal metallurgical differences were expected after review of the historical work.

Physical differences appear to have greater impact on the processing of the Lindero met types. Of significant importance is the ability of the agglomerated ore to support the planned heap height.

No significant deleterious materials such as mercury or clays were noted in the samples tested.

A high level of metallurgical and process risk mitigation is incorporated in the process design with HPGR crushing, agglomeration and the SART plant. With these installations any expected short-term variation in ore composition (i.e. elevated soluble copper content) or physical properties (i.e. elevated gypsum levels or increased ore hardness at depth) can be accommodated in the normal course of operations.

Mineral Resources and Mineral Reserves

Mineral Resources have only been estimated for the Lindero Deposit.

Mineral Resource estimation of the Lindero Deposit involved the use of drill hole and channel sample data in conjunction with surface mapping to construct three-dimensional (3-D) wireframes to define individual lithologic structures and oxide–mixed–sulfide horizons. Drill hole samples were selected inside these wireframes, coded, composited and grade top cuts applied if applicable. Boundaries were treated as either soft, firm or hard with statistical and geostatistical analysis conducted on composites identified in individual lithologic units. Gold and copper grades were estimated into a geological block model consisting of 10 m x 10 m x 4 m selective mining units (SMUs). Grades were estimated using dynamic anisotropy by ordinary kriging (OK) and constrained within an ultimate pit shell based on estimated metal prices, costs, geotechnical constraints, and metallurgical recoveries to fulfill the expectation of reasonable prospects of eventual economic extraction. Estimated grades were validated globally, locally, and visually prior to tabulation of the Mineral Resources.

Mineral Reserves are exclusive of Mineral Resources and Mineral Reserve estimates have considered only Measured and Indicated Mineral Resources as only these categories can be considered Mineral Reserves (CIM, 2014). Subject to the application of modifying factors, Measured Resources may become Proven Reserves and Indicated Resources may become Probable Reserves.

Mineral Reserves and Mineral Resources exclusive of Mineral Reserves as of September 9, 2017 are reported in Table 1.2 and Table 1.3 respectively:

Table 1.2 Mineral Reserves as of September 9, 2017

Classification	Tonnes (000)	Au (g/t)	Cu (%)	Contained Metal
				Au (koz)
Proven	26,009	0.74	0.11	618
Probable	62,263	0.57	0.11	1,131
Proven + Probable	88,272	0.62	0.11	1,749

Table 1.3 Mineral Resources as of September 9, 2017

Classification	Tonnes (000)	Au (g/t)	Cu (%)	Contained Metal
				Au (koz)
Measured	610	0.24	0.06	5
Indicated	11,897	0.24	0.07	92
Measured + Indicated	12,507	0.24	0.07	97
Inferred	5,700	0.36	0.10	65

Notes:

- Mineral Reserves and Mineral Resources are as defined by CIM Definition Standards on Mineral Resources and Mineral Reserves
- Mineral Resources are exclusive of Mineral Reserves
- Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability
- There are no known legal, political, environmental, or other risks that could materially affect the potential development of the Mineral Resources or Mineral Reserves at Lindero
- Mineral Resources and Mineral Reserves are estimated and reported as of September 9, 2017
- Eric Chapman, P.Ge. (APEGBC #36328) is the Qualified Person for resources and Edwin Gutierrez (SME Registered Member #4119110RM) is the Qualified Person for reserves, both being current or former employees of Fortuna Silver Mines Inc.

- Mineral Reserves for Lindero are reported based on open pit mining within designed pit shells based on variable gold cut-off grades and gold recoveries by metallurgical type. Met type 1 cut-off 0.27 g/t Au, recovery 75.4 %; Met type 2 cut-off 0.26 g/t Au, recovery 78.2 %; Met type 3 cut-off 0.26 g/t Au, recovery 78.5 %; and Met type 4 cut-off 0.30 g/t Au, recovery 68.5 %. The cut-off grades and pit designs are considered appropriate for long-term gold prices of US\$ 1,250/oz. Assumptions used in the pit design are the same as those for the resources
- Lindero Mineral Resources are reported within a conceptual pit shell above a 0.2 g/t Au cut-off grade using a long-term gold price of US\$ 1,250/oz, mining costs at US\$ 1.67 per tonne of material, with total processing and process G&A costs of \$7.84 per tonne of mineralized material and an average process recovery of 75 %. The refinery costs net of pay factor were estimated to be US\$ 6.90 per ounce gold. Slope angles are based on 3 sectors (39°, 42°, and 47°) consistent with geotechnical consultant recommendations
- Totals may not add due to rounding

Mineral Reserves are estimated at 88.3 Mt as of September 9, 2017 which is sufficient for a thirteen-year LOM considering 350 days in the year for production and a capacity rate of 18,750 tpd. Expectation based on an optimized production schedule is for an annual average production of 129,000 troy ounces of gold.

Proven and Probable Mineral Reserves are estimated to contain 1.75 Moz gold, reflecting a 12 % decrease in contained gold ounces relative to the October, 2015 Mineral Reserve estimate. Variations are the result of:

- A smaller ultimate pit shell based on updated metal prices, mining costs, and metallurgical recoveries resulting in a decrease in the Measured and Indicated Mineral Resources
- 2016 drilling which upgraded 12 Mt to Indicated Mineral Resources with a loss of that amount of Inferred Mineral Resources
- Adjustments to the geological interpretation and estimation methodology

Mining methods

Lindero will be an owner-operated conventional open pit mining operation with a nominal rate of 18,750 tpd of ore and a life of pit operations of 13 years using existing reserves. The ratio of waste to ore over the LOM is 1.2 to 1. The key mining fleet equipment will be initially composed of six 91 tonne (100-ton) trucks and two 17 cubic yard wheel loaders.

In the initial two years, the operation will benefit from mining the higher-grade, outcropping portion of the deposit, with an average head grade of 0.90 g/t Au, and a low strip ratio of 0.77 to 1. For the initial four years, the average head grade is projected at 0.77 g/t Au, and a strip ratio of 1 to 1.

Mining costs benefit from short haul distances from the pit to the primary crusher and waste dumps. Maximum distances are in the range of 2 km. The LOM direct mining cost is estimated at US\$ 1.1 per tonne moved.

The QP is of the opinion that:

- The mining method being used is appropriate for the deposit being mined
- The open pit, heap leach pad, stockpiles, waste dump designs, and equipment fleet selection are appropriate to reach production targets
- The mine plan is based on successful mining philosophy and planning, and presents low risk
- Inferred Mineral Resources are not included in the mine plan and are considered as waste
- The mobile equipment fleet presented is based on simulations and bench marks to similar operations achieving similar production targets
- All mine infrastructure and supporting facilities meet the needs of the current mine plan and production rate
- Major planned maintenance of the main equipment, such as loaders and trucks, have been covered in sustaining capital by purchasing additional equipment that can replace any possible lost production hours and not impact production targets
- The ancillary equipment appears to be undersized, especially dozers, but this would be covered by renting additional equipment as necessary

Recovery methods

Most of the major process concepts presented in the 2016 Technical Report such as: high pressure grind roll (HPGR)-crushing, cyanide heap leaching and carbon adsorption recovery, remain unchanged for the updated 2017 Lindero Technical Report. Additional physical and metallurgical understanding, developed by the testwork conducted by the Company in 2016 and 2017, resulted in modifications in the approach to these major process concepts for the Lindero Project as follows.

- A concentrated cyanide cure was added to shorten the leach cycle and increase extraction
- Agglomeration with cement was added to support a 110-m-high heap with the HPGR-crushed ore
- Conveyor stacking was included from startup
- Two-stage leaching was included to increase preg grades and reduce overall flowrate to the ADR plant
- A SART plant was included to control the copper in solution
- Leach solution flow will be increased 150 % in Year 4 to reduce in-heap gold inventory

Unit operations for the Lindero process were selected based on the physical and metallurgical needs of the Lindero ore to achieve maximum extraction of gold. No novel or untried technology will be employed in the process.

Project infrastructure

The QP is confident that all mine and process infrastructure and supporting facilities have been included in the general layout to ensure that they meet the needs of the mine plan and production rate and notes that:

- The Project will have good year-round access with significant road improvements planned for stretches of road between Tolar Grande and the Fortuna camp
- The Project site infrastructure has a compact layout footprint of approximately 60 ha
- Power will be generated on-site by a contractor through an 8 MW capacity diesel oil plant
- Electrical power will be generated on site under a contract power supply arrangement with a local company who specializes in such services
- Total water requirements are 97.7 m³/hr and will be primarily sourced from two existing wells located 13km southeast of the Project site, along with an additional well to be drilled as part of construction activities
- Most of the process buildings for the Lindero Project have been primarily designed as steel frame buildings with modular thermo-acoustic panels; in general, these are pre-engineered and pre-fabricated steel buildings which include all structural members, exterior doors and windows, roofs, insulation, interior and exterior wall panels and all connectors required to erect and assemble the buildings on-site
- A permanent accommodation camp for 320 beds will be built for the LOM operation. For the construction period, temporary accommodations will be implemented to accommodate the peak of construction manpower estimated at 600 people

Market studies and contracts

No market studies are currently relevant as the Lindero Project will produce a readily-saleable commodity in the form of doré.

As of the effective date of the Lindero Technical Report, Fortuna has not entered into any material contracts required for the development of the Lindero Project including mining, concentrating, smelting, refining, transportation, handling, sales and hedging, and forward sales contracts or arrangements.

The gold price used for the base case cash flow analysis is \$1,250/oz. Sensitivities with variable price projections have also been considered. The Lindero Project, like most gold projects, is highly sensitive to changes in the gold price.

The Lindero mine product will be doré bars containing an estimated gold content averaging 84 % for the Project life. Overall gold extraction in respect to ore placed on the heap leach is estimated to be approximately 75 %.

The QP has reviewed the information provided by Fortuna on marketing, contracts, metal price projections and exchange rate forecasts and notes that the information provided is consistent with the source documents used, and that the information is consistent with what is publicly available regarding industry norms. The information can be used in mine planning and economic analyses for the Lindero Project in the context of the Lindero Technical Report.

Environmental studies and permitting

In November 2010, Mansfield submitted an Environmental Impact Assessment (EIA) for the Lindero Project, and in November 2011 received approval through the issue of the Declaración de Impacto Ambiental (DIA). Approval of the EIA represents formal approval for mine construction, allowing excavation to proceed. Environmental law requires that the EIA be updated biannually with the current report submitted in December 2015 and an updated report planned for submission in March 2018.

Mansfield received a mine permit to build a heap-leach gold mine at up to 30,000 tpd as detailed in the Pre-Feasibility Study (AMEC, 2010b).

The Salta Provincial authorities have approved the building and electrical permits that Mansfield requires to commence construction at Lindero. Electrical, structural, building and seismic plans have been reviewed and approved by COPAIPA (Dec 2013), the professional engineering institution that overlooks all construction in Salta Province. Mansfield is planning to submit additional information to COPAIPA in 2017 to obtain the permits for construction of the agglomeration and SART plants that have been added to the process design. Mansfield does not foresee any issues in obtaining the necessary permits to complete construction and commence operation at Lindero.

In addition, a formal public declaration of support for the Lindero development has been issued by the provincial government, recognizing Lindero as the priority development project for the Salta Province.

Environmental risks during the closure stage will be reduced by remediation and monitoring work. At the closure stage, soil will be contoured by heavy machinery to minimize the long-term impact of mining activity, and return the topology of the land to resemble prior conditions. However, the movement of soil, and thus the risk, will be significantly less than in the mining operations stage.

One social-environmental risk will be the completion of contracts of employment directly, or indirectly, through contractors, and the surrounding communities. It will be imperative to implement measures to mitigate this impact during the whole period of mine operation.

A significant environmental risk will also be present during the closure of facilities, which will cause significant production of non-hazardous industrial waste and hazardous products from the movement of heavy machinery. It will be essential to establish clear environmental policies with the contractors during this process.

It is the opinion of the QPs that the appropriate environmental, social and community impact studies have been conducted to date at Lindero. Mansfield has maintained all necessary environmental permits that are the prerequisites for the granting of construction permits that will need to be obtained upon completion of detailed engineering designs for the Project infrastructure.

Capital and operating costs

Capital and operating costs for the Lindero Project were estimated by Fortuna with the assistance of Elbow Creek, Allard Engineering Services, and Saxum Engineered Solutions (Saxum), a local engineering firm. These costs are based on the design outlined in the Lindero Technical Report, and are considered to have an accuracy of +/-15 %. All costs are in second and third quarter 2017 US dollars (US\$). No escalation factors have been applied to any costs, present or future capital. The total mine capital cost is estimated to be US\$ 282 million.

Expansion (future) capital for the Project includes the Phase 2 leach pad construction in Year 3, and expansion of the ADR plant and solutions handling in the leach pad area in Year 3. The total future capital is estimated at US\$ 113 million.

Closure and reclamation costs are estimated at US\$ 35 million, incurred in Year 13 through Year 17.

The total LOM operating cost for the Lindero Project is US\$ 10.32 per tonne of ore processed.

Costs were estimated primarily by Fortuna for mine pre-production and mine equipment costs. Saxum provided cost estimates for major and secondary equipment, buildings, infrastructure and major contracts. All equipment and material requirements are based on the design information described in the Lindero Technical Report. Capital cost estimates have been made primarily using budgetary supplier quotes for all major and most minor equipment items, and major construction contract unit rates. Where supplier quotes were not available for minor items, a reasonable cost estimate was made based on supplier quotes in Saxum's project files. All capital cost estimates are based on the purchase of equipment quoted new from the manufacturer, or estimated to be fabricated new.

Economic analysis

The results of the economic analysis discussed in the Lindero Technical Report represent forward-looking information as defined under Canadian securities law. The results depend on inputs that are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those presented here. Such uncertainties and factors include, among others, changes in general economic conditions and financial markets; changes in prices for gold and other metals; technological and operational hazards during the development of the project; risks inherent in mineral exploration; uncertainties inherent in the estimation of mineral reserves, mineral resources, and metal recoveries; the timing and availability of financing; governmental and other approvals; political unrest or instability; labor relations issues; as well as those factors discussed under "Risk Factors" in Fortuna's Annual Information Form for fiscal 2016. Although Fortuna has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in the Lindero Technical Report, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended.

The Lindero Project economics were evaluated using a discounted cash flow (DCF) method, which estimates the net present value (NPV) of future cash flow streams. The final economic model was developed by Fortuna using the following assumptions:

- Period of analysis of 16 years (includes one year of pre-production and investment), 13 years of production, and two years for closure and reclamation
- Gold price of US\$ 1,250/oz
- Processing rate of 18,750 tpd ore
- Metallurgical recovery of 75 %
- Initial capital and operating costs as developed in Section 16.5 and 21 of the Lindero Technical Report
- Closure capital costs as outlined in Section 20 of the Lindero Technical Report

The Lindero Project shows an NPV of US\$ 130 million after tax using a discount rate of 5 %, with an internal rate of return (IRR) of 18 %, and a payback period of 3.6 years, based on the LOM production plan, assumed metal prices, and integrated leaching treatment of gold and copper.

NPV and IRR display the greatest sensitivity to gold metal prices and metallurgical recoveries according to the sensitivity analysis.

The QP considers the financial model to be a reasonable estimate of the economic situation at Lindero and based on the assumptions in the Lindero Technical Report, the Lindero Project shows a positive DCF over the LOM and supports the Mineral Reserve estimate. The mine plan is achievable under the set of assumptions and parameters presented.

Other Relevant Data and Information

Goldrock commissioned Vector Argentina SA (Ausenco; 2009a, b) and Conhidro (2013) to conduct a hydrologic study of the Project area, during the detailing of the environment base line map and EIA study. As part of the study, the Rio Grande hydrologic basin was defined through the evaluation of various field parameters and review of satellite images. The basin was determined to be 1,687 km² in size. Exploration for groundwater resources was undertaken, and successfully identified possible sources.

A number of geotechnical studies were performed at the Lindero Project and reviewed by CNI. Those studies form the basis for the pit slope estimates used in the mining model. Included in the studies were geotechnical surveys for heap leach and waste dumps. These studies are considered by the Lindero Technical Report to be consistent with industry practices and adequate to support mine design.

Conclusions, Risks, and Opportunities

The Lindero Technical Report represents the most accurate interpretation of the Mineral Reserve and Mineral Resource available as of the effective date of the Lindero Technical Report. The conversion of Mineral Resources to Mineral Reserves was undertaken using industry-recognized methods, and estimated operational costs, capital costs, and plant performance data. Thus, it is considered to be representative of future operational conditions. The Lindero Technical Report has been prepared with the latest information regarding environmental and closure cost requirements.

A number of opportunities and risks were identified by the QPs during the evaluation of the Lindero Project.

Opportunities include:

- Once mining commences there is an opportunity to collect additional geotechnical data from the open pit that could support an increase in final pit slope angles, potentially decreasing stripping ratios and/or increasing Mineral Reserves.
- The Arizaro porphyry system is not included in the current mine plan. However, it represents upside opportunity for the Project if a satellite operation can be developed on the deposit.
- Infill drilling could support the conversion of Inferred Resources to Measured or Indicated Resources and, with the appropriate studies, to Mineral Reserves. This represents additional upside potential for the planned operation.
- The Lindero porphyry gold system remains open at depth below the pit shell constrained reported reserves and resources. An area of interest has been identified by Fortuna during the drilling campaign carried out in 2016 with drill hole LDH-126 encountering 0.97 g/t Au over a 38 m interval (refer to discussion in Section 10). This is supported by historical drilling from 2007 including drill hole LDH-86 averaging 1.06 g/t Au over a 52 m interval which bottomed in mineralization. These intercepts warrant follow-up drill testing.
- There are a number of local exploration targets within the concession boundary, that with further work, represent upside opportunity to identify mineralization that can potentially add to the resource base.
- If historical samples are assayed for cyanide-soluble copper, there is an opportunity to construct a metallurgical model and incorporate this into the scheduling and process design. This would support optimization of blending strategies and better understanding of recoverable copper as a by-product from the SART plant. Improved copper recoveries could have a minor positive impact on the mine economics.
- Performance of the equipment can be tracked with the implementation of a fleet management system to record the main key performance indicators (KPI's) which will provide an opportunity to improve utilization and time loss productivity.
- Once mining commences there is an opportunity to conduct additional blasting fragmentation analysis so as to improve mining productivity and optimize mining costs.

Risks include:

- Local behavior of cyanide-soluble copper is not fully understood, and cannot be modeled due to a lack of assays from historical core. Levels of soluble copper could be higher than anticipated in certain areas of the deposit requiring adjustments to mine plans and schedules to reduce the impact in the plant. The introduction of a SART plant has greatly reduced the potential impact of soluble copper at the Project.
- Delaying the acquisition of fleet equipment could cause delays in the execution of certain activities. It is therefore imperative that a clear schedule of lead times is established, and equipment purchased in a timely manner to ensure on time delivery.

- Fortuna calculates that two loaders are needed from Year 3 onwards, but simulations indicate that three may be required in Year 2. Once mining commences and data on loader productivity is collected, a new fleet simulation should be performed to confirm if a third loader is required in Year 2 and if so how this will affect sustaining capital expenditure.
- There is a risk that two dozing machines in the original capital estimate are insufficient. Fortuna plans to mitigate this risk by renting additional ancillary equipment as required.
- There is a risk that haul truck tire life of 8,500 hours is higher than can be achieved at the operation, which could lead to marginally higher operating costs than anticipated.

Recommendations

Recommendations for the next phase of work have been broken into those related to ongoing exploration activities and those related to additional technical studies. Recommended work programs are independent of each other and can be conducted concurrently unless otherwise stated and include:

- Continued work at Arizaro that focuses on the controls of lithology, structure, and alteration on mineralization so as to determine the suitability of material as a potential feed for the Lindero plant and to support the estimation of Mineral Resources. It is recommended that a 2,000-m reverse circulation (RC) drill program (approximately 100 holes at a 75 m spacing) is conducted at a cost of approximately US\$ 500,000.
- An infill drill program involving the drilling of approximately 3,000-m of RC drill holes is recommended to improve the geological understanding of material planned for extraction in Years 1 and 2 of the mine. The cost of such a program is estimated at approximately US\$ 750,000.
- Exploration work to date on the Lindero concession has been focused on outcropping porphyry mineralization. It is recommended that the Company evaluate the property for mineralization beyond the two known porphyry systems at Lindero and Arizaro. For example, alteration zones and silica structures located within the concession, 2.5 km due south of the Lindero Project site, remain open for evaluation. Exploration work would primarily involve mapping and carry no additional cost to the Lindero Project.
- It is recommended that a drill hole spacing study be conducted to establish the density of sampling that is required to reduce the grade variability to acceptable levels for specified extraction time frames in respect to infill and blast control drilling. This will be used to support the estimated meters of infill drilling. The study can be conducted either inhouse (at no cost) or by external consultants, at an estimated cost of US\$ 25,000.
- Additional analysis is recommended into the mine operating and ore control process, in particular, the usage of optimum dig lines for open pit grade control, with the objective of minimizing ore loss and maximizing profit. The cost of licenses and implementing such software is estimated at US\$ 276,000.
- A fleet management system should be considered for KPI purposes, which will provide an opportunity to improve utilization and time loss productivity. The cost of licenses and implementing such software is estimated at US\$ 1.5 million.
- The cement in each lift on the heap will cure for several months before another lift is placed. It may be several years before any block of agglomerated ore receives 110 m of loading. It is recommended that a long-term stacking test be conducted to see if ageing will improve the ability of the ore to support the 110 m height with less cement. The estimated cost of the testwork is US\$ 20,000.
- The high static holdup (adsorbed moisture) in the heap makes the secondary leach at 6 l/hr/m² inefficient when the heap height increases. There is a possibility that a surface tension modifier may reduce the amount of adsorbed moisture in the heap reducing the inventory. The estimated cost of the testwork is US\$ 20,000.

[End of Extract of Summary from Lindero Technical Report]

See “Three Year History and Recent Developments - Mineral Reserve and Mineral Resource Estimates” herein for further information regarding the Linderro Mine.

Yaramoko Mine, Burkina Faso

The following is the Summary from the technical report (the “Yaramoko Technical Report”) entitled “Technical Report for the Yaramoko Mine, Burkina Faso”, with an effective date of December 31, 2021 prepared by Paul Criddle, FAUSIMM, Paul Weedon, MAIG, Matthew Cobb, MAIG, and Craig Richards, P.Eng. This Summary is subject to certain assumptions, qualifications and procedures described in the Yaramoko Technical Report and is qualified in its entirety by the full text of the Yaramoko Technical Report which is available for viewing on SEDAR at www.sedar.com and is incorporated by reference in this AIF, and is also filed with the SEC on EDGAR (available at www.sec.gov). Defined terms and abbreviations used herein and not otherwise defined shall have the meanings ascribed to such terms in the Yaramoko Technical Report.

Introduction

The Yaramoko gold mine (Yaramoko Gold Mine or Yaramoko) is an underground mining operation that commenced production in 2016.

Recent exploration drilling and a review of mine engineering designs in 2020 and 2021 supports the development of an open pit mine at the completion of the 55 Zone underground mine which includes the mining of near surface mineralization remaining in the crown pillar and remnant mineralization from earlier underground mining. Open pit mining would only commence at the conclusion of underground mining due to the need to remove certain key surface infrastructure associated with the underground mine.

This updated technical report (Technical Report or Report) discloses the methodology for estimating the Mineral Resources and Mineral Reserves reported as of December 31, 2021 and summarizes the scientific and technical information that supports the current underground mine and proposed open pit operation. It presents the assumptions and designs at a level of accuracy that is required to demonstrate the economic viability of the Mineral Resources defined for the underground and open pit mining of the Yaramoko Gold Mine. The opinions contained herein and effective as of December 31, 2021, are based on information collected by the company throughout the course of its investigations. The Report will also be used to support the Annual Information Form (“AIF”) for the fiscal year ended December 31, 2021.

Property Description and Ownership

The Yaramoko Gold Mine is located approximately 200 kilometers (km) southwest of Ouagadougou in the Balé Province in western Burkina Faso. The centroid of the 55 Zone gold deposit in the Yaramoko gold mine (Yaramoko or the Yaramoko Gold Mine) is located at 3 degrees and 16 minutes longitude west (3.28 degrees west) and 11 degrees and 45 minutes latitude north (11.75 degrees north).

The QV1 Zone which is the main deposit of the Bagassi South project, is geologically similar to the 55 Zone and is located about 1.8 km south of the 55 Zone.

The Yaramoko Gold Mine is operated by Roxgold Sanu S.A. (Roxgold Sanu), a company incorporated, registered and subsisting in accordance with the laws of Burkina Faso and which is a 90 percent directly owned subsidiary of Roxgold Inc. (Roxgold) with the remaining 10 percent interest held by the State of Burkina Faso. Roxgold was a Canadian public company listed on the Toronto Stock Exchange until July 2, 2021, when Fortuna Silver Mines Inc. (Fortuna or the Company) acquired all of the issued and outstanding shares of Roxgold resulting in Roxgold becoming a wholly-owned subsidiary of Fortuna. Fortuna is a Canadian public company with its shares listed on the Toronto Stock Exchange under the symbol FVI and on the New York Stock Exchange under the symbol FSM.

The Government of Burkina Faso receives a 3 percent royalty on the revenues from mineral production if the gold price is lower than \$1,000 per ounce, 4 percent if the gold price is between \$1,000 and \$1,300 per ounce and 5 percent if the gold price is higher than \$1,300 per ounce. The Government also collects various taxes and duties on the imports of fuels, supplies, equipment and outside services, as specified by the Burkina Faso Mining Code.

Roxgold Sanu was awarded a *Permis d'exploitation industrielle*, the Burkina Faso equivalent of a Mining Permit, through *Decree 2015-074 PRES-TRANS/PM/MME/MEF/MERH* for Yaramoko on January 30, 2015. This was followed by the approval of the National Mines Commission meeting held on May 24, 2015.

An extension to the Mining Permit to incorporate the Bagassi South Zone Bagassi South project into the Mining Permit was awarded through *Decree 2018-0656/PRES/PM/MMC/MINEFID/MEEVCC* for Yaramoko dated July 30, 2018. This extension (Bagassi South Zone) adds 7.2 square kilometers (km²) to the permit, for a total of 22.9 km². The extension decree only defines the geographic scope of the original mining license which thus stays under the Mining Code which granted it (2003 in this case), and the dates of grant or renewal remain unchanged.

The Yaramoko Gold Mine area has been explored since 1974. Ownership of the property has changed twice; the Yaramoko Exploration Permit was initially granted to Riverstone Resources Inc. (Riverstone) in 2006 and was transferred to Roxgold in September 2012. On July 2, 2021 Fortuna completed the acquisition of Roxgold.

History

Between 1974 and 1995, *le Programme des Nations Unies pour le Développement* (PNUD) and the *Bureau des Mines et de la Géologie du Burkina* (BUMIGEB) conducted intermittent exploration work in and around the current permit area, with significant results reported by Willemyns of PNUD in 1982 (as cited in Riverstone, 2008) from two quartz vein core samples collected in the area of Bagassi East that returned 2.9 grams of gold per tonne (g/t Au) over a core length interval of 1.45 meters (m), and 6.36 g/t Au over a core length interval of 0.30 m.

In 1995, Placer Outokumpu Exploration Limited conducted soil sampling in the area of Bagassi-Yaramoko on behalf of Supply Services and Burkina. The sampling returned a small number of isolated values greater than 100 parts per billion (ppb) gold. A single sample returned a value of 760 ppb gold and was reported to have been collected in an area underlain by Tarkwaian sedimentary rocks (Riverstone, 2008).

In 1996, S.à.r.l. Shield Resources of Burkina Faso conducted exploration work in the Bagassi area with a few anomalous points returned; however, no follow-up work was conducted (Riverstone, 2008).

Other than small scale *orpillage* (artisanal mining) conducted on a few areas of the property there has not been any known production from the Yaramoko Gold Mine prior to the start of operations in 2016 by Roxgold. Gold production since 2016 to the end of December 2021 is 0.73 million ounces (Moz).

Accessibility, Climate, Local Resources, Infrastructure, and Physiography

The closest major town to the Yaramoko Gold Mine is Boromo, located 50 km away. It is serviced by the national power grid and it hosts a hospital and additional suppliers. However, major purchases and procurements come from Ouagadougou. It can be reached via the highway system by traveling west from Ouagadougou on paved highway for approximately 200 km, or alternatively traveling east from Bobo-Dioulasso for approximately 150 km to the village of Ouahabou, and then north-northwest by laterite road for approximately 20 km to the village of Bagassi.

Roxgold's Sabarya camp is a purpose built 306-person accommodation camp built in 2015 with associated recreational and messing facilities. Adjacent to the accommodation camp are the exploration offices and associated secure area for logging and processing drill core and for storing exploration equipment. The milling complex, administrative and mining contractor offices, warehouses and associated maintenance and back-up power facilities, are accessed by a 1 km laterite road constructed by Roxgold. The 55 Zone mine portal is also located in this complex while the Bagassi South mine portal is located 1.8 km to the south.

The closest village is Bagassi which has a population of approximately 3,000 people. Agriculture is the main industry in the region with production of millet, groundnut, and cotton.

The climate is semi-arid with a rainy season from April to October and a warm dry season from November to February and hot from March to June. Temperatures range from a low of about 15 degrees Celsius (°C) in December to highs of about 45 °C in March and April. Annual total rainfall in the area averages 800 millimeters (mm).

Geology and Mineralization

The north-northeast-trending Boni shear zone divides the Yaramoko Gold Mine between the predominantly Houndé volcanic and volcanoclastic rock to the west and the Diébougou granitoid domain composed predominantly of granitic rock with minor volcanic rock to the east. The main lithological units are mafic volcanic rocks, felsic intrusions, and late dolerite dikes. This region is considered prospective for orogenic gold deposits, which typically exhibit a strong relationship with regional arrays of major shear zones.

The largest granitic intrusion found on the Yaramoko concession is host to both the 55 Zone and Bagassi South gold deposits. Both deposits are set on the eastern margin of the intrusive in the footwall of the Yaramoko shear along conjugate dextral faults located in extensional position to the regional shear zone. The bulk of the gold mineralization occurs in dilatational segments of the shear zones where quartz veins are thicker and exhibit greater continuity.

The Bagassi South deposit is located 1.8 km south of 55 Zone and the surface definition of the veins can be traced over a strike length of some 800 m and dips to the northeast. Gold typically occurs as coarse free grain in quartz and is associated with pyrite.

Exploration Drilling and Sampling

Riverstone started exploration work on the Yaramoko property in 2005 before Roxgold became involved in late 2010. The exploration programs comprised soil and rock sampling, airborne and ground geophysics, rotary air blast, auger, reverse circulation, and core drilling.

Rotary air blast drilling was used to follow up soil anomalies in 2011 and 2012 (1,887 rotary air blast boreholes) while auger drilling was used for collecting soil samples under the transported cover in 2012 and 2013 (2,669 auger boreholes totaling 13,480 m). Rotary air blast and reverse circulation drilling was then used to trace gold in soil anomalies to bedrock, positive results from reverse circulation drilling were followed with core drilling to confirm the geological setting of each target. This method successfully identified the 55 Zone, and thereafter other gold mineralized zones on the property including Bagassi South.

From 2015 to 2021, Roxgold drilled a total of 417 core holes (77,964 m) from surface and underground at Bagassi South on the QV1 and QV' structures to infill and extend mineralization up and down dip, with increasing focus on resource conversion and infill. In 2020-21 a final stage of extension drilling was completed.

A deep drilling program from surface was carried out at the 55 Zone during 2018-2019, following on from an earlier 2017 surface drilling program. This program was designed to infill mineralization previously intersected during the 2017 surface drilling campaigns between 700 m and 1,000 m below surface. A second phase of this program in 2019 saw additional drilling from surface testing further down-plunge extensions to approximately 1,300 m below surface. In 2020 and 2021, additional diamond drilling from dedicated underground platforms was carried out at the 55 Zone, focusing on infilling and mineral resource conversion, and testing for strike and down-plunge extensions. A total of 127 diamond drill holes for 72,503 m was drilled during the 2018-2021 campaigns.

Core drilling from surface typically utilized HQ sized core (63.5 mm diameter) from the top of the borehole to the point where the rock showed no signs of oxidation; typically, 20 to 30 m in depth. At that point, the core size was reduced to NQ (47.6 mm diameter). Down-hole deviation was monitored using a Reflex Instruments device at 15, 25, and 50 m intervals, and then approximately every 50 m thereafter. Core drilling from underground stations utilized NQ core. Core recoveries are high, averaging 99 percent, reflecting the competent nature of the host lithologies.

Surface drill collar surveys were carried out using a site based Differential Global Positioning System (DGPS) which has been calibrated with the regional geodesic system. Underground drill collar surveys were carried out using a total station operated and managed by the mining contractor surveyors, African Underground Mining Services (AUMS).

Downhole surveys generally used Reflex cameras, either single-shot or multi-shot provided by the drilling contractor and calibrated prior to use on site.

Core boreholes considered for mineral resource modelling in the 55 Zone were drilled on centers of 12.5 m to a vertical depth of 75 m, 25 to 30 m centers from 75 to 400 m vertical depth, 25 to 50 m centers from 400 to 800 m vertical depth, and wider spacings at deeper depths. At Bagassi South, the QV1 structure was drilled to approximately 30 to 35 m centers.

Standardized sampling protocols were used for core sampling by Riverstone in 2011 and by Roxgold between 2011 and 2021. Sample preparation and analyses were conducted by Activation Laboratories Ltd. (Actlabs), ALS Chemex (ALS), BIGS Global S.A.R.L. (BIGS), and SGS Laboratories (SGS) located in Ouagadougou, as well as by SGS in Tarkwa and TSL Laboratories (TSL) in Saskatoon. Seventy one percent of the core samples informing the mineral resource (49,675 out of 69,548 samples) were prepared and assayed by Actlabs in Ouagadougou at 55 Zone, and ninety two percent of the core samples informing the mineral resource (23,368 out of 25,419 samples) were prepared and assayed by Actlabs in Ouagadougou for Bagassi South.

Actlabs, ALS, BIGS, SGS, and TSL are commercial laboratories independent of Roxgold and Riverstone. Actlabs is not accredited to ISO/IEC 17025, but received ISO 9001:2008 certification for its quality management system in April 2013. The ALS Ouagadougou laboratory is also not accredited under recognized accreditation; however, it is part of the ALS Group of laboratories that operates under a global quality management system accredited to ISO 9001:2008 and participates in international proficiency testing programs such as those managed by Geostats Pty Ltd. The SGS Ouagadougou, Yaramoko and Tarkwa laboratories are not accredited under recognized accreditation, but are part of the SGS Group of laboratories that operates under a global quality management system accredited to ISO 9001:2008 and participates in international proficiency testing programs such as those managed by Geostats Pty Ltd. TSL has received ISO/IEC 17025:2005 certification by the Standards Council of Canada for numerous specific test procedures, including the method used to assay samples submitted by Roxgold.

Sampling of core was performed by Roxgold personnel. From the drill site, core was transported by truck to a secure logging facility at the Roxgold field office where it was photographed and logged by a geologist. Selective sampling was employed where, at the discretion of the geologist, samples were collected from visible alteration or vein zones outside of the expected intercepts. All core was sampled 100 m above and below the 55 Zone in boreholes drilled prior to 2014, and thereafter were generally sampled starting from approximately 20 m above the main mineralized zone.

Waste intervals were sampled at 2.0 m intervals, except where a significant geological change occurred and/or in mineralized zones where the sampling intervals averaged between 1.0 m to 1.5 m. The core was then cut in half lengthwise using an electrical rock saw. Half of the sample was placed inside a labelled plastic sample bag. The remaining half was returned to the core box for archiving. Samples were then inserted into woven polypropylene bags prior to being transported by truck to the preparation and assay laboratory.

Roxgold implemented logging onto Maxwell LogChief data capture software in 2019, enabling the direct capture and traceability of logging data via dropdown menus and pre-set codes to promote data hygiene. Prior to 2019, all logging was onto pre-set excel spreadsheets before importation into the database. Reviews of the logging data and associated model interpretation are carried out on a regular basis by the site senior geological team and on each site visit by the qualified person (QP).

Assay data are electronically reported from the laboratory in Microsoft Excel and pdf format and imported into the database after validation, along with the corresponding assay certificates.

Samples received at Actlabs in Ouagadougou were first crushed to 90 percent under 2 mm grain size. A 300 gm split was then pulverized to 95 percent, passing 150 mesh (preparation code RX1). For samples marked as mineralized, a 1,000 g split is pulverized (preparation code RX1+1.3). All samples were assayed using a 30 g fire assay procedure with atomic absorption spectroscopy (AAS) finish with a detection limit of 5 ppb gold (procedure code 1A2) prior to 2014. A 50 g fire assay procedure was used subsequently.

All samples grading over 5.0 g/t Au were re-assayed with a gravimetric finish. Selected samples within the mineralized zones were re-assayed using a 1,000 g screen metallic fire assay procedure with gravimetric finish (procedure code 1A4-1000). With this procedure, a representative 500 g or 1,000 g sample split is sieved at 100 mesh (150 micrometers) with fire assay performed on the entire +100 mesh fraction and two splits of the 100 mesh fraction. The final assay result is calculated based on the results and the weight of each fraction. A total of 99,683 samples have been analyzed using fire assay at the 55 Zone and Bagassi South Zone, including 1,174 via screen fire assay methods.

Implementation of a quality assurance/quality control (QAQC) program is current industry best practice and involves establishing appropriate procedures and the routine insertion of certified reference material (CRMs), blanks, and duplicates to monitor the sampling, sample preparation and analytical process. Roxgold implemented a full QAQC program to monitor the sampling, sample preparation and analytical process for all drilling campaigns in accordance with its companywide procedures. The program involved the routine insertion of CRMs, blanks, and duplicates. Evaluation of the QAQC data indicates that it is sufficiently accurate and precise to support Mineral Resource estimation.

Data Verification

Prior to March 2019, the database was managed by an external consultancy, Taiga Consultants Ltd. (Taiga) of Calgary, Alberta. Exploration data was recorded digitally to minimize data entry errors. Core logging, surveying, and sampling was monitored by qualified geologists and routinely verified for consistency. Electronic data was captured and managed using an electronic database.

Assay results were delivered by the primary laboratories electronically to Roxgold and Taiga. Analytical data was examined for consistency and completeness prior to being entered into the database. Sampling intervals that did not meet analytical quality control standards were re-assayed where necessary.

In March 2019, Roxgold transitioned to Maxwell Geoservice Datashed SQL database system. The database has been set up with a series of automated import, export and validation processes to minimize potential errors and inconsistencies.

Data verification by the QP was conducted through the inspection of selected drill core to assess the nature of the mineralization and to confirm geological descriptions as well as the inspection of geology and mineralization in underground workings of the Zone 55 and Bagassi South veins in addition to reviews of production data.

A series of plan and cross sections were generated displaying the lithologic and mineralization interpretation by the Roxgold geology and exploration departments and reviewed by the QP, while three-dimensional viewing for data interpretation consistency was carried out on screen.

The QP is of the opinion that the data verification programs performed on the data collected by Roxgold are adequate to support the geological interpretations, the analytical and database quality, and Mineral Resource estimation at the Yaramoko Gold Mine.

Mineral Processing and Metallurgical Testing

In June 2013, Roxgold commissioned SRK Consulting (Canada) Inc. (SRK) to provide certain technical engineering services and to prepare a feasibility study in accordance with the disclosure requirements of Canadian Securities Administrators' National Instrument 43-101 (NI 43-101) for the gold mineralization contained in the 55 Zone of the Yaramoko Gold Mine. The study was documented in a technical report published on June 4, 2014.

Since 2014, there have been no further metallurgical test campaigns carried out for the 55 Zone deposit.

The testwork conducted on the 55 Zone samples are considered to be representative of the material intended to be processed from the 55 Zone open pit, given it is the extension of the same deposit.

Additional testwork carried out in support of the processing plant expansion and development of the Bagassi South mine was performed in September 2015 at the ALS metallurgy assay laboratory in Perth, Western Australia, Australia under the supervision of Roxgold and demonstrated very similar characteristics.

It is the opinion of the QP that operational experience since 2016 has demonstrated a consistent metallurgical performance with recoveries between 98 to 99.3 percent supporting the historical test work and is representative of the material remaining to be processed in the life of mine plan (LOMP), including material expected to be sourced from the 55 Zone open pit mining operation.

Mineral Resource and Mineral Reserve Estimates

Since 2014, Roxgold has completed numerous near-mine exploration and resource definition drilling campaigns, both from surface and underground and on a near continual basis, to support the extension of the Yaramoko Gold Mine life at the 55 Zone and Bagassi South. In September 2020, Roxgold initiated a near-mine exploration and resource definition drilling campaign and internally prepared an updated resource model for the Yaramoko Gold Mine using drilling information to June 30, 2021. The Mineral Resources reported herein have been estimated using a geostatistical block modelling approach informed from gold assay data collected in core boreholes. This updated resource model formed the basis of the 2021 year-end Mineral Resources and Mineral Reserves of the Yaramoko Gold Mine. The consolidated Mineral Resources (excluding the Mineral Reserves) for the 55 Zone underground and open pit and Bagassi South underground are presented in Table 1.

Table 1: Mineral Resources for the Yaramoko Gold Mine, as of December 31, 2021

Category	Tonnes (000)	Grade Au (g/t)	Contained Gold (000' oz)
Measured	48	5.83	9
Indicated	456	5.80	85
Measured + Indicated	504	5.80	94
Inferred	247	4.41	35

Notes:

- Mineral Resources are as defined by the 2014 CIM Definition Standards for Mineral Resources and Mineral Reserves
- Mineral Resources are exclusive of Mineral Reserves
- Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability
- Factors that could materially affect the reported Mineral Resources include; changes in metal price and exchange rate assumptions; changes in local interpretations of mineralization; changes to assumed metallurgical recoveries, mining dilution and recovery; and assumptions as to the continued ability to access the site, retain mineral and surface rights titles, maintain environmental and other regulatory permits, and maintain the social license to operate
- Mineral Resources for the Yaramoko Gold Mine are estimated as of June 30, 2021 for underground and as of February 2, 2021 for open pit, and reported as of December 31, 2021, taking into account production related depletion for the period through December 31, 2021
- Yaramoko Mineral Resources are reported in situ at a gold grade cut-off grade of 0.5 g/t Au for the 55 Zone open pit and 2.6 g/t Au for underground, based on an assumed gold price of US\$1,700/oz and the same costs, metallurgical recovery and constrained within an optimized pit shell. The Yaramoko Gold Mine, through Roxgold Sanu, is subject to a 10% carried interest held by the State of Burkina Faso
- Dr. Matthew Cobb is the Qualified Person responsible for Mineral Resources, and is an employee of Roxgold (a wholly-owned subsidiary of Fortuna)
- Totals may not add due to rounding procedures

The 55 Zone Mineral Resource block model was used to estimate underground Mineral Reserves using modifying factors. Mining shapes were designed targeting the Measured and Indicated Mineral Resources only, using an in-situ mining cut-off grade of 3.4 g/t Au and 3.0 g/t Au for 55 Zone and Bagassi South respectively based on a gold price of \$1,600 per ounce (oz), an estimated site operating cost of \$154 per tonne (t) processed, and a metallurgical gold recovery of 98.0 percent.

The mining shapes follow the mineralization wireframes without attempting to trim off any areas below the cut-off grade. Mining recovery and dilution parameters are based on the selected mining method and geotechnical considerations. External dilution applied to the mining shapes, with grades from wall rock dilution directly extracted from the block model and null grade from backfill. Dilution is defined as waste/ore tonnes.

Development ore dilution of 10 percent was included in the selected development drive profiles and reported physicals are the diluted tonnes and grades. Mining recoveries vary from 85 to 93 percent, dependent on stope location and category.

The 55 Zone open pit mineral reserve was estimated using a marginal cut-off grade of 0.9 g/t Au, with a gold price of US\$1,500/oz and a combination of existing relevant operating costs and recoveries, as well as mining contractor rates provided by a reputable and experienced mining contractor operating within the region. Probable Mineral Reserves were estimated from the Indicated Mineral Resource, above a cut-off grade of 0.9 g/t Au, within the ultimate pit design, with 10 percent mining dilution at 0 g/t Au grade, 85 percent mining recovery, existing underground workings and future underground workings within the life of mine plan depleted.

The Mineral Reserves for the Yaramoko Gold Mine are presented in Table 2.

Table 2: Mineral Reserves for the Yaramoko Gold Mine as of December 31, 2021

Category	Tonnes (000)	Grade Au (g/t)	Contained Gold (000' oz)
Proven	300	3.78	36
Probable	1,826	7.27	427
Proven + Probable	2,126	6.78	464

Notes:

- Mineral Reserves are as defined by the 2014 CIM Definition Standards for Mineral Resources and Mineral Reserves.
- Factors that could materially affect the reported Mineral Reserves include: changes in metal price and exchange rate assumptions; changes in local interpretations of mineralization; changes to assumed metallurgical recoveries, mining dilution and recovery; and assumptions as to the continued ability to access the site, retain mineral and surface rights titles, maintain environmental and other regulatory permits, and maintain the social license to operate.
- Mineral Reserves for the Yaramoko Gold Mine are estimated as of June 30, 2021 for underground and as of February 2, 2021 for open pit, and reported as of December 31, 2021, taking into account production related depletion for the period through December 31, 2021
- Mineral Reserves for Yaramoko are reported at a cut-off grade of 0.9 g/t Au for the 55 Zone open pit based on an assumed gold price of US\$1,500/oz, 3.4 g/t Au for 55 Zone underground and 3.0 g/t Au for Bagassi South underground, based on an assumed gold price of US\$1,600/oz, metallurgical recovery rates of 98.0%, surface mining costs of US\$3.26/t, G&A costs of US\$14.5/t, and processing cost of US\$22.85/t, underground mining costs of US\$101.9/t, G&A costs of US\$24.1/t, and processing cost of US\$27.7/t. Underground mining recovery is estimated at 85% and 91% for Bagassi South and 55 Zone stopes respectively and 100% for sill drifts. A mining dilution factor of 10% has been applied for sill drifts, 0.7m and 1.0m dilution skin has been applied for 55 Zone and Bagassi South stopes respectively. Surface Mineral Reserves are reported in situ with modifying factors of 10% mining dilution and 85% mining recovery applied within an optimized pit shell and only Proven and Probable categories reported within the final pit designs. Reported proven reserves includes surface stockpile material.
- Craig Richards is the Qualified Person responsible for the underground and open pit Mineral Reserves reported for the Yaramoko Gold Mine, being an employee of Fortuna.
- Totals may not add due to rounding procedures

Mining Methods

Planned mine operations for the Yaramoko Gold Mine are comprised of the existing 55 Zone Mine and Bagassi South underground mines and the 55 Zone open pit mine.

The 55 Zone and Bagassi South underground mines are a combined operating 1,640 tonne-per-day (tpd) underground operation which utilizes longhole stoping with cemented rock fill as its primary mining method. Stopping at 55 Zone and Bagassi South utilizes 20 m and 17 m sublevel spacing respectively, with longitudinal stope sequencing, retreating towards centralized access declines. Mine development and stoping operations are

conducted for Roxgold by AUMS under a mining services agreement which extends through to the end of 2024. The 55 Zone and Bagassi South operations benefit from shared infrastructure, management, and support services.

The 55 Zone mine has Proven and Probable Mineral Reserves to a depth of 1,100 m below surface with 0.94 million tonnes (Mt) grading 7.35 g/t Au. Mine life for underground mining of the 55 Zone at the planned production rate is currently to the end of 2024.

The Bagassi South mine has Proven and Probable Mineral Reserves to a depth of 235 m below surface with 0.15 Mt grading 6.47 g/t Au comprising of the Bagassi South QV1 and QV' deposits. The QV' deposit is parallel to the main QV1, accessed through the same decline utilizing the same contractors and combined fleet for both development and production activities. Mine life for Bagassi South main QV1 deposit at the planned production rate is to complete by March 31, 2022, with mining the QV' deposit to commence following completion extending the mine life by an additional 15 months.

As of December 31, 2021, the 55 Zone underground mine ore sublevels have been developed in advance of stoping to the 4534 level, 780 m below surface and the access decline has reached a depth of 820 m. All development for the QV1 deposit at the Bagassi South underground mine has been completed with the QV' development planned to be commenced following the completion of production activities in QV1. Development for the 55 Zone and Bagassi South underground mines are well-advanced which provides operational flexibility.

At the time of compiling this Technical Report, there has been no open pit mining at the Yaramoko Gold Mine.

In September 2020, a geotechnical study was completed to support the 55 Zone open pit by geotechnical consultancy MineGeoTech Pty Ltd (MineGeoTech). In February 2021, a mining study of the 55 Zone open pit was completed by independent international mining consultancy Entech. The Entech (2021) mining study included an economic assessment. The MineGeoTech (2020) geotechnical study and the Entech (2021) mining study were reviewed by the QP prior to the release of this technical report. The QP regards the study work completed on the 55 Zone open pit to be at a preliminary feasibility study (PFS) level of confidence and of sufficient accuracy to support the 55 Zone open pit Mineral Reserve estimate.

The 55 Zone open pit mining study supports mining the 55 Zone via conventional drill, blast, load and haul open pit mining methods. Mining is proposed to be via a contract miner, with mining costs estimated from rates received from an experienced mining contractor operating within the region. Open pit mining of the 55 Zone deposit is proposed to commence upon completion of underground mining operations of the 55 Zone deposit.

Run of Mine (ROM) ore will be extracted from the ultimate pit via a 25 m wide haul road from the surface down approximately 100 vertical meters to the 5,205 m reduced level (RL), and then via a 15 m wide single lane haul road down another 95 vertical meters to the 5,110 m RL. The ultimate pit is approximately 800 m long, 375 m wide, and 200 m in depth. All pit haul road gradients have been designed at a 1:10 slope. Both pit stage designs utilize a minimum mining width of 20 m and 5 m goodbye cuts (Entech 2021).

Recovery Methods

The mineral processing and metallurgical test work conducted on the 55 Zone and Bagassi South QV1 gold deposits by ALS Metallurgy confirmed the coarse free gold nature of the deposit. Gold extraction using gravity and leaching processes yields excellent gold recoveries for both deposits. As a result, the Yaramoko gold processing plant has exhibited high rates of metallurgical performance in treating the 55 Zone and Bagassi South ore since commencing operations in 2016.

In 2019, an expansion of the plant was undertaken to increase the nameplate capacity of the project from 270,000 tonnes per annum to 400,000 tonnes per annum (1,100 tpd) and was designed and constructed by DRA (Pty.) Ltd in Johannesburg, South Africa.

The design of the Yaramoko plant is a simplistic flowsheet that incorporates secondary crushing, single stage SAG milling, carbon in leach (CIL) and gravity recovery circuits, elution and smelting circuits to produce gold doré.

Water is sourced primarily from the water storage facility and supplemented from the underground mining dewatering activities and a bore field network. The water storage dam is located approximately 2 km from the plant, adjacent to the tailings storage facility.

Project Infrastructure

The infrastructure and services at the Yaramoko Gold Mine adequately support the current operations being the 55 Zone and Bagassi South underground mines as well as the processing plant. This infrastructure consists of a process plant, a mine service area (offices, workshops, and a warehouse), mine refrigeration and ventilation facilities, a tailings storage facility, a water storage facility, mine access and haulage roads, an explosives magazine, a gendarmerie, an electrical grid connection, and an accommodation camp. The site is also serviced by a laterite airstrip, utilized to transport the operations personnel to and from the mine site, via contract aircraft services.

In 2017, the site was connected to the Burkina Faso electricity grid by teeing into the 90-kilovolt powerline from the Pa substation to the Mana mine site. The capacity of the 90/11-kilovolt substation is 13 megavolt amperes (MVA), which has sufficient spare capacity for the Bagassi South mine and expansion works. In the event of a power outage, there is an emergency diesel generator power station, which is sized to power the entire site operations (except the accommodation camp which has a dedicated emergency generator).

For the development of the open pit phase of the mine, some key underground mine infrastructure associated with the 55 Zone will need to be decommissioned as it will fall within the blast radius of the open pit plan. The underground operations workshop and offices, ventilation and refrigeration facilities as well as above ground power reticulation in that area, would need to be decommissioned and removed before the ultimate pit outline is developed.

The entire Yaramoko Gold Mine is contained within a security fence, with key infrastructures secured with double fences.

Market Studies

Gold is a freely traded commodity on the world market for which there is a steady demand from numerous buyers. The Fortuna financial department provides the Yaramoko Gold Mine with gold price projections for inclusion in budget and business plan preparations. Pricing is based on long-term analyst and bank forecasts for gold.

For the current Yaramoko Gold Mine, a contract is in place with METALOR Technologies S.A. for the receipt of gold doré from Roxgold Sanu, to process/refine and either to buy or transfer the precious metal to a metal account designated by Roxgold Sanu.

The QP has reviewed the information provided by Fortuna on metal price projections and exchange rate forecasts and note that the information provided is consistent with what is publicly available for industry norms.

Environmental Studies, Permitting, and Social or Community Impact

The Mining Code (*Loi No. 036-2015/CNT du 16 juin 2015*) and the Environmental Code (*Loi N°006-2013/AN du 2 avril 2013*) of Burkina Faso outline the legal framework for social and environmental impacts from mining activities in Burkina Faso. The primary environmental approval required by Roxgold Sanu to develop a mining project is an *Avis de Conformité et de Faisabilité Environnementale*, which is issued by the Ministry of Environment and Sustainable Development (MEDD) through its environmental agency named *Agence Nationale des Evaluations Environnementales* (ANEVE, ex BUNEE). The ANEVE has the mandate to promote, monitor and manage all the environmental assessment process in the country. Such an *Avis de Conformité et de Faisabilité Environnementale* indicates a positive decision of the Minister of Environment on the submitted ESIA. *Avis de Conformité et de Faisabilité Environnementale* were received in 2014 for the first phase of the Yaramoko Gold Mine (55 Zone mine) and in 2017 for the expansion (Bagassi South mine). The respective *Avis* are: (1) *Decree N°2014-155/MEDD/CAB* and (2) *Decree n°2017-431/MEEVCC/CAB*. Any further development of the Yaramoko Gold Mine will follow the same process.

This framework will guide the requirements for future permit modifications to support the 55 Zone open pit development, in a similar way to which the Bagassi South extension was granted in 2017.

At present, the main potential environmental issues identified concern water quality due to seepage or runoff from mine infrastructure; reduced groundwater supply due to the impact of a potential drawdown cone around the mine; and dust from waste rock dumps and the tailings storage facility. The main social issues identified concern livelihood changes due to the loss of farmland and loss of income from artisanal mining. Roxgold has been able to manage these aspects through a comprehensive ESMS based on ISO 14001 and International Financial Corporation (IFC) Performance Standards.

Since 2014, Roxgold Sanu has engaged with its local stakeholders through a stakeholder engagement management plan. A specific stakeholder engagement strategy and plan based on the community analysis (stakeholder mapping), the existing tools and the experience of the community relations team, including presentations of the expansion projects, community representatives' meetings, special committee, public enquiries, billboard and/or broadcasting is in place.

The closure plan for the Yaramoko Gold Mine will be updated to incorporate plans for the development of the 55 Zone open pit at the appropriate time. It currently assumes the preferred final post-closure land use will be a savannah landscape commensurate with the existing small-scale agriculture and livestock grazing land uses. The plan assumes no salvage value. The mine areas will be reclaimed to a safe and environmentally sound condition consistent with closure commitments developed during the LOMP.

Capital and operating costs

Cost estimates are derived from activity-based life of mine scheduling. Underground mining costs are estimated using the schedule of rates within the existing mining contract with AUMS and a phased transition to owner operator and increased nationalization of the workforce towards the end of the current underground mine life. Open pit mining costs are based on estimated mining rates provided by a reputable and experienced mining contractor operating within the region. Processing, sustaining capital, general and administrative, and selling cost estimates are prepared using realized costs from recent operating years, with forecast labour and consumables from activity-based scheduling aligned with the LOMP schedule.

The QP considers the capital and operating costs estimated for the operation as reasonable based on industry-standard practices and actual costs observed for 2021.

Economic Analysis

Fortuna is using the provision for producing issuers, whereby producing issuers may exclude the information required under Item 22 for technical reports on properties currently in production and where no material production expansion is planned.

Mineral Reserve declaration is supported by a positive cashflow.

Conclusions, risks and opportunities

This Report represents the most accurate interpretation of the Mineral Reserve and Mineral Resource available as of the effective date of this Report. The conversion of Mineral Resources to Mineral Reserves was undertaken using industry-recognized methods, and estimated operational costs, capital costs, and plant performance data. This Report also supports the development of an open pit mine at the completion of the 55 Zone underground mine. Thus, it is considered to be representative of future operational plans. This Report has been prepared with the latest information regarding environmental and closure cost requirements.

A number of opportunities and risks were identified by the QPs during the evaluation of the Yaramoko Gold Mine.

Opportunities include:

- Exploration potential to increase the Mineral Resources of the Yaramoko Gold Mine deposits.
- 55 Zone open pit design and scheduling optimization to generate a reduction in waste movement, deferral of waste mining and subsequent increase in cashflow.
- Further optimized mining methods resulting in operating cost savings and lower total mining dilution, thus increased head grade.

- Identify and explore alternative mining method to mine Bagassi South deposit to lower dilution and resultant operating cost.
- Further optimize mine scheduling

Risks include:

- Uncertainty about the accuracy of the tonnage and grade estimates and the geological continuity of the gold mineralization at the reported cut-off grade, particularly when addressing the accuracy of depletion from existing underground workings.
- Excessive mining dilution and lower mining recovery of mineralized material directly adjacent to existing underground workings. A management plan will be required to define mining methods and procedures to mine above and adjacent to existing underground workings both safely and to minimize mining dilution and maximize mining recovery.
- Unforeseen increases in cost due to inflation could impact the outcome of the mining study as well as future open pit to underground transition studies. Contractor costs will need to be revalidated during development plans.
- Further geotechnical work prior to the commencement of mining will be required to further assess the impact of underground voids on pit wall stability.
- Open pit mining will occur adjacent to the processing facility and key project infrastructure. Drill and blast designs and processes will need to ensure vibration and fly rock is controlled such that any impact to key project infrastructure is minimized.
- Unmet community expectations leading to potential for loss of social license to operate.
- Long term impact of groundwater movement away from mine workings after closure.

Recommendations

Recommendations for the next phase of work have been broken down into those related to ongoing exploration activities at the Yaramoko Gold Mine; underground mining activities and studies related to operational improvements; exploration activities and development studies related to the development of the open pit at Yaramoko; processing and infrastructure improvements; and environmental, permitting and social activities as set out below.

Underground Mining:

- Implement recommended cable bolt regime and record dilution improvement outcomes in the reconciliation process. The cost is included in the operating costs for the mine.
- Infill and step out drilling program. Expenditure of \$2.5 million (M) is budgeted in 2022 for this program.
- Review potential alternative mining methods for narrow veins of the Bagassi South deposit to reduce cost and dilution. The cost is included in the operating costs for the mine.
- Further review of mining contract and its cost reduction opportunity through the staging process to an owner operator operation, undertaking technical services, production activities, and remaining activities following decline development completion. The cost is included in the operating costs for the mine.

Open Pit Mining

- Additional Mineral Resource drilling should provide further definition of mineralization directly adjacent to existing underground workings. It is anticipated this would be in the order of 8,500 m of reverse circulation/diamond drilling with a provisional budget estimate of \$1.06 M, which would be proposed for the 2023 budget cycle.
- Future development studies should apply a variable dilution and mining recovery that is representative of higher mining dilution and lower mining recovery of mineralization directly adjacent to existing underground workings. Mining dilution and mining recovery studies will be undertaken by Roxgold and Fortuna technical staff, with such costs included in the operating costs for the mine.
- An open pit to underground transition study is to be completed to define those parts of the deposit which can be extracted via underground mining methods and those which can be extracted via open pit mining methods, that is both technically achievable and maximizes discounted cashflow. This study will optimize the pit design to reduce the risk associated with high waste stripping. The transition and optimization

studies will be undertaken by Roxgold technical staff, with such costs included in the operating costs for the mine.

- Prior to mining commencing, a void management plan will be prepared to define the mining methods to safely mine mineralization adjacent to underground workings while minimizing mining dilution and maximizing recovery. The void management plan will be undertaken predominantly with Roxgold technical staff, with such costs included in the operating costs for the mine. A budget of US\$25 thousand (k) has been budgeted for external geotechnical consultants to assist with this study.
- Prior to mining commencing, a drill and blast study should define the drill and blast designs that protect key project infrastructure from ground vibrations and fly rock within the blast perimeter. Drill and blast studies will be undertaken by Roxgold technical staff, with such costs included in the operating costs for the mine.
- After the optimization studies are complete, a preferred mining contractor will be chosen and the mining contractor scope of work will be further defined and compiled within a workable mining contract. Contractor evaluation and preparation of the mining contract will be undertaken by Roxgold technical staff, with such costs included in the operating costs for the mine.

Processing and Infrastructure

- As Bagassi South feed begins to reduce, there is the potential at times for the mill load to fluctuate and potentially run low. The lifter angle of the SAG mill should be reviewed to ensure that it is not overly aggressive with the reduced total load. The cost of such a review will be assessed internally by Roxgold technical staff.
- Metallurgical behavior should continue to be monitored especially when there are major changes to the proposed mine plan and mine development. Additional on-site testing should be completed from time to time in accordance with an updated mine plan during production, to identify any potential issues especially in the comminution circuit. This test work should be completed during operations. Such costs will be included in the operating costs for the mine.

Environmental, Permitting and Social

- Continue the implementation of the environmental management plan as required under applicable environmental regulations and according to the Company's ESAI, internal standards and applicable international best practices. This includes the implementation of the monitoring and prevention programs to avoid or mitigate our impacts, the regular update of the closure plan and the continuous improvement of the Company's environmental management system. Such costs will be included in the operating costs for the mine.
- Ensure the performance of the stakeholders' engagement plan and continue to support the local stakeholders in their social and economic development as part of our social corporate responsibility and license to operate. Such costs will be included in the operating costs for the mine.
- Continue the implementation of a rigorous health and safety management system to protect our employees from injury and health issues, including leading preventative activities such as risks assessments, inspections, audits, employee safety and competences training, leadership programs and the continuous improvement of the health and safety management system. Such costs will be included in the operating costs for the mine.

[End of Extract of Summary from Yaramoko Technical Report]

See "Three Year History and Recent Developments - Mineral Reserve and Mineral Resource Estimates" herein for further information regarding the Yaramoko Mine.

Caylloma Mine, Peru

The following is the Summary from the technical report (the "Caylloma Technical Report") entitled "Fortuna Silver Mines Inc.: Caylloma Mine, Caylloma District, Peru" with an effective date of March 8, 2019 prepared by Eric Chapman, P.Geo. and Amri Sinuhaji, P.Eng. This Summary is subject to certain assumptions, qualifications and procedures described in the Caylloma Technical Report and is qualified in its entirety by the full text of the Caylloma

Technical Report which is available for viewing on SEDAR at www.sedar.com and is incorporated by reference in this AIF, and is also filed with the SEC on EDGAR (available at www.sec.gov). Defined terms and abbreviations used herein and not otherwise defined shall have the meanings ascribed to such terms in the Caylloma Technical Report.

1. Introduction

This Technical Report (the Report) on the Caylloma Mine in the Caylloma District, Peru, has been prepared by Mr Eric Chapman, P.Geol, and Mr Amri Sinuhaji, P.Eng. for Fortuna Silver Mines Inc. (Fortuna) in accordance with the disclosure requirements of Canadian National Instrument 43-101 (NI 43-101). The Report discloses updated Mineral Resource and Mineral Reserve estimates for the mine.

2. Property description, location and ownership

The Caylloma Mine is located in the Puna region of Peru at an altitude of between 4,300 and 5,000 meters above sea level (masl). Surface topography is generally steep with vegetation being primarily comprised of grasses and small shrubs common at high altitudes. The mine facilities are located at approximately 4,300 masl.

Access to the Caylloma Mine is by a combination of sealed and gravel road. The mine is located 225 road kilometers from Arequipa, a city of approximately a million people that includes an international airport, and requires a trip of approximately 5 hours by vehicle. Access is available to all concessions via a network of unsealed roads.

The Caylloma Mine is an operating underground mine located in the Caylloma Mining District 14 km northwest of the town of Caylloma at the UTM grid location of 8192263E, 8321387N, (WGS84, UTM Zone 19S).

The underground mine is operated by Compania Minera Bateas S.A.C. (Bateas), a Peruvian subsidiary 100 % owned by Fortuna. The operation has infrastructure consisting primarily of the concentration plant, electrical power station, water storage facilities, tailings facilities, stockpiles, and workshop facilities, all connected by unsealed roads. Additional structures located at the mine include offices, dining hall, laboratory, core logging and core storage warehouses.

The property comprises mining concessions; surface rights; a permitted 1,500 tonnes per day (tpd) flotation plant; connection to the national electric power grid; as well as permits for the infrastructure necessary to sustain mining operations.

The Caylloma Mine consists of mineral rights for 66 mining concessions for a total surface area of 34,472 hectares (ha).

Bateas has signed 21 surface rights or easement contracts covering a total of 3,529.89 ha with land owners to cover the surface area needed for the operation and tailings facilities.

3. History

The earliest documented mining activity in the Caylloma District dates back to that of Spanish miners in 1620. English miners carried out activities in the late 1800s and early 1900s. Numerous companies have been involved in mining the district of Caylloma but limited records are available to detail these activities.

The Caylloma Mine was acquired by Compania Minera Arcata S.A. (CMA), a wholly owned subsidiary of Hochschild Mining plc in 1981. Fortuna acquired the mine from CMA in 2005.

CMA focused exploration on identifying high-grade silver vein structures. Exploration was concentrated in the northern portion of the district and focused on veins including Bateas, El Toro, Paralela, San Pedro, San Cristobal, San Carlos, Don Luis, La Plata, and Apostles.

Production prior to 2005 came primarily from the San Cristobal vein, as well as from the Bateas, Santa Catalina and the northern silver veins (including Paralela, San Pedro, and San Carlos) with production focused on silver ores and no payable credits for base metals. While under CMA management production parameters fluctuated during the late 1990s, as reserves were depleted. Owing to low metal prices, funds were not available to develop the Mineral Resources at depth or extend along the strike of the veins. Ultimately this resulted in production being halted in 2002.

Production under Bateas management focused on the development of polymetallic veins producing lead and zinc concentrates with silver and gold credits. Total production since October 2006 through December 31, 2018 is estimated as 18.1 Moz of silver, 23 koz of gold, 117 kt of lead, and 163 kt of zinc.

4. Geology and mineralization

The mine is within the historical mining district of Caylloma, northwest of the Caylloma caldera complex and southwest of the Chonta caldera complex. Host rocks at the Caylloma Mine are volcanic in nature, belonging to the Tacaza Group. Mineralization is in the form of low to intermediate sulfidation epithermal vein systems.

Epithermal veins at the Caylloma Mine are characterized by minerals such as pyrite, sphalerite, galena, chalcopyrite, marcasite, native gold, stibnite, argentopyrite, and silver-bearing sulfosalts (tetrahedrite, polybasite, pyrargyrite, stephanite, stromeyerite, jalpita, miargyrite and bournonite). These are accompanied by gangue minerals, such as quartz, rhodonite, rhodochrosite, johannsenite (manganese-pyroxene) and calcite.

There are two different types of mineralization at Caylloma; the first is comprised of silver-rich veins with low concentrations of base metals and includes the Bateas, Bateas Techo, La Plata, Cimoide La Plata, San Cristobal, San Pedro, San Carlos, Paralela, and Ramal Paralela veins. The second type of vein is polymetallic in nature with elevated lead, zinc, copper, silver and gold grades and includes the Animas, Animas NE, Santa Catalina, Soledad, Silvia, Pilar, Patricia, and Nancy veins.

Underground operations are presently focused on mining the Animas and Animas NE veins.

5. Exploration, drilling, and sampling

CMA implemented a series of exploration programs to complement their mining activities prior to the closure of the operation in 2002. There is no reliable information available to detail the exploration conducted by CMA at the Caylloma Mine. Bateas were able to recover and validate information on 47 diamond drill holes totaling 8,177.67 m drilled by CMA between 1981 and 2003 at the Caylloma Mine.

Since Fortuna took ownership of the property in 2005 the principal exploration conducted at the deposit has been surface and underground drilling, to explore the numerous vein structures identified through surface mapping or geophysical surveys conducted by Bateas, or for infill purposes to increase the confidence level of the Mineral Resource estimates.

As of August 31, 2018, Bateas had completed 1,296 drill holes on the Caylloma Mine totaling 225,361.80 m since the company took ownership in 2005 and represents all data compiled as of the data cut-off date used for Mineral Resource estimation. All holes are diamond drill holes and include 544 from the surface totaling 151,774.55 m, and 752 from underground totaling 73,587.25 m. It is important to note that not all the holes presented encountered mineralization and only drill holes in areas where reasonable geological continuity of mineralized structures could be established were used in defining and ultimately estimating Mineral Resources.

Bateas has used a number of different drilling contractors to carry out exploration and definition drilling since it took ownership of the mine in 2005. Both HQ (63.5 mm) and NQ (47.6 mm) diameter core were obtained, depending on the depth of the hole. Ground conditions are generally good with core recovery averaging 94 %.

Proposed surface drill hole collar coordinates, azimuths and inclinations were designed based on the known orientation of the veins and the planned depth of vein intersection using geological plan maps and sections as a guide. Once the coordinates have been determined, the location of the collar is located in the field using differential global positioning system (GPS) instruments. The drill pad is then prepared at this marked location. Upon completion of the drill hole, a survey of the collar is performed using Total Station equipment, with results reported in the collar coordinates using reference Datum WGS84, UTM Zone 19S.

The geologist in charge of drilling is responsible for orienting the azimuth and inclination of the hole at the collar using a compass clinometer. Downhole surveys are completed by the drilling contractor using survey equipment such as a Flexit or Reflex tool at approximately 50 m intervals for all surface drill holes and for underground drill holes greater than 100 m in length. Bateas assesses the downhole survey measurements as a component of the data validation.

Drill holes are typically drilled on sections spaced 40 to 60 m apart along the strike of the vein with surface drilling focusing on exploring the extents of the Animas, Bateas and Nancy veins and underground drilling used for a mix of exploration and Mineral Resource and Mineral Reserve definition. The extent of drilling varies for each vein with those having the greatest coverage having drill holes extending over 4,000 m of the vein's strike length (Animas), to exploration prospects having only a few drill holes extending over 50 m (Antimonio).

The relationship between the sample intercept lengths and the true width of the mineralization varies in relation to the intersect angle between the steeply-dipping zone of mineralized veins and the inclined nature of the diamond core holes. Calculated estimated true widths (ETWs) are always reported together with actual sample lengths by taking into account the angle of intersection between drill hole and the mineralized structure.

In 2018 all logging became digital, being incorporated daily into the Maxwell DataShed database system. Data were recorded initially with Excel templates, and later with the Maxwell LogChief application using essentially the same structure. Both input methods used pick-lists and data validation rules to ensure consistency between loggers. Separate pages were designed to capture, lithology, alteration, veins, sulfide-oxide zones, minerals, structure (contacts, fractures, veins, and faults with attitudes to core axis), magnetic susceptibility, and special data (samples collected for geochemistry, thin section examinations, the core library, density, etc.). Intensity of alteration phases was recorded using a numeric 1 to 4 scale (weak, moderate, strong, very strong); abundance of veins and most other minerals were estimated in volume percent.

Geotechnical logging is conducted prior to cutting of the core and involves the collection of drill core recovery and rock-quality designation (RQD) data. Information is recorded in the field using the Maxwell LogChief application.

The sampling methodology, preparation, and analyses differ depending on whether it is drill core or a channel sample. All samples are collected by geological staff of Bateas with sample preparation and analysis being conducted either at the onsite Bateas Laboratory or transported to the ALS Global preparation facility in Arequipa prior to being sent on for analysis at their laboratory in Lima.

The Bateas laboratory operated by Bateas is not independent and does not hold an international recognized accreditation.

ALS Global is an independent, privately-owned analytical laboratory group. The preparation laboratory in Arequipa and the analytical laboratory in Lima are supported by a Quality Management System (QMS) framework which is designed to highlight data inconsistencies sufficiently early in the process to enable corrective action to be taken in time to meet reporting deadlines. The QMS framework follows the most appropriate ISO Standard for the service at hand i.e. ISO 9001:2015 for survey/inspection activity and ISO 17025:2005 UKAS ref 4028 for laboratory analysis.

Channel samples are collected from the backs of underground workings. The entire process is carried out under the geology department's supervision. Sampling is carried out at 2 m intervals within the drifts of all veins and 3 m intervals in stopes (except for Bateas and Soledad, where due to the thickness of the vein, sampling is carried out every 2 m in stopes). The channel lengths and orientations are identified using paint in the underground working and by painting the channel number on the footwall. The channel is between 20 cm to 30 cm wide and approximately 2 cm deep, with each individual sample being no longer than 1.5 m.

Drill core is laid out for sampling and logging at the core logging facility at the camp. Sample intervals are marked on the core and depths recorded on the appropriate box. A geologist is responsible for determining and marking the drill core intervals to be sampled, selecting them based on geological and structural logging. The sample length must not exceed 1.2 m or be less than 30 cm.

The elements of silver, copper, lead and zinc are assayed using either; atomic absorption (AA); inductively coupled plasma atomic emission spectroscopy (ICP-AES); or for high lead and zinc grades volumetric/titration techniques (VOL); or for high silver grades gravimetric techniques (GRAV) depending on the laboratory and assay value. Assay results and certificates are reported electronically by e-mail.

Bulk density samples have been primarily sourced from drill core with a limited number being sampled from underground workings. Bulk density measurements are performed at the ALS Global Laboratory in Lima using the OA-GRA09A methodology.

Sample collection and transportation of drill core and channel samples is the responsibility of Brownfields exploration and the Bateas mine geology departments and must follow strict security and chain of custody requirements established by Fortuna. Samples are retained in accordance with the Fortuna corporate sample retention policy.

Implementation of a quality assurance/quality control (QAQC) program is current industry best practice and involves establishing appropriate procedures and the routine insertion of certified reference material (CRMs), blanks, and duplicates to monitor the sampling, sample preparation and analytical process. Fortuna implemented a full QAQC program to monitor the sampling, sample preparation and analytical process for all drilling campaigns in accordance with its companywide procedures. The program involved the routine insertion of CRMs, blanks, and duplicates. Evaluation of the QAQC data indicate that the data are sufficiently accurate and precise to support Mineral Resource estimation.

6. Data verification

Bateas staff follow a stringent set of procedures for data storage and validation, performing verification of data on a monthly basis. The operation employs a Database Administrator who is responsible for overseeing data entry, verification and database maintenance. A separate Database Auditor is responsible for performing a detailed independent review of the database on a quarterly basis and submitting a report to Fortuna management detailing the findings. Any issues identified are immediately resolved by the administrator.

Data used for Mineral Resource estimation are stored in Maxwell GeoService's commercial SQL database system (DataShed), storing both mine related data (including channel samples) and drilling related results (exploration and infill drilling).

Data was transferred from an inhouse SQL database system to DataShed by early 2018 with the support of Maxwell personnel. Both databases were run in tandem until a full verification process had been completed to prove parity between the systems, at which point the original database was archived.

As a component of the 2018 Mineral Resource estimate, a preliminary validation of the Bateas database was performed by the Database Administrator in June 2018. The database has a series of automated import, export, and validation tools to minimize potential errors. Any inconsistencies identified were corrected during the analysis with the database then being handed over for final QP review on August 31, 2018 in Microsoft Access format.

In addition, data verification by the QP was also conducted through the inspection of selected drill core to assess the nature of the mineralization and to confirm geological descriptions as well as the inspection of geology and mineralization in underground workings of the Bateas, Animas/Animas NE, and Nancy veins.

A series of plan and cross sections were generated displaying the lithologic and mineralization interpretation by the Bateas geology and exploration departments and reviewed by the QP's of Fortuna.

The QP is of the opinion that the data verification programs performed on the data collected by Bateas are adequate to support the geological interpretations, the analytical and database quality, and Mineral Resource estimation at the Caylloma Mine.

7. Mineral processing and metallurgical testing

The Caylloma Mine has an extensive body of metallurgical investigation focused primarily on testwork conducted while treating ore at the operation since 2006. In the opinion of the QP, the Caylloma metallurgical samples tested and the ore that is presently treated in the plant is representative of the orebody as a whole in respect to grade and metallurgical response. Differences between vein systems are minimal with regard to recovery.

Metallurgical recovery values forecast in the LOM for sulfide material average 84 % for silver, 17 % for gold, 91 % for lead, and 90 % for zinc with the exception of the Ramal Piso Carolina vein that forecasts a metallurgical recovery rate of 75 % for Au. Metallurgical recovery is forecast for zinc oxide material to average 57 % for silver, 17 % for gold, 57 % for lead, and 35 % for zinc.

Until 2012 ore identified as containing high zinc oxide content was classified as not amenable for flotation. Laboratory and plant tests conducted since 2013 include metallurgical testing of material from the different levels of the Animas vein. The main conclusion was that zinc oxide contents greater than 0.20 % within the ore were related

to lower metallurgical recoveries. In order to include this type of ore without affecting the metallurgical recoveries blending has to be performed to limit the high zinc oxide ore content to no more than 5 % of the feed to the plant.

Beyond the loss in metallurgical recovery related to elevated zinc oxide material, as described above, there are no additional deleterious elements that require special treatment in the plant as of the effective date of this Report.

8. Mineral Resources

The 2018 Mineral Resource update has relied on channel and drill hole sample information obtained by Bateas since 2005. Mineralized domains identifying potentially economically extractable material were modeled for each vein and used to code drill holes and channel samples for geostatistical analysis, block modeling and grade interpolation by ordinary kriging or inverse distance weighting.

Net smelter return (NSR) values for each mining block take into account expected commercial terms, the average metallurgical recovery, the average grade in concentrate and long term projected metal prices. Mineral Resources take into account operational costs and have been reported above a US\$ 50/t NSR cut-off value for veins wider than two meters and amenable to extraction by semi-mechanized mining methods (Animas, Animas NE, Nancy, and San Cristobal veins); or above a US\$ 135/t NSR cut-off value for veins narrower than two meters regarded as amenable to conventional mining methods (all other veins).

Resource confidence classification considers a number of aspects affecting confidence in the resource estimation including; geological continuity and complexity; data density and orientation; data accuracy and precision; and grade continuity. Mineral Resources are categorized as Measured, Indicated or Inferred. The criteria used for classification includes the number of samples, spatial distribution, distance to block centroid, kriging efficiency (KE) and slope of regression (ZZ).

Mineral Resources exclusive of Mineral Reserves for the Caylloma Mine are reported as of December 31, 2018 and detailed in Table 1.1.

Table 1.1 Mineral Resources as of December 31, 2018

Category	Tonnes (000)	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)	Contained Metal			
						Ag (Moz)	Au (koz)	Pb (kt)	Zn (kt)
Measured	524	73	0.32	1.16	2.23	1.2	5	6	12
Indicated	1,633	77	0.29	1.23	2.25	4.1	15	20	37
Measured + Indicated	2,157	76	0.30	1.22	2.24	5.3	21	26	48
Inferred	5,354	102	0.32	2.40	3.83	17.6	56	129	205

Notes on Mineral Resources

- Mineral Resources are as defined by the 2014 CIM Definition Standards for Mineral Resources and Mineral Reserves
- Mineral Resources are exclusive of Mineral Reserves
- Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability
- Mineral Resources are estimated as of August 31, 2018 and reported as of December 31, 2018 taking into account production related depletion for the period through December 31, 2018
- Mineral Resources are reported above an NSR cut-off grade of US\$ 50/t for wide veins and US\$ 135/t for narrow veins based on actual operational costs
- Metal prices used in the NSR evaluation are US\$ 18.25/oz for silver, US\$ 1,320/oz for gold, US\$ 2,270/t for lead and US\$ 2,750/t for zinc
- Metallurgical recovery values used in the NSR evaluation of sulfide material are 84 % for silver, 17 % for gold, 91 % for lead, and 90 % for zinc with the exception of the Ramal Piso Carolina vein that uses metallurgical recovery rates of 75 % for Au
- Metallurgical recovery values used in the NSR evaluation of zinc oxide material are 57 % for silver, 17 % for gold, 57 % for lead, and 35 % for zinc
- Mining, processing and administrative costs used to determine NSR cut-off values were estimated based on first half of 2018 actual operating costs
- Eric Chapman, P.Ge. (APEGBC #36328) is the Qualified Person for resources being an employee of Fortuna Silver Mines Inc.
- Tonnes are rounded to the nearest thousand
- Totals may not add due to rounding

Factors that may affect the estimates include metal price and exchange rate assumptions; changes to the assumptions used to generate the cut-off grade; changes in local interpretations of mineralization geometry and continuity of mineralized zones; changes to geological and mineralization shape and geological and grade continuity assumptions; variations in density and domain assignments; geometallurgical assumptions; changes to geotechnical, mining, dilution, and metallurgical recovery assumptions; change to the input and design parameter assumptions that pertain to the conceptual stope designs constraining the estimates; and assumptions as to the continued ability to access the site, retain mineral and surface rights titles, maintain environment and other regulatory permits, and maintain the social license to operate.

There are no other known environmental, legal, title, taxation, socioeconomic, marketing, political or other relevant factors that would materially affect the estimation of Mineral Resources or Mineral Reserves that are not discussed in this Report.

9. Mineral Reserves

Mineral Reserve estimates follow standard industry practices, considering only Measured and Indicated Mineral Resources as only these categories have sufficient geological confidence to be considered Mineral Reserves (CIM, 2014). Subject to the application of modifying factors, Measured Resources may become Proven Reserves and Indicated Resources may become Probable Reserves. Mineral Reserves are reconciled quarterly against production to validate dilution and recovery factors.

Mineral Reserve estimates for the Caylloma Mine are reported as of December 31, 2018 and detailed in Table 1.2.

Table 1.2 Mineral Reserves as of December 31, 2018

Category	Tonnes (000)	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)	Contained Metal			
						Ag (Moz)	Au (koz)	Pb (kt)	Zn (kt)
Proven	149	85	0.26	2.09	3.23	0.4	1	3	5
Probable	2,477	77	0.18	2.12	3.71	6.1	14	52	92
Proven +Probable	2,626	77	0.18	2.11	3.69	6.5	15	56	97

Notes on Mineral Reserves

- Mineral Reserves are as defined by the 2014 CIM Definition Standards for Mineral Resources and Mineral Reserves
- Mineral Reserves are estimated as of August 31, 2018 and reported as of December 31, 2018 taking into account production related depletion for the period through December 31, 2018
- Mineral Reserves are reported above NSR breakeven cut-off values based on the proposed mining method for extraction including; mechanized (breasting) at US\$ 82.90/t; mechanized (enhanced) at US\$ 70.30/t; semi-mechanized at US\$ 93.10/t; and conventional at US\$ 173.70/t
- Metal prices used in the NSR evaluation are US\$ 18.25/oz for silver, US\$ 1,320/oz for gold, US\$ 2,270/t for lead, and US\$ 2,750/t for zinc
- Metallurgical recovery values used in the NSR evaluation of sulfide material are 84 % for silver, 17 % for gold, 91 % for lead, and 90 % for zinc with the exception of the Ramal Piso Carolina vein that uses metallurgical recovery rates of 75 % for Au
- Metallurgical recovery values used in the NSR evaluation of zinc oxide material are 57 % for silver, 17 % for gold, 57 % for lead, and 35 % for zinc
- Mining, processing and administrative costs used to determine NSR cut-off values were estimated based on first half of 2018 actual operating costs
- Mining recovery is estimated to average 92 % with mining dilution ranging from 10 % to 40 % depending on the mining methodology
- Amri Sinuhaji, P.Eng (APEGBC #48305) is the Qualified Person for reserves being an employee of Fortuna Silver Mines Inc.
- Tonnes are rounded to the nearest thousand
- Totals may not add due to rounding

10. Mining methods

The mining method employed at the Caylloma Mine is cut-and-fill which is commonly used in the mining of steeply-dipping orebodies in stable rock masses. Cut-and-fill is a bottom up mining method that consists of removing ore in horizontal slices, starting from a bottom undercut and advancing upwards. The operation bases its mining plan on a mix of mechanized, semi-mechanized, and conventional extraction methods based on vein width and rock quality.

The mining production period extends from 2019 to 2023, almost 5 years. At full production the planned mining rate is 1,500 tpd (535,500 tonnes per annum). Planned LOM ore production is 2.63 Mt at an average silver grade of 77 g/t, gold grade of 0.18 g/t, lead grade of 2.11 %, and zinc grade of 3.69 %.

The QP is of the opinion that:

- The mining method being used is appropriate for the deposit being mined. The underground mine design, stockpiles, tailings facilities, and equipment fleet selection are appropriate for the operation
- The mobile equipment fleet presented is based on the actual mining operations, which is known to achieve the production targets set out in the LOM
- The mine plan method is based on standard industry practices and has been employed at the operation for the previous seven years, and presents low risk
- Inferred Resources are not included in the mine plan
- All mine infrastructure and supporting facilities meet the needs of the current mine plan and production rate

11. Recovery methods

The current process plant design is split into four principal stages including; crushing; milling; flotation; and thickening, filtering and shipping.

The QP considers process requirements to be well understood, and consistent based on the actual observed conditions in the operating plant. There is no indication that the characteristics of the material being mined will change and therefore the recovery assumptions applied for future mining are considered as reasonable for the LOM.

12. Project infrastructure

All mine and process infrastructure and supporting facilities are in place at the operation with an increase in tailings storage facility and designation of underground waste disposal area only required to meet the needs of the mine plan and production rate. The QPs note that:

- The Caylloma Mine is located 225 km, or 5 hours by road from the city of Arequipa, the main service center for the operation, with good year-round access
- The mine site infrastructure has a footprint of 91.12 ha associated with the Huayllacho beneficiation concession
- An expansion to the tailings facility was completed in January 2019, with a second phase planned for construction in 2021, providing sufficient capacity for the LOM
- Power demand on the mine site is 5.5 MW provided mainly (96 %) through the national power grid and two diesel generators on site to cover the shortfall and provide backup
- Water demand at the Caylloma Mine is 60 l/s, including 10 l/s for the camp. Approximately 70 % of the processing plant total water consumption is recovered from tailings facility N° 3 with the other 30 % from fresh water provided by the Santiago River
- All process buildings, offices, and camp facilities for operating the mine have been constructed

13. Market studies and contracts

Since the operation commenced production in October 2006 a corporate decision was made to sell the concentrate on the open market. In order to get the best commercial terms for the concentrates, it is Fortuna's policy to sign contracts for periods no longer than one year. All commercial terms entered between the buyer and Bateas are regarded as confidential, but are considered to be within standard industry norms.

The QP has reviewed the information provided by Fortuna on marketing, contracts, metal price projections and exchange rate forecasts and notes that the information provided support the assumptions used in this Report and are consistent with the source documents, and that the information is consistent with what is publicly available within industry norms.

14. Environmental studies and permitting

The mining operation has been developed under strict compliance of norms and permits required by public institutions associated with the mining sector. Furthermore, all work follows quality and safety international norms as set out in ISO 14001 and OHSAS 18000.

In addition to these norms and permits obtained from the environmental department, the operation also ensures all environmental activities are regularly monitored and recorded as part of the quality control measures that are presented to the Ministry of Energy and Mining (MEM) and other legal regulatory organizations.

Of particular importance is monitoring of the quality of river water in the area. This activity involves monitoring the Santiago River, being the main river that passes through the property, employing people from the local communities to verify the results.

Bateas has a very strong commitment to the development of neighboring communities of the Caylloma Mine. In this respect, Bateas is committed to sustainable projects, direct support and partnerships that build company engagement in local communities while respecting local values, customs and traditions. The company aims to develop projects or programs based on respect for ethno-cultural diversity, open communication and effective interaction with local stakeholders that improve education, health and infrastructure.

Mine closure is also included in the environmental program. For 2019 a total of US\$ 655,000 has been budgeted for the ongoing closure plan and environmental liabilities. The closure plan is performed to ensure compliance with the programs and plans submitted to the MEM. Budgeted mine closure costs for the LOM total US\$ 11.3 million.

15. Capital and operating costs

Capital and operating cost estimates are based on established cost experience gained from current operations, projected budget data and quotes from manufacturers and suppliers.

The capital and operating cost provisions for the LOM plan that supports Mineral Reserves have been reviewed. The basis for the estimates is appropriate for the known mineralization; mining and production schedules; marketing plans; and equipment replacement and maintenance requirements.

The QP considers the capital and operating costs estimated for the Caylloma Mine as reasonable based on industry-standard practices and actual costs observed for 2018.

16. Economic analysis

Fortuna is using the provision for producing issuers, whereby producing issuers may exclude the information required under Item 22 for technical reports on properties currently in production and where no material production expansion is planned.

Mineral Reserve declaration is supported by a positive cashflow for the period set out in the LOM based on the assumptions detailed in this Report.

17. Conclusions, risks, and opportunities

This Report represents the most accurate interpretation of the Mineral Reserve and Mineral Resource available as of the effective date of this report. The conversion of Mineral Resources to Mineral Reserves was undertaken using industry-recognized methods, and estimated operational costs, capital costs, and plant performance data. Thus, it is considered to be representative of future operational conditions. This Report has been prepared with the latest information regarding environmental and closure cost requirements.

A number of opportunities and risks were identified by the QPs during the evaluation of the Caylloma Mine.

Opportunities include:

- Reduction in backfill costs through the optimization of the backfilling methodology in order to improve mining productivity by reducing work cycle times
- Reduction in mining costs via improvements in the underground communication system which would allow for faster and more efficient decision making, improve logistical coordination, and reduce downtime, hence improve overall mining productivity

- Reduction in overall pumping costs through improvements to the mine dewatering system resulting in reduced power consumption and maintenance requirements
- Potential to expand current resources through exploration of the Animas NE vein with mineralization remaining open to the northeast and at depth

Risks include:

- Bateas management occasionally receives requests from local authorities and/or civil organizations regarding unrealistic social expectations. Bateas are mitigating the risk of conflict regarding these demands by working with local authorities, land owners, and communities to address expectation levels and to take requests into account in preparing its annual community relations work program and budget

18. Recommendations

Recommendations for the next phase of work have been broken into those related to ongoing exploration activities and those related to additional technical and operational studies. Recommended work programs are independent of each other and can be conducted concurrently. The exploration phase is estimated to cost US\$ 521,000 with additional technical studies estimated to cost US\$ 280,000.

i) Exploration

- **Exploration.** It is recommended that Bateas continue surface mapping and TerraSpec analysis of key areas of interest including Animas, Antacollo, and Antimonio to identify potential future drill targets. The budgeted cost of the surface mapping activities for 2019 is US\$ 36,000 (excluding personnel costs).
- **Delineation (infill) drilling.** Bateas is planning to continue the delineation drilling from underground in 2019 focusing on the junction between the Animas and Animas NE vein at depth. A total of 3,830 m of drilling and 55 m of development drift is planned at a budgeted total cost of US\$ 480,000.
- **Bulk density determination.** It is recommended that the number of bulk density measurements be increased in veins that lack sufficient values for meaningful statistical analysis. In addition to this it is also recommended that a study be performed to improve the understanding of bulk density in the deposit. If a correlation between density and mineralogy could be established it may provide a superior alternative than the presently used density assignment methodology. This program cost is estimated at US\$ 5,000.

ii) Technical and operational studies

- **Underground communication system.** In 2019 it is recommended that the first phase of an improved underground communication system be installed to connect key areas of the mine at a budgeted cost of US\$ 40,000. Based on positive results from the first phase the system could be extended throughout the mine to reach other production and production related areas.
- **Backfill system optimization.** It is recommended that an evaluation of the backfilling system is conducted at the operation. A trade off analysis should be conducted to benchmark the current hydraulic backfill system against alternative methods. The study should investigate the potential impacts on OPEX and CAPEX. The budgeted cost of the study is US\$ 70,000.
- **Review of mining methodology.** The width of mineralization and rock quality varies greatly throughout the deposit. It is recommended that an evaluation of mining method be conducted to assess if smaller equipment could be used to extract mineralized material from narrow veins with poor rock quality, and if more massive mining methods such as long-hole stoping could be employed in wide veins with good rock quality. Any such study would need to account for the variable equipment that would be required to deal with multiple mining methods. The study could be conducted inhouse or externally, with an external cost estimated at US\$ 50,000.
- **Plant expansion conceptual study.** A conceptual cost-benefit analysis is recommended to assess if the production rate at the Caylloma plant could be increased to reduce costs. The study could be conducted inhouse or externally, with an external cost estimated at US\$ 120,000.

- **Zinc oxide study.** The response of zinc oxide material to the flotation process requires additional testwork. Initial plant testwork indicates that this material can be blended with low zinc oxide material and processed through flotation without a significant loss in recovery, although the percentage blend at which the zinc oxide becomes detrimental has not been established. It is recommended that inhouse analysis be conducted to assess the impact of varying levels of zinc oxide on plant recovery to determine a blending threshold at which recovery is not affected.

[End of Extract of Summary from Caylloma Technical Report]

See “Three Year History and Recent Developments - Mineral Reserve and Mineral Resource Estimates” herein for further information regarding the Caylloma Mine.

Exploration Work Subsequent to the Caylloma Technical Report

Exploration drilling at Caylloma continued throughout 2021 totaling 10,121 meters in 26 diamond drill holes, testing the depth continuity of the greater than 3-kilometer-long Animas NE silver-polymetallic vein system, and the strike potential further to the north-east beyond the intersection of the Nancy vein. Drilling continues to intersect mineralized shoots up to 200 meters beyond the current mineral resource boundary, extending known mineralization more than 900 meters below surface along the 3 kilometer long Animas NE vein, where it remains open at depth and along strike. Highlights of the program include:

- **ANIM086321:** 60 g/t Ag, 5.51% Pb and 6.22% Zn over an estimated true width of 7.2 meters
- **ANIM084321:** 51 g/t Ag, 2.94% Pb and 5.23% Zn over an estimated true width of 5.8 meters
- **ANIM084721:** 106 g/t Ag, 2.34% Pb and 3.13% Zn over an estimated true width of 11.8 meters
- **ANIM085521:** 159 g/t Ag, 2.92% Pb and 1.44% Zn over an estimated true width of 6.1 meters
- **ANIM087321:** 76 g/t Ag, 4.35% Pb and 7.45% Zn over an estimated true width of 11.3 meters
- **ANIM087921:** 93 g/t Ag, 4.83% Pb and 7.81% Zn over an estimated true width of 20.5 meters

Please refer to the Company’s news release dated December 9, 2021 entitled “Fortuna drills 16.5 g/t gold over 6.3 meters at Séguéla and provides exploration update”, for full details.

Séguéla Project, Côte d’Ivoire

The following is the Summary from the technical report (the “Séguéla Technical Report”) entitled “Séguéla Project, Feasibility Study, Worodougou Region, Cote d’Ivoire”, with an effective date of May 26, 2021 prepared by Paul Criddle, FAUSIMM, Hans Andersen, MAIG, Paul Weedon, MAIG, Dave Morgan, AIMM, CPEng, Geoff Bailey, FIEAust, CPEng, NPER-E, REPQ, Shane McLeay, FAUSIMM, and Niel Morrison, PEng. This Summary is subject to certain assumptions, qualifications and procedures described in the Séguéla Technical Report and is qualified in its entirety by the full text of the Séguéla Technical Report which is available for viewing on SEDAR at www.sedar.com and is incorporated by reference in this AIF, and is also filed with the SEC on EDGAR (available at www.sec.gov). Defined terms and abbreviations used herein and not otherwise defined shall have the meanings ascribed to such terms in the Séguéla Technical Report.

As the Séguéla Technical Report was prepared by Roxgold prior to the completion of the Roxgold Acquisition, references in the following Summary to “the Company” or “the Issuer” refer to Roxgold.

1.1 Introduction

Roxgold Inc. (“Roxgold”, the “Company” or the “Issuer”) has compiled a Technical Report on the Séguéla Property (“Séguéla”, the “Project”, the “Séguéla Property”, the “Séguéla Gold Project” or the “Séguéla Project”) in the Worodougou Region of the Woroba District, Côte d’Ivoire. This Technical Report is prepared in accordance with the reporting requirements set forth in National Instrument 43-101 – Standards for Disclosure for Mineral Projects (“NI 43-101”), Companion Policy 43-101CP, and Form 43-101F1.

1.2 Property Description, Location and Access

The Séguéla Gold Project is located approximately 500 km from Abidjan, via major highways to Séguéla. From Séguéla, the property's Antenna, Ancien, Agouti, Boulder and Koula deposits are accessed via 40 km of unsealed roads. The Séguéla Gold Project covers an area of 35,360 hectares, defined by two exploration permits (Permis de Recherche Minière No. 252 and Permis de Recherche Minière No. 638).

Permis de Recherche Minière No. 252 has received its second renewal and is due to expire on December 17, 2021. The Antenna, Ancien, Koula, Agouti and Boulder deposits are located on this permit.

Permis de Recherche Minière No. 638 is a three-year permit due to expire 18 October 2023, which surrounds Permis de Recherche Minière No. 252.

Provided minimum expenditure requirements are met, Mineral Exploration Permits in Côte d'Ivoire are subject to automatic grants of renewal applications for two terms of three years each, and a special third term of no more than two years.

Ivorian Mineral Exploration Permits, within their boundaries, entitle the holder exclusive rights to explore for the nominated mineral commodities specified (in this case, gold), as well as encumbrance-free disposal of materials extracted during exploration process.

In addition to the Environmental Permit obtained on 22 September 2020, the Exploitation Permit (Permis d'Exploitation No. 56) was granted by the Council of Ministers on 9 December 2020, and signed as a decree by the President of Côte d'Ivoire (Decree No.2020-960 dated 9 December, 2020 on gold exploitation permit in Séguéla department). This permit covers an area of 353.6 km² and is valid for 10 years, with opportunities to renew as further growth and expansion is proven.

The Séguéla Gold Project is accessible year-round by road vehicle. Bituminised national highways of variable quality facilitate transport between Abidjan, Yamoussoukro, and the nearest major town to the Property; Séguéla (population c. 65,000). From Séguéla, unsealed roads provide access to the Séguéla Gold Project through the minor village of Fouio (population c. 3,000).

The Séguéla Gold Project is located within a tropical savannah climatic region on the southern margin of the Sahel Savannah. This climatic zone is typified by high average temperatures, and a distinct wet season and dry season. The average annual temperature for Séguéla is 25.3°C, with an annual average rainfall of 1,268 mm. August and September are the wettest months of the year. Temperatures do not vary greatly over the course of the year, with average monthly temperatures ranging from 23.5°C in August, to 26.9°C in March. Minima and maxima vary more, but not in the extreme, with August's minimum and maximum temperatures being 19.5°C and 27.6°C respectively, while February shows the greatest range from 19.5°C to 33.4°C.

The Séguéla Gold Project occurs in a region of low forested hills, with elevations averaging 347 m above sea level. The vegetation of the region is tropical savannah woodland. The area surrounding and covering the Séguéla Gold Project is extensively cropped for cashews, and to a lesser extent, cacao.

The Séguéla Gold Project contains a 40-person exploration camp proximal to the Antenna deposit and is serviced by electrical power mains from the National Grid. Water is drawn via on-site bores with potable water available from an on-site reverse osmosis plant. Food supplies are freighted by road from Yamoussoukro; approximately 270 km.

1.3 History

The Séguéla permit (Permis de Recherche Minière No. 252) was granted to local Ivorian company, Geoservices CI in February 2012. The Property was subsequently transferred to a local Ivorian joint venture company, Mont Fouimba Resource in late 2012. Transferral of the permit then occurred in 2013 to Apollo Consolidated Ltd ("Apollo"); an exploration company listed on the Australian Securities Exchange (code: AOP), which was the 51% shareholder in Mont Fouimba, with Geoservices CI holding the remaining 49%. In February 2016, Apollo announced the signing of an Option to Purchase Agreement by Newcrest Mining Ltd ("Newcrest"), for the Séguéla Project. In February 2017, the permit was subsequently transferred to LGL Exploration CI S.A; a wholly owned subsidiary of Newcrest. In April 2019, the Issuer acquired the Séguéla Project from Newcrest through the

acquisition of LGE Exploration CI S.A. Newcrest acquired the adjacent permit (Permis de Recherche Minière No. 638) to Séguéla permit (Permis de Recherche Minière No. 252) on 19 October 2016. This was also acquired by the Issuer in April 2019.

Throughout this period, there have been two renewals of the Séguéla permit (Permis de Recherche Minière No. 252), with the permit due to expire on 17 December 2021.

Prior to this period, there is evidence to suggest that the ground contained within permit no. 252 was held by Randgold Resources (“Randgold”), with press releases from Apollo referring to trenching completed by Randgold over the Gabbro, Porphyry and Agouti prospects within the current permit limits.

1.4 Geology Setting, Mineralisation and Deposit Types

The Séguéla Property is situated within the Paleoproterozoic (“Birimian”) Baoule-Mossi Domain of the West African Craton. Two cycles of volcanism/sedimentation are recognised within the Birimian rocks of the Baoule-Mossi Domain; each followed by a period of orogenesis, and together described as the Eburnian Orogeny which is dated c. 2.19–2.08 Ga. Rocks of the Baoule-Mossi Domain are primarily polyphase granitoids, and volcano-sedimentary sequences forming granite-greenstone terranes. The first cycle of sedimentation and orogenesis (“Eburnian 1”) is described by the accumulation of volcanic and volcanoclastic rocks; then subsequently intruded by early stage granitoids. Following a period of uplift and erosion, the Eburnian 2 cycle is described by the filling of intra-montane basins with predominantly arenaceous sediments of the Tarkwaian Series.

The Antenna deposit occurs within a greenstone package deposited during Eburnian 1, that comprises (west to east) an ultramafic hangingwall, which is in presumed fault contact with an interlayered package of felsic volcanoclastic rocks and flow banded rhyolitic units, which are then in contact with a mafic (basaltic) footwall unit. The faulted contacts between the mafic/ultramafic units and the felsic assemblage converge to the south of the deposit forming a wedge shape to the felsic package.

The Antenna gold deposit is considered to be an orogenic lode-style gold system, hosted by a brittle-ductile quartz-albite vein stockwork predominantly contained within flow banded rhyolite units. The stockwork lode varies in width roughly in proportion with the widths of the rhyolitic units which host it (approximately 3–40 m) and extends over a strike length of approximately 1,350 m. Stockwork veins which host mineralisation show two principal orientations; steep east-dipping and steep west-dipping. Veins in the steep west-dipping orientation range from being tectonically folded to undeformed, while veins in the east-dipping direction may be variably boudinaged to undeformed. This evidence suggests syn-deformational emplacement of the vein sets during west and east movement along the main fault structures within the region. Mineralisation occurs as free gold, associated with pyrite and pyrrhotite. Alteration assemblages associated with this mineralisation assemblage vary from proximal intense silica – albite ± biotite ± chlorite alteration, through medial silica-albite-sericite ± chlorite assemblages, to more distal sericite-carbonate (ankerite/calcite) and carbonate-magnetite assemblages. Pyrite is the dominant sulphide associated with higher-grade mineralisation within proximal alteration zones, while sulphide mineralogy is pyrrhotite dominated in medial and distal assemblages and is associated with lower grade gold mineralisation.

The Ancien deposit is associated with an interpreted D2 sinistral shear zone, informally labelled the Ancien Shear, within the East Domain and comprises (from west to east) a chloritic pillow basalt footwall overlain by a foliated/sheared tholeiitic basalt unit, which is in turn overlain by a second chloritic pillow basalt hangingwall unit which is gradational into a coarser grained porphyritic basalt unit. Generally narrow quartz-feldspar-biotite porphyries crosscut and intrude all other lithologies and are interpreted as late intrusives.

The Koula deposit is situated within the same package of mafic rocks as the Ancien deposit, which is informally labelled as the Ancien-Koula corridor. Koula is similarly hosted within a strongly foliated/sheared tholeiitic basalt unit within a broader sequence of pillow basalt.

At both the Ancien and Koula deposits significant mineralization is restricted to the more reactive and competent tholeiitic basalt unit and is best developed in zones of strong brittle-ductile brecciation and shearing, with selective sericite+/-silica alteration and intense quartz and quartz-carbonate veining. Mineralization occurs as free gold, predominantly as small grains within microfractured milky-white quartz veins and associated with pyrite and lesser pyrrhotite at Ancien, that trends to being more pyrrhotite dominant at Koula. Generally lower grade

mineralization is also developed at the margins of felsic porphyries that intrude the tholeiitic basalt, and in zones of increased brecciation and veining within these porphyries.

The Boulder and Agouti prospects are both located within a distinct northerly-trending litho-structural corridor that extends from Boulder in the south to Gabbro in the north. Regional mapping has defined a broad package of pillow basalts and intercalated basaltic sediments, flanked to the west by a discontinuous gabbro unit and regionally extensive doleritic sequence. The basaltic units are extensively intruded by quartz-feldspar-biotite porphyritic felsic intrusives.

Gold mineralization at the Boulder and Agouti prospects is associated with strongly foliated or mylonitized, quartz/quartz-carbonate veined basalt and the margins of the felsic intrusives. Generally lower grade mineralization occurs internal to the felsic intrusives where they are brecciated or extensively veined. The highest gold grades generally correlate with the intersection of NNE and NW-trending structures. Mineralization occurs as free gold within a network of milky white quartz veins and associated with foliation or quartz/quartz-carbonate vein-controlled pyrite and minor pyrrhotite.

1.5 Exploration and Drilling

Exploration at the Séguéla Gold Project has been undertaken by Randgold (pre-2012), Apollo (2012–2016), Newcrest (2016–2017) and Roxgold (2019 onwards).

This previous exploration activities included construction of a 40-person exploration camp and core storage/logging facilities, geological mapping, purchase and interpretation of aeromagnetic data, soil, trench, and artisanal dump sampling, aircore (“AC”) and reverse circulation (“RC”) drilling.

As of the effective date of the Séguéla Technical Report, Roxgold has completed 121,272 metres of RC and diamond drilling (“DD”) since the acquisition of the Séguéla Project in April 2019 from Newcrest.

Since the acquisition of the project in April 2019, Roxgold has completed reconnaissance AC and RC drilling at Ancien, Agouti, Boulder, Bouti, Elephant, Folly, P1, P3, Kwenko West, Gabbro, Porphyry, Rollier, Sunbird and resource definition (RC and DD) drilling at the Antenna, Ancien, Agouti, Boulder, and Koula deposits. Xcalibur Airborne Geophysics Pty Ltd of South Africa conducted an aeromagnetic survey across the project in December 2019 and January 2020, with the results used to further enhance the prospectivity mapping and structural understanding of the mineralization controls.

At the time of Roxgold’s acquisition in April 2019, 28 prospects were identified from historic geochemistry and geophysical surveys with exploration activities actively testing 6 of these in 2019. Exploration activities including geological mapping, collection and interpretation of aeromagnetic data, soil, trench and artisanal dump sampling, AC, RC, DD and RC with a diamond core tail drilling are continuing to advance the remaining prospects, with ongoing exploration and target generation activities continually identifying additional prospects such that at least 30 targets require additional follow-up exploration.

1.6 Sampling, Analysis and Data Verification

A qualified person who authored the Séguéla Technical Report verified the data disclosed therein, which, among other things, underpins the disclosure of the Mineral Resource estimate contained in the Séguéla Technical Report and is of the opinion that data collection and verification procedures adequately support the integrity of the database. Verification was made through the on-site assessment of the data collection facilities at Séguéla, discussions held with the geologists responsible for monitoring of the drilling activities, review of sampling and data capture procedures, discussions with the data management staff responsible for the integrity of the digitally stored data, and validation of the relational database supplied for use in Mineral Resource estimation.

1.7 Mineral Processing and Metallurgical Testing

Previous owner, Newcrest, conducted a round of Leachwell assay test work on 61 samples from drillhole SGDD001 in 2018. Comparison of the Leachwell tests to fire assays for the samples set (four-hour bottle roll used for leach testing of a nominal 1 kg sample) demonstrated a near 1:1 correlation of results. This was used to

conclude that the material is non-refractory, and therefore amenable to standard carbon-in-leach ("CIL") treatment for extraction.

Roxgold supervised the metallurgical testing work completed by ALS Metallurgy assay lab in Perth, Australia on representative samples from the Antenna, Agouti, Boulder, Ancien, and Koula deposits in 2019 to 2021. Five test work programs were performed: (1) A19864 conducted between April and June 2019; (2) A20661 conducted between December 2019 and January 2020; (3) A20721 conducted between February and July 2020; (4) A21926 conducted between January and February 2021; and (5) A21707 conducted also between January and February 2021.

As the Antenna deposit hosts the majority of the Séguéla Gold Project's Mineral Resource and it forms the majority of mill feed ore projected to be utilized in the feasibility study, it was examined more comprehensively and represents the basis for the mineral processing design criteria. Satellite deposits in the form of Agouti, Boulder, Ancien and Koula were also tested throughout the five programs for confirmation purposes. Test work included comminution test work, head assays, mineralogical analysis, grind establishment test work, gravity gold recovery and cyanide leach test work, flotation test work, carbon adsorption test work, oxygen uptake test work, preg-robbing test work, cyanide detox test work, sedimentation and rheology test work, and acid mine drainage test work.

Samples tested were reasonably competent with average Bond Rod and Ball Mill Work Indices of 21.8 kWh/t and 19.7 kWh/t respectively, being amenable to a simple comminution circuit design.

The test work showed that leaching is substantially complete within 24 hours and there is no apparent preg-robbing or refractory characteristics in the ores tested. Furthermore, it showed a fast-initial leaching rate with more than 80% of the stage extraction completed within the first 2 hours of cyanidation. The highest gold recovery was achieved for tests incorporating gravity recovery and elevated dissolved oxygen levels for the duration of the leach.

The ore tested across all deposits exhibited a degree of grind sensitivity with an optimal grind size of 75 micron being confirmed for all extraction test work. The results of that program, were very encouraging, indicating free milling of the ore with good leach kinetics and overall recoveries averaging 94.5%.

As such, based on the test work to date, a flowsheet featuring single stage SAG grinding followed by gravity concentration and cyanidation of the gravity tailings has been adopted. Roxgold believes that with the process plant and recovery methods described in the Séguéla Technical Report, an average project gold recovery of 94.5% at the life-of-mine average grade of 2.8 g/t. can be expected.

1.8 Mineral Resource Estimates

Roxgold has completed Mineral Resource estimates for the Antenna, Ancien, Agouti, Boulder and Koula deposits based on the drill hole data available to 31 March 2021. The reported Koula Mineral Resource is an update to the maiden Inferred Mineral Resource reported on November 30, 2020. No changes are reported for the Antenna, Agouti, Boulder and Ancien deposit Mineral Resources reported on November 30, 2020.

Table 1: Séguéla Mineral Resource Statement Summary

Séguéla Mineral Resource effective as at 31 March 2021

Measured	Indicated			Measured & Indicated			Inferred					
	Tonnes (Mt)	Grade (g/tAu)	Metal (000 oz)	Tonnes (Mt)	Grade (g/tAu)	Metal (000 oz)	Tonnes (Mt)	Grade (g/tAu)	Metal (000 oz)	Tonnes (Mt)	Grade (g/tAu)	Metal (000 oz)
Antenna	-	-	-	8.2	2.2	586	8.2	2.2	586	1.1	1.9	69
Ancien	-	-	-	1.4	5.4	250	1.4	5.4	250	0.0	10.6	11
Agouti	-	-	-	1.4	2.4	111	1.4	2.4	111	0.1	1.8	6
Boulder	-	-	-	1.7	1.7	97	1.7	1.7	97	0.1	1.2	3
Koula	-	-	-	1.2	7.4	285	1.2	7.4	285	0.2	3.0	14
Total	-	-	-	14.0	3.0	1,328	14.0	3.0	1,328	1.5	2.2	104

Notes:

- (1) Mineral Resources are reported in accordance with NI 43-101 with an effective date of 31 March 2021, for the Séguéla Gold Project.
- (2) The Séguéla Mineral Resources are reported on a 100% basis at a gold grade cut-off of 0.3g/t Au for Antenna and 0.5g/t gold ("Au") for the satellite deposits, based on a gold price of \$1,700/ounce and constrained to MII preliminary pit shells.
- (3) The identified Mineral Resources in the block model are classified according to the "CIM" definitions for the Measured, Indicated, and Inferred categories. The Mineral Resources are reported in situ without modifying factors applied.
- (4) The Séguéla Mineral Resource Statement was prepared under the supervision of Mr. Hans Andersen, Senior Resource Geologist at Roxgold Inc. Mr. Andersen is a Qualified Person as defined in NI 43-101.
- (5) All figures have been rounded to reflect the relative accuracy of the estimates and totals may not add due to rounding.
- (6) Mineral Resources that are not Mineral Reserves do not necessarily demonstrate economic viability.
- (7) Mineral Resources are reported inclusive of Mineral Reserves.
- (8) The Séguéla Gold Project is subject to a 10% carried interest held by the government of Cote d'Ivoire.

Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing or other relevant issues.

The Mineral Resource estimate incorporates data from all RC and DD holes to date comprising 125,510 metres in 910 drillholes targeting Antenna, Ancien, Agouti, Boulder, and Koula. A total of 216 RC and DD drill holes (32,263 metres) define the Antenna deposit on a drill hole spacing that ranges from 20 metres to 100 metres apart along a strike extent of 1,700 metres. A total of 144 RC and DD drill holes (24,877 metres) define the Ancien deposit on a drill hole spacing that ranges from 25 metres to 50 metres apart along a strike extent of 500 metres, which remains open along strike to the south and at depth. A total of 145 RC and DD drill holes (23,397 metres) define the Koula deposit on a drill hole spacing that ranges from 25 metres to 100 metres apart along a strike extent of 600 metres. The Koula deposit remains open along strike to the south and at depth, similar to the Ancien deposit.

The Agouti deposit covers three main zones defined by a total of 216 RC and DD holes (23,208 metres) on a drill hole spacing that ranges from 25 metres to 50 metres apart along a strike extent of 1.3 kilometres. The Boulder deposit is defined by a total of 189 RC and DD holes (21,765 metres) on a drill hole spacing that ranges from 25 metres to 50 metres apart along a strike extent of 1.1 kilometres. Both the Boulder and Agouti deposits remain open along strike and depth.

The Ancien, Agouti, Boulder and Koula Mineral Resource models were developed using Leapfrog Geo and Micromine software. Antenna's Mineral Resource model was developed using Geovia's Surpac software. All gold assays from drillholes were composited to 1.0-meter intervals within the mineralised wireframes at Antenna, Agouti, Ancien, Boulder and Koula deposits. Top-cuts were applied to individual domains based on the analysis of gold grade outliers within the statistical data populations and ranged between 1.5 g/t to 80.0 g/t Au.

Geostatistical exploratory data analysis, variogram modelling and Mineral Resource model validation was conducted using Snowden Supervisor software.

The Mineral Resource model gold grades were estimated using a combination of Ordinary Kriging and Inverse Distance methods using a multiple pass approach to inform the mineral resource model. The grade estimates are validated visually by sectional comparison and through statistical approaches that encompass traditional validation methods, such as Swath plots comparing composite and block model values for each deposit.

Mineral resource models and drill hole data at the Séguéla Project utilise the WGS84 (Zone 29N) coordinate system. Block model parameters are shown in Table 85 and the list of attributes within the models are shown in Table 86. The Antenna block model used a parent cell size of 5 m x 10 m x 5 m (XYZ) with standard sub-celling to 1.25 m x 2.5 m x 1.25 m, while the satellite deposits used a parent cell ranging between 5-25 m in the respective XYZ axis to provide sufficient volume resolution to the modelled mineralisation lodes.

Density values were assigned to the Mineral Resource models based on ascribed oxidation state and lithological unit, with mineralisation being assigned the density of its predominant host. A density of 1.2 to 1.8 t/m³ was assigned to transported and alluvial sediments, with a range of 1.8 to 2.2 t/m³ assigned to the oxidised weathered profile and a range of 2.67 to 3.20 t/m³ assigned to fresh rock lithologies.

On 31 March 2021, Séguéla Mineral Resources were reported constrained by preliminary pit optimisations generated in Micromine to satisfy the definition of Mineral Resources having reasonable prospects for eventual economic extraction, and are based on the following parameters:

- Assumed gold price of \$1,700 per troy ounce
- Assumed mining recovery of 90% and mining dilution of 10%
- Assumed processing recovery of 94.5%
- Overall slope angle of 52° to 58° for Antenna, 54° for Agouti, 55° for Ancien, 54° to 57° for Koula and 57° for Boulder
- Assumed mining costs of \$1.97 per tonne for Antenna and \$2.28 per tonne for the satellite deposits
- Assumed total processing costs (including G&A) of \$21.64 per tonne
- Assumed total selling costs (includes state and third-party royalties) of \$121.60/oz

The Mineral Resource models were classified into Indicated and Inferred Mineral Resource categories based on analysis of the following criteria; number of samples informing the estimate, sample spacing, average sample distance, kriging efficiency and slope of regression outputs, drill hole and sample QAQC thresholds and geological confidence in modelled interpretations, grade continuity and level of geological understanding at each deposit.

1.9 Mineral Reserves Estimates

The Mineral Reserve estimate was prepared as of 31 March 2021 and is consistent with the CIM Definition Standards for Mineral Resources and Mineral Reserves reporting. The Mineral Reserve estimate is stated at a \$1,500 per ounce gold price and based on the Mineral Resource block models.

Mineral Reserves for the Séguéla Gold Project are based on conversion of Indicated Mineral Resources to Probable Mineral Reserves within the final pit designs constrained to an ultimate pit shell generated from open pit optimizations at a \$1,500 per ounce gold price with the incorporation of appropriate mining recovery and mining dilution estimations. No Measured Mineral Resources that would have been converted to Proven Mineral Reserves were part of the Mineral Resource model for any of the deposits. Inferred Mineral Resources were not included in the Mineral Reserves estimate. Where Inferred Mineral Resources existed within the final pit design, they were assigned a null Au grade and was classified as waste in the pit optimisation process.

Table 2 summarizes the open pit Mineral Reserve estimate for the Séguéla Gold Project that includes the Antenna, Koula, Ancien, Agouti and Boulder deposits.

Table 2: Séguéla Mineral Reserves Estimate Summary

Séguéla Mineral Reserve effective as of 31 March 2021									
	Proven			Probable			Proven + Probable		
	Tonnes (Mt)	Grade (g/t Au)	Metal (000 oz)	Tonnes (Mt)	Grade (g/t Au)	Metal (000 oz)	Tonnes (Mt)	Grade (g/t Au)	Metal (000 oz)
Antenna	-	-	-	7.2	2.1	482	7.2	2.1	482
Koula	-	-	-	1.2	6.5	243	1.2	6.5	243
Ancien	-	-	-	1.3	4.9	211	1.3	4.9	211
Agouti	-	-	-	1.2	2.2	88	1.2	2.2	88
Boulder	-	-	-	1.1	1.8	64	1.1	1.8	64
Total	-	-	-	12.1	2.8	1,088	12.1	2.8	1,088

Notes:

1. Mineral Reserves are reported in accordance with NI 43-101 with an effective date of 31 March 2021, for Séguéla.
2. The Séguéla Mineral Reserves are reported on a 100% basis at an incremental gold grade cut-off of 0.54 g/t Au for Antenna, 0.55 g/t Au for Agouti, 0.55 g/t Au for Boulder, 0.56 g/t Au for Koula and 0.56 g/t Au for Ancien deposits based on a gold price of \$1,500/ounce, constrained to optimization pit shells and only Proven and Probable categories reported within the final pit designs.
3. The Mineral Reserves pit design were completed based on overall slope angle recommendations of between 37° and 57° for Antenna, Koula and Agouti deposits from oxide to fresh weathering profiles, between 34° and 56° for Ancien deposit from oxide to fresh weathering profiles and 37° and 60° for Boulder deposit from oxide to fresh weathering profiles.
4. The Mineral Reserves are reported with modifying factors of 15% mining dilution and 90% Mining recovery applied.
5. Mineral Reserves reported based on each open pit deposit demonstrating economic viability.
6. The identified Mineral Reserves in the block model are classified according to the "CIM" definitions for the Proven and Probable categories.
7. The Séguéla Mineral Reserves Statement was prepared under the supervision of Mr. Shane McLeay, Principal Mining Engineer at Entech Pty Ltd. Mr. McLeay is a Qualified Person as defined in NI 43-101.
8. All figures have been rounded to reflect the relative accuracy of the estimates and totals may not add due to rounding.
9. The Séguéla Gold Project is subject to a 10% carried interest held by the government of Cote d'Ivoire.

Roxgold is not aware of any known environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant issues that could potentially affect this Mineral Reserve estimate. The reported Mineral Reserve may be affected by future study assessments of mining, processing, environmental, permitting, taxation, socio-economic and other factors.

1.10 Mining Methods

A geotechnical study was completed on the Séguéla Gold Project by Entech. The study provided details on pit slope recommendations for the different weathering zones, material type and orientations for each deposit of the Séguéla Gold Project. Outcomes and recommendations from the study translated into inputs for the open pit optimization and mine design phases.

Input mining unit rates for open pit optimization was generated from two cost models built up from first principles, a contractor cost model generated from reputable West African Mining Contractors request for quotation ("RFQ") submissions, and an owner operator cost model generated by Entech utilising their West African database and benchmarked against contractors RFQ submissions.

Mine designs were generated for each deposit utilising the selected optimum pit shells as a guide incorporating geotechnical parameters, minimum mining dimensions and mining equipment considerations. Designs included bench by bench convention and ramps from the crest to the bottom of the pit with waste dumps designed adjacent to the planned open pit voids to minimise haulage distances.

The Séguéla Gold Project will consist of the simultaneous exploitation of the Antenna deposit and the satellite deposits at Koula, Ancien, Agouti, and Boulder. The overall strategy is to have production from these satellite deposits complement the production from Antenna.

A conventional open pit mining method will be utilized for the Séguéla Gold Project with no free digging assumed for any of the weathering zones. All material will be mined via drilling and blasting activities, followed by conventional truck and shovel operations within the pits for movements of ore and waste material. Mining of benches is proposed using 5.0 m benches done in two 2.5 m flitches.

Mining operations will occur year-round with Roxgold engaging a mining contractor for initial operations, before switching to an owner mining arrangement after 3.5 years. A common pool of equipment will be used and scheduled across all active pits so that movement between the pits is minimized and consumables and spare parts are shared within the fleet.

A total of fourteen mining stages were designed and scheduled for the Séguéla Gold Project, consisting of individual pits or pit stages within a final pit design. Consideration for pit stages was for planning and scheduling practicality purposes. The schedule utilizes the pit and phase designs and stockpiling strategy to fill the mill at 1.25 million tonnes per annum ("Mtpa") initially and then increasing to 1.57Mtpa in year 3.

The mine schedule delivers 12.1 Mt of ore grading 2.8g/t gold to the mill over a nine-year mine life, including three months of pre-production.

1.11 Processing and Recovery Operations

The feasibility study in the Séguéla Technical Report contemplates a single stage primary crush/SAG milling comminution circuit where the ore will be drawn from the ROM bin via an apron feeder, scalped via a vibrating grizzly with the undersize reporting directly to the discharge conveyor and the oversize reporting to a primary jaw crusher for further size reduction. All crushed and scalped material will be conveyed to a surge bin. Crushed ore and water will be fed to the mill.

The mill will operate in closed circuit with hydrocyclones, with cyclone underflow reporting to the mill feed. A portion of the cyclone underflow slurry will be fed to the gravity circuit for recovery of gravity gold. The gravity concentrator tailings will flow to the cyclone feed hopper, while the gravity concentrate will report to an intensive leach circuit. Gold in solution will be recovered in a dedicated electrowinning system.

Screened cyclone overflow will be thickened prior to the CIL circuit. Loaded carbon drawn from the CIL circuit will be stripped by the split AARL method. The resultant gold in solution will be recovered by electrowinning. Recovered gold from the cathodes will be filtered, dried, and smelted in a furnace to doré bars.

The feasibility study assumes a forecast gold recovery rate of 94.5% for the life of the production plan. A gold price of \$1,600/oz based on analyst consensus was used for the economic analysis.

The Séguéla Gold Project is expected to produce gold doré which is readily marketable on an 'ex-works' or 'delivered' basis to several refineries in Europe and Africa. There are no indications of the presence of penalty elements that may impact the price or render the product unsalable.

Payment terms are widely available in the public domain and vary little from refinery to refinery.

1.12 Infrastructure, Permitting and Compliance Activities

The tailings system will comprise of two parallel tailings lines and associated tailings pumps. The tailings storage facility ("TSF") will comprise a side-valley storage formed by two multi-zoned earth-fill embankments, designed to accommodate 13.0 Mt of tailings, and built utilising the downstream construction methodology. The TSF will be designed to comply to ANCOLD (2019) guidelines and will include a HDPE geomembrane liner.

A water storage dam supplied with runoff water, mine dewatering and underground water will be the main collection and storage pond for clean raw and process water.

The envisioned power supply is through a connection to the Côte d'Ivoire electricity grid by a 2,400 m tee into the 90kV powerline from the Laboa to Séguéla substation. The Séguéla substation is fed via an existing 90kV transmission line from the 225/90kV Laboa substation. The Laboa substation is part of a 225kV ring main system around the country where various sources of generation are connected and, being a large ring main, offers a great deal of redundancy at 225kV. The grid supply from Côte d'Ivoire is, by world standards, economically

priced and much more financially favourable than other options including self-generation as the tariff is based on a mix of hydro and thermal generation with a large portion of hydro.

The Séguéla Gold Project's peak total greenhouse gas ("GHG") emissions is projected at 67,676 tCO₂e. Based on fuel and energy consumption and the total production of gold, the Séguéla Gold Project's energy and GHG emission intensities are estimated at 4.39 GJ/oz and 0.58 tCO₂e/oz, respectively.

The primary environmental approval required to develop the Séguéla Gold Project is decreed by the Ivorian Environment Minister and is necessary for the issuance of the mining license. Roxgold has contracted the consulting firm CECAF to undertake the project baseline studies and compile the environmental and social impact assessment ("ESIA") required to obtain the environmental decree. The ESIA identifies the potential social and environmental impacts of the development of the project and proposed mitigation measures. Part of the ESIA, a conceptual resettlement action plan has been developed for any physical or economic displacement of people or communities as a result of the project's development as well as a conceptual mine closure plan.

Following environmental and social studies, public consultations, and governmental examination, the ESIA for the Séguéla Gold Project has been approved by the Ministry of Environment and Sustainable Development by decree signed on September 22, 2020 (Decree No.00261 dated September 22, 2020, on ESIA approbation for the exploitation of a gold mine in Séguéla department). This decree allows the project to be built and exploited in accordance to the conditions listed into the environmental permit application file and the decree.

Currently, there is no permanent artisanal ("ASM") settlement on the identified deposits or nearby, with the presence of only few hundred ASM miners from time to time in the project area. The ASM activities can be characterized as being unauthorized, dispersed, intermittent and not mechanized for the exploitation of the deposits. Because of the implementation of a stakeholder management plan ensuring a good relationship between the company and the local authorities, village leaders, landowners, plus regular monitoring of the land occupancy on the exploration sites and the intervention of the authorities to avoid the establishment of organized ASM, the ASM activities in the project area can be qualified as being controlled.

The conceptual closure plan presented in the ESIA assumes the mine areas will be reclaimed to a safe and environmentally sound condition consistent with closure commitments developed in compliance with the national practices and regulations, and consistent with IFC and other guidelines.

At the end of 2020, in addition of the Environmental Permit, the Exploitation Permit was granted by the Council of Ministers on December 9, 2020, and signed as a decree by the President of Côte d'Ivoire (Decree No.2020-960 dated December 9, 2020 on gold exploitation permit in Séguéla department). This permit covers an area of 353.6 km² and is valid for 10 years, with opportunities to renew as further growth and expansion is proven.

1.13 Capital and Operating Costs

The capital required to develop Séguéla Gold Project is estimated to be \$142 million (including \$8 million contingency) with an additional \$173 million of sustaining capital and \$11 million of closure costs over the nine-year mine life. The mining pre-production capital relates to mining activities, plant and infrastructure construction activities and owners team assembly prior to first material being delivered to the processing facility, where 315,000 tonnes of ore and 625,000 tonnes of waste are mined in order to establish a reasonable stockpile ahead of processing operations commencing. All contractor mobilization and setup costs are included in the pre-production capital allowance.

The processing plant capital relates to a facility with a nominal hard rock throughput of 1.25 Mtpa and compliant with other key process design criteria summarized in Section 17. The capital cost estimate is based on a fixed sum engineering, procurement and construction ("EPC") implementation approach and horizontal (discipline based) construction contract packaging. The EPC costs originate from a firm price from a reputable, experienced EPC contractor selected via a competitive tendering process. These costs include the procurement of equipment, materials and services to construct the complete process plant on a fixed cost basis as defined by the EPC scope of work.

The infrastructure pre-production cost includes site roads, utilities, buildings, mobile equipment, electrical distribution, tailings management facility, and water storage dam. The sustainability pre-production cost includes land compensation, livelihood restoration, and COVID-19 management and medical expenses.

Operating costs, which includes mining, processing, general and administrative costs, royalties and refining costs totals \$652 per payable ounce of gold sold over the nine-year operating plan in the feasibility study. AISC, which includes sustaining capital, reclamation, and corporate general and administration totals \$832 per payable ounce of gold sold over the nine-year operating plan in the feasibility study.

1.14 Economic Analysis

The Séguéla Gold Project has been evaluated on a discounted cash flow basis. The results of the feasibility study analysis show the project to be economically very robust. The pre-tax net present value with a 5% discount rate (NPV5%) is \$455 million and with an IRR of 53% using a base gold price of \$1,600/oz. The economic analysis assumes that Roxgold will provide all development funding via inter-company loans to the mine operating entity, which will be repaid with interest from future gold sales. On this basis, over the nine-year operating mine plan outlined in the feasibility study, Roxgold's 90% interest in the project is expected to provide an after-tax NPV5% of \$380 million and an IRR of 49% at a gold price of \$1,600/oz.

Payback period is expected to be 1.7-years at a gold price of \$1,600/oz. Payback period is defined as the time after process plant start-up that is required to recover the initial expenditures incurred developing the Séguéla Gold Project.

Like most gold mining projects the key economic indicators of NPV5% and IRR are most sensitive to changes in gold price. A \$200/oz reduction in the gold price would reduce Roxgold's after-tax NPV5% by \$109 million and reduce the IRR by 11%. A \$200/oz increase in the gold price would increase Roxgold's NPV5% by \$98 million and increase the IRR by 15%.

The cash flow analysis has been prepared on a constant 2021 US dollar basis. No inflation or escalation of revenue or costs has been incorporated.

1.15 Conclusions and Recommendations

Roxgold, in collaboration with independent consultants, has prepared a DFS which confirms the continued economic viability of the Séguéla based on Mineral Reserves. This Technical Report provides a summary of the results and findings from each major area of investigation to a level that is considered to be consistent with that normally expected with feasibility studies for resource development projects. The financial analysis performed from the results of this study demonstrates the robust economic viability of the proposed Séguéla Project using the base case assumptions considered.

Analysis of the results of the investigations has identified a series of risks and opportunities associated with each of the technical aspects considered for the development of the proposed project.

The key risks include:

- Environmental, permitting, legal, title, taxation, socio-economic, marketing, and political or other relevant issues could potentially materially affect access, title, or the right or ability to perform the work recommended in this Technical Report on the Séguéla Property. However, at the time of this report, the Authors are unaware of any such potential issues affecting the Séguéla Property and work programs recommended in this Technical Report;
- The targeted mineralisation type may not be discovered or if discovered it may not be of sufficient grade and/or tonnage to warrant commercial exploitation;
- Changes to metal price assumptions;
- Changes to the technical inputs used to estimate gold content (e.g. bulk density estimation, grade interpolation methodology);
- Geological interpretation (e.g. dykes and structural offsets such as faults and shear zones);
- Changes to geotechnical, hydrogeological, and mining assumptions, including the minimum mining thickness; or the application of alternative mining methods;

- Changes to process plant recovery estimates if the metallurgical recovery in certain domains is lesser or greater than currently assumed;
- The main risks to the project phase are cost and schedule overrun of construction and commissioning activities. Associated with these risks are geotechnical ground conditions that could force relocation of certain infrastructure with potential impact on cost and construction schedule;
- The cost and availability of construction materials for the mining operation;
- The design is based on an average tailings beach slope of 0.8% (125H:1V). However, the beach slope is heavily dependent on the grind size and the ore blend. Thus, small changes in plant performance or design, ore type, or the ore blend have the potential to change the tailings beach slope, and therefore dam capacity;
- The staged TSF embankment crest elevations are based on assumed tailings characteristics and throughput. Changes in these characteristics and/or throughput will result in changes in the achieved densities in the TSF;
- Any changes to the life of Mine Plan or throughput will impact upon the tailings management requirements for the site. Any significant increases in total throughput may require an expansion review of the current TSF (in particular, the proximity to the plant site) and reconsideration of the closure plan;
- There is a low risk that water seepage from the tailings storage facility may contaminate ground water. This risk is mitigated with the use of an HDPE liner, which the DFS contemplates;
- The availability and reliability of grid power supply presents a risk. Permitting and delivery of the proposed grid connection may force extending the use of diesel generation longer than anticipated with an impact on power costs;
- The nearby communities have expectations relating to job creation, community development and improvement in services and infrastructure. Meeting these expectations and minimizing impacts to regional infrastructure and community livelihood is a challenge resulting in possible dissatisfaction with Roxgold and the associated risks of community action against the project and loss of social license to operate; and
- Endemic diseases will be monitored, with a malaria management plan in place to control standing water and mosquito populations. A COVID-19 management plan will be put in place to prevent a virus outbreak on site and to manage the situation should one occur.

The key opportunities include:

- The Séguéla Property covers the entire greenstone belt exposure which hosts the Antenna, Ancien, Agouti, Boulder and Koula deposits, which is considered to be a strike continuation of the Senoufo greenstone belt which also hosts the Sissingue, Syama and Tongon gold deposits. The Séguéla Project is still under active exploration with potential for expansion of known gold deposits, the advancement of known prospects to drill stage (such as Sunbird), and the discovery of new prospects. These targets have the potential to increase the Mineral Resource base and enhance the potential economics of the Séguéla Project by adding additional ounces;
- Further optimisations of the mining strategy may result in operating cost savings as well as optimized mine designs and scheduling resulting in a reduction in stripping ratio and overall project waste movement requirements;
- Optimisation on the open pit and underground mining transition of the Koula and Ancien deposits. Optimal transition point from open pit to underground, lifting the pit floor up, reducing strip ratio and waste movement yielding an increase in the overall project NPV;
- Optimisation in geotechnical pit slope angles for mine design improvements and reduction in the overall strip ratio;
- Improvements in mining operating cost through commercial negotiations with preferred contractors may result in a lower mining cost;

- Throughout the next engineering phases of the project, the optimisation of the plant throughput and/or opportunities to cost effectively increase plant throughput or allow for future expansion will be considered;
- There is the opportunity to maximize the benefit of this project for local communities as an opportunity for social and economic development including social infrastructures, professional skills and all the other aspects of the Sustainability Development Goals (“SDGs”) where possible;
- A good working relationship with local government, state services, traditional authorities, communities and other stakeholders such as the artisanal miners, is in place due to the quality of the early stakeholder’s engagement at the project. The opportunity to strengthen these existing relationships will help mitigate the risks of project delays due to unmet expectations amongst the community and other stakeholders; and
- The area is favourable to project development without legally protected and internationally recognised biodiversity areas and mostly modified natural habitats mixed with agriculture, no traditional sites, low population density, plus no established villages within the project's footprint.

Analysis of the results and findings from each major area of investigation suggests several recommendations for further investigations to mitigate risks and improve the base case designs to be considered during the operation of the project. Each recommendation is not contingent on the results of other recommendations and can be completed in a single phase, concurrently. A summary of the recommendations as provided is as follows:

- Additional Mineral Resource definition drilling (infill and extension) where applicable, to upgrade the Mineral Resource classification to Indicated and extend the known Mineral Resources;
- Review and re-rank existing regional exploration results and targets followed by selective drill testing of those proximal to the defined Mineral Resource estimates;
- Further extension and infill drilling of the down-plunge projections of high grade mineralization beyond the presently defined open pit limits in support of underground mining potential. If successful, this work should also consider trade-off studies to further optimise the final pit depths and the potential to mine current open pit ore via an underground operation;
- Detailed structural analysis of the Antenna, Ancien, Agouti, Boulder and Koula deposits, based on high-quality oriented drill core, with a view to developing exploration models for analogue or related systems elsewhere within the Project;
- Roxgold intends to continue with the systematic approach to the exploration and development of the Séguéla Project. Roxgold has budgeted for ongoing exploration, with approximately \$5.4 million allocated for 2021, and will proceed with the recommended work as planned, with any future work to be planned contingent upon the results of this initial phase;
- Finalization of the ground improvement requirements for critical structures at the process plant;
- Investigate the potential for closer sources of construction materials, namely competent fill, sand and rock (aggregate) supply to minimise importation costs;
- Carbon adsorption modelling for various combinations of carbon movement rates and concentration profiles should be considered. The test results from the DFS indicates that gold adsorption is below average for this slurry which was unexpected given the ‘clean’ nature of the ores. Confirmatory test work is recommended but not essential as the impact on the CIL / elution circuit design will be modest;
- Undertake more comprehensive test work for silver and explore the economics to recover silver in the process plant;
- An optimization study of the mining strategy, open pit to underground mining transition, and geotechnical pit slope angles to reduce strip ratio and waste movement yielding an increase in the overall project NPV. This study should be conducted in the next phase of engineering investigation in 2021 (approximately \$530,000);
- Tender the major construction (e.g. bulk earthworks, grid connection) and mining contracts to more accurately define the project costs and economics;
- Continuing climate data collection on site to establish variation between project site and other long-term monitoring data sources;

- Continue to engage effectively with all the stakeholders as the project develops including those concerned by the impacts on the regional infrastructures;
- Further studies to investigate the impacts of the project on water quality and the long-term potential impacts of the tailings storage facility on surface and ground water quality;
- Locate additional air quality and noise monitoring points at the boundary between the new project infrastructure and the closest villages to provide a more robust baseline; and
- Consider the cover designs or dust suppression systems for the waste rock dumps and tailings facilities to minimize the generation of windblown dust from the surface of these facilities.

[End of Extract of Summary from Séguéla Technical Report]

Exploration Work Subsequent to the Séguéla Technical Report

Séguéla Project Exploration Results 2021

On September 7, 2021, the Company announced the results of extension and scout drilling at the Séguéla Project which has established continuity of high-grade mineralization at the Koula deposit, the Sunbird prospect and the Gabbro North prospect.

At the Koula deposit, a combined 7,115-meter, 24-hole Hanging Wall (HW) and Main Zone drill program continued to advance the high-grade Koula deposit with step-out drilling intersecting a new zone of hanging wall mineralization as well as infilling the extension of the high-grade Koula structure. Highlights of the step-out drilling include:

- **SGRD1217:** 28.8 g/t Au over 7 meters from 80 meters (Hanging wall lode)
- **SGRD1209:** 19.8 g/t Au over 11 meters from 124 meters, including 83.3 g/t Au over 3 meters from 128 meters (Hanging wall lode)
- **SGDD085:** 6.1 g/t Au over 18 meters from 246 meters (Central lode)

At the Sunbird prospect, a 1,774 meter, 11-hole depth extension drilling program extended the mineralized envelope. Highlights of the drilling program include:

- **SGDD089:** 17.2 g/t Au over 30 meters from 142 meters
- **SGDD087:** 2.9 g/t Au over 20 meters from 110 meters
- **SGRC1306:** 2.7 g/t Au over 12 meters from 63 meters

At the Gabbro North prospect, a 2,070-meter, 14-hole scout drilling program was conducted to follow up on the previous high-grade results intersected in the first scout drilling phase conducted by Roxgold in the second quarter of 2021. The results provided evidence of further continued high-grade mineralization. Highlights of the scout drilling include:

- **SGRC1236:** 23.0 g/t Au over 4 meters from 109 meters, and 9.2 g/t Au over 5 meters from 117 meters
- **SGRC1239:** 2.5 g/t Au over 5 meters from 17 meters

Please refer to the Company's news release dated September 7, 2021 entitled "*Fortuna intersects 17.2 g/t Au over 30m at Sunbird Prospect, Séguéla, Côte d'Ivoire and 17.9 g/t Au over 5.4m at Galgouli Prospect, Boussoura, Burkina Faso*", for full details.

On December 9, 2021, the Company announced the results of a 13-hole, 3,059-meter drill program which tested the continuity and tenor of mineralization at depth and along strike to the south. Drilling at depth was designed to test projections of previous high-grade results a further 100 to 150 meters down plunge in the central zone and help refine the understanding of the structural controls. Drilling to the south extended drill defined mineralization a further 50 meters, helping refine the structural controls, with this area remaining open along strike and down-plunge. The geometry and style of mineralization is consistent with that seen at the Koula and Ancien deposits,

located 1.5 kilometers and 5 kilometers to the north and south respectively, both of which are hosted in similar structural settings within the same lithology package. Highlights of the drill programme include:

- **SGRD1365:** 9.4 g/t gold over an estimated true width of 7 meters from 197 meters
- **SGRD1366:** 17.5 g/t gold over an estimated true width of 6.3 meters from 205 meters
- **SGRD1367:** 14.8 g/t gold over an estimated true width of 1.4 meters from 214 meters and 52.2 g/t gold over an estimated true width of 1.4 meters from 242 meters
- **SGRD1368:** 3.4 g/t gold over an estimated true width of 3.5 meters from 269 meters
- **SGRD1370:** 8.0 g/t gold over an estimated true width of 8.4 meters from 241 meters
- **SGRD1376:** 6.5 g/t gold over an estimated true width of 10.5 meters from 143 meters

Please refer to the Company’s news release dated December 9, 2021 entitled “*Fortuna drills 16.5 g/t gold over 6.3 meters at Séguéla and provides exploration update*”, for full details.

Séguéla Project Maiden Inferred Mineral Resource

On March 15, 2022, the Company announced a maiden Inferred Mineral Resource for the Sunbird discovery at the Séguéla Project. The Company estimates the Sunbird deposit contains an Inferred Mineral Resource of 3.4 million tonnes at an average grade of 3.16 g/t Au containing 350,000 gold ounces (refer to Table 1). The Inferred Mineral Resource will not materially change the existing Mineral Resource estimate at the Séguéla gold Project or impact its current construction plan.

Table 1: Sunbird deposit maiden Inferred Mineral Resource estimate

Classification	Tonnes	Au (g/t)	Contained Au (oz)
Inferred Mineral Resource	3,446,000	3.16	350,000

Notes:

1. Mineral Reserves and Mineral Resources are as defined by the 2014 CIM Definition Standards for Mineral Resources and Mineral Reserves
2. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability
3. Factors that could materially affect the reported Mineral Resources or Mineral Reserves include changes in metal price and exchange rate assumptions; changes in local interpretations of mineralization; changes to assumed metallurgical recoveries, mining dilution and recovery; and assumptions as to the continued ability to access the site, retain mineral and surface rights titles, maintain environmental and other regulatory permits, and maintain the social license to operate
4. Mineral Resources are estimated and reported as of December 31, 2021
5. Mineral Resources are reported constrained within an optimized pit shell at a cut-off grade of 0.5 g/t Au based on an assumed gold price of US\$1,700/oz, metallurgical recovery rate of 94.5%, mining cost of US\$2.80/t, processing and G&A costs of US\$21.64/t, and refining/selling costs including state and third-party royalties of US\$121.60/oz. The pit design was completed based on overall slope angle of between 50° and 53.3°
6. Matthew Cobb is the Qualified Person responsible for Mineral Resources, being an employee of Roxgold Inc.
7. Totals may not add due to rounding procedures

Please refer to the Company’s news release dated March 15, 2022, entitled “*Fortuna announces maiden inferred mineral resource of 350,000 ounces at 3.16g/t gold at the Sunbird discover at Séguéla, Côte d’Ivoire*”, for full details.

Non-Material Mineral Properties

Boussoura Properties in Burkina Faso

On July 29, 2014, Roxgold obtained the permit to explore the Boussoura property located in the province of Poni. The Boussoura permit was renewed to September, 2023.

The Boussoura permit covers an area of approximately 244.5km². It is located in south west Burkina Faso on the southern end of the Houde Greenstone belt approximately 35 kilometres from the city of Gaoua, or 350 kilometres from Ouagadougou, the capital of Burkina Faso. The Boussoura permit is also approximately 10 kilometres north of the border of Côte d'Ivoire.

A drilling program was conducted in late 2019 and early 2020 targeting three prospects, following up on old field mapping, regional soil and auger geochemical sampling and high-grade rock chip results at Galgouli, Fofora and Niolkar. The Fofora area is host to at least nine sets of shear zones and vein corridors that have been identified to date with an active 3km by 3km artisanal field. Scout drilling since September 2020 has progressively been testing the higher priority targets across the fields, with results confirming extensive zones of mineralization within the corridors.

Exploration at Galgouli has transitioned to target delineation with an extensive auger program underway testing the northern and southern strike extension of the Galgouli structure and potential parallel zones. Several additional anomalies were identified for scout RC drill testing.

On September 7, 2021, the Company announced the results of infill and extension drilling at the Boussoura prospect which has increased the confidence in structural controls of mineralization at the Fofora Main and Galgouli prospects.

At the Fofora Main prospect, a 47-hole, 5,958-meter infill and extension drill program increased confidence in the structural controls of mineralization. Scout drilling at the adjacent vein corridors to the west continues to highlight the regional potential, with drilling on vein corridors VC4 and VC5 intersecting extensive zones of alteration and associated quartz veining and mineralization. Highlights of the program include:

- **FFR272:** 6.7 g/t Au over 4 meters from 127 meters and 9.9 g/t Au over 8 meters from 136 meters
- **FFR270:** 1.0 g/t Au over 27 meters from 40 meters, 11.4 g/t Au over 3 meters from 141 meters, and 1.5 g/t Au over 10 meters from 197 meters

At the Galgouli prospect, a 12-hole, 3,419-meter depth extension drilling program on the central zone tested the structural controls and was successful in identifying extensions to the high-grade shoots at depth. A 32-hole, 4,022-meter scout drilling program was also successful in identifying high-grade mineralization approximately 1 kilometer to the south and south-east of the central Galgouli zone, testing interpreted parallel structures. Highlights of the drilling program include:

Galgouli Central

- **GAL055:** 17.9 g/t Au over 5.4 meters from 232.2 meters, including 87.4 g/t Au over 0.95 meters from 235.05 meters
- **GAL065:** 6.6 g/t Au over 4.8 meters from 253.2 meters, including 58.9 g/t Au over 0.5 meters from 255.65 meters

Galgouli Regional

- **RC096:** 22.2 g/t Au over 2 meters from 100 meters
- **RC077:** 18.1 g/t Au over 1 meter from 44 meters and 7.8g/t Au over 2 meters from 53 meters

Please refer to the Company's news release dated September 7, 2021 entitled "*Fortuna intersects 17.2 g/t Au over 30m at Sunbird Prospect, Séguéla, Côte d'Ivoire and 17.9 g/t Au over 5.4m at Galgouli Prospect, Boussoura, Burkina Faso*", for full details.

DIVIDENDS

The Company has not to date paid any dividends on its Common Shares nor does it intend to pay any dividends on its shares in the immediate future as management anticipates that all available funds will be invested to finance further acquisition, exploration and development of its mineral properties.

DESCRIPTION OF CAPITAL STRUCTURE

Common Shares

The Company's authorized share capital is an unlimited number of Common Shares without par value. All Common Shares of the Company rank equally as to dividends, voting powers and participation in assets and in all other respects.

Voting

The holders of Common Shares are entitled to receive notice of, attend and vote at any meeting of the shareholders of the Company. Each Common Share carries one vote per share. There are no voting right ceilings attached to the Common Shares.

Dividends

The holders of Common Shares are entitled to receive on a pro-rata basis such dividends as the Board from time to time may declare, out of funds legally available therefor.

Rights on Dissolution

In the event of a liquidation, winding-up or dissolution of the Company, whether voluntary or involuntary or for the purpose of a reorganization or otherwise or upon any distribution of capital, the holders of the Common Shares have the right to receive on a pro-rata basis all of the assets of the Company remaining after payment of all of the Company's liabilities.

Pre-emptive, Conversion and Other Rights

No pre-emptive, redemption, retraction, exchange, sinking fund or conversion rights are attached to the Common Shares, and the Common Shares, when fully paid, will not be liable to further call or assessment. No other class of shares may be created without the approval of the holders of the Common Shares.

Debentures

In October 2019, the Company issued \$46 million aggregate principal amount of Debentures by way of a public offering at a price of \$1,000 per Debenture. The Debentures are senior subordinated unsecured convertible securities of the Company. Refer to "*Three- Year History- Recent Developments and Financings*".

The Debentures mature on October 31, 2024 and bear interest at a rate of 4.65 percent per annum, payable semi-annually in arrears on the last business day of April and October in each year, commencing on April 30, 2020. The Debentures are convertible at the holder's option into Common Shares at a conversion price of US\$5.00 per share, representing a conversion rate of 200 Common Shares per US\$1,000 principal amount of Debentures, subject to adjustment in certain circumstances. The Debentures are governed by way of a debenture indenture (the

“**Indenture**”) between the Company and Computershare Trust Company of Canada dated October 2, 2019. The Debentures are transferable and are listed for trading on the TSX.

Adjustment of Conversion Price

The Indenture provides for the adjustment of the conversion price upon certain events including: (i) the subdivision or consolidation of the outstanding Common Shares; (ii) the issue of Common Shares or securities convertible into Common Shares by way of stock dividend or other distribution to all or substantially all holders of Common Shares; (iii) the issue of rights, options or warrants to all or substantially all of the holders of Common Shares entitling them to acquire Common Shares or other securities convertible into Common Shares in certain circumstances and (iv) the distribution to all or substantially all holders of Common Shares of any other class of shares, rights, options or warrants, evidences of indebtedness or assets, at less than 95 percent of the then Current Market Price (as defined below) of the Common Shares.

Redemption

The Debentures may not be redeemed (a “**Redemption**”) by the Company prior to October 31, 2022, except if certain conditions are satisfied following a Change of Control (as defined below). On or after October 31, 2022 and prior to October 31, 2023, the Debentures may be redeemed by the Company, in whole or in part from time to time, on not more than 60 days and not less than 30 days prior notice (a “**Redemption Notice**”), at a redemption price equal to the principal amount thereof plus accrued and unpaid interest, if any, up to but excluding the date set for Redemption, provided that the arithmetic average of the volume weighted average trading price of the Common Shares (as defined herein) on the NYSE for the 20 consecutive trading days ending five trading days prior to the date on which the Redemption Notice is provided (the “**Current Market Price**”) is at least 125 percent of the conversion price, subject to regulatory approval. On or after October 31, 2023 and prior to the maturity date, the Debentures may be redeemed in whole or in part at the option of the Company on not more than 60 days and not less than 30 days prior notice, at a price equal to their principal amount plus accrued and unpaid interest, if any, up to but excluding the date set for Redemption.

Change of Control

Within 30 days of the Company giving notice of the occurrence of: (i) the acquisition by any person or group of persons acting jointly or in concert (within the meaning of National Instrument 62-104 - *Take-Over Bids and Issuer Bids* as at the date of the Indenture) of ownership of, or voting control or direction over, fifty percent (50%) or more of the then outstanding Common Shares; or (ii) the sale or other transfer of all or substantially all of the consolidated assets of the Company (each, a “**Change of Control**”), the holders of the Debentures (the “**Debentureholders**”) may require the Company to repurchase their Debentures then outstanding at a price equal to 100 percent of the principal amount of the Debentures plus accrued and unpaid interest thereon, from and including the last Interest Payment Date (as defined in the Indenture) to, but not including the purchase date. If holders of 90 percent of the aggregate then outstanding principal amount of Debentures tender to the Change of Control offer, the Company will have the option to call the remaining Debentures. A Change of Control will not include a sale, merger, reorganization, arrangement or similar transaction if the previous holders of the Common Shares hold at least fifty percent (50%) of the voting control or direction in such merged, reorganized, arranged or other continuing entity.

In the event of an acquisition of the Company where the consideration includes 10 percent or more in cash or assets or shares (other than publicly traded shares), then, subject to regulatory approval, Debentureholders will be entitled to convert their Debentures within a specified timeframe, in whole or in part, and receive, in addition to the number of Common Shares that such holders are otherwise entitled to receive upon such conversion, an additional number of Common Shares per \$1,000 principal amount of Debentures converted as set forth in the Indenture.

Payment of Principal Upon Redemption of Maturity

Subject to applicable securities laws and regulatory approval and provided that no Event of Default (as defined in the Indenture) has occurred and is continuing, the Company may, at its option, elect to satisfy its obligation to pay the principal amount of the Debentures and accrued and unpaid interest on redemption or at maturity, in whole or

in part, through the issuance of freely tradable Common Shares upon at least 30 days and not more than 60 days prior notice, by issuing and delivering that number of Common Shares, as applicable, obtained by dividing the principal amount of the Debentures and all accrued and unpaid interest thereon by 95 percent of the Current Market Price on the date of redemption or maturity, as applicable.

MARKET FOR SECURITIES

Common Shares

The Company's Common Shares were listed and posted for trading on the TSX Venture Exchange until January 18, 2010 when the Company graduated to the TSX. On September 19, 2011, the Company's Common Shares were listed and posted for trading on the NYSE. The Company's shares currently trade on the NYSE under the symbol "FSM" and on the TSX under the symbol "FVI".

Trading Prices and Volume

The following table sets forth the monthly high and low sale prices and trading volumes of the Common Shares on the TSX and the NYSE during the fiscal year ended December 31, 2021:

Month	Toronto Stock Exchange			New York Stock Exchange		
	High (CAD\$)	Low (CAD\$)	Volume	High (US\$)	Low (US\$)	Volume
December	5.23	3.77	23,668,500	4.08	2.91	114,281,500
November	6.95	4.33	32,172,800	5.52	3.39	140,926,900
October	6.40	4.71	18,651,800	5.18	3.74	75,318,100
September	5.89	4.88	18,477,100	4.68	3.81	96,999,200
August	6.07	4.90	18,027,300	4.85	3.81	75,912,800
July	7.06	5.42	24,877,100	5.68	4.29	100,682,500
June	8.67	6.58	20,930,300	7.22	5.33	69,794,500
May	8.52	7.31	23,417,700	7.00	5.99	80,606,100
April	9.97	7.24	23,927,700	7.98	5.89	86,276,500
March	9.83	7.45	16,861,000	7.77	5.89	73,138,000
February	12.61	8.90	20,935,400	9.85	6.94	81,110,000
January	12.26	8.43	21,743,300	9.69	6.57	93,648,700

Debentures

The Debentures are listed for trading on the TSX under the trading symbol "FVI.DB.U."

Trading Prices and Volume

The following table sets forth the monthly high and low sale prices and trading volumes of the Debentures on the TSX during the fiscal year ended December 31, 2021:

Toronto Stock Exchange

Month	High (CAD\$)	Low (CAD\$)	Volume⁽¹⁾
December	111.00	100.00	1,037,000
November	120.00	105.00	143,000
October	No trades	No trades	No trades
September	118.00	110.03	36,000
August	119.57	112.88	5,000
July	122.02	122.02	20,000
June	149.00	129.24	2,592,000
May	150.95	145.00	4,154,000
April	165.00	165.00	5,000
March	160.56	150.96	2,002,000
February	174.00	174.00	39,000
January	196.12	148.00	216,000

(1) Represents the total quantity of Debentures traded on the TSX for the applicable month.

Prior Sales

The following table summarizes the issuances of share-settled restricted share units (“RSUs”) and performance share units (“PSUs”) by the Company during the financial year ended December 31, 2021, which securities are not listed or quoted on a marketplace, and the issuances of Common Shares upon the vesting of RSUs, PSUs and the exercise of stock options during the aforementioned year.

Date Issued	Issue/Exercise Price	Number and Type of Security Issued	Reason for Issuance
March 15, 2021	CAD\$4.83	305,547 Common Shares	Settlement of PSUs and RSUs
March 17, 2021	CAD\$6.20	10,877 Common Shares	Settlement of RSUs
March 17, 2021	CAD\$4.83	14,683 Common Shares	Settlement of RSUs
March 17, 2021	CAD\$3.32	22,598 Common Shares	Settlement of RSUs
March 19, 2021	CAD\$6.20	573,493 Common Shares	Settlement of PSUs and RSUs
April 15, 2021	CAD\$6.20	33,457 Common Shares	Option Exercise
April 15, 2021	CAD\$6.35	7,170 Common Shares	Option Exercise
April 20, 2021	CAD\$3.32	155,845 Common Shares	Settlement of RSUs
April 27, 2021	CAD\$7.90	902,984 PSUs	Grant
June 7, 2021	CAD\$7.15	2,447 Common Shares	Settlement of RSUs
July 2, 2021	\$5.49	106,106,224 Common Shares	Roxgold Acquisition
Sept. 21, 2021	CAD\$4.98	28,300 Common Shares	Option Exercise
Sept. 30, 2021	CAD\$4.83	27,476 Common Shares	Option Exercise
Sept. 30, 2021	CAD\$3.32	35,933 Common Shares	Option Exercise
Oct. 21, 2021	\$5.00	12,000 Common Shares	Debenture Conversion

DIRECTORS AND EXECUTIVE OFFICERS**Name, Occupation and Shareholding**

The Board presently consists of seven directors. The directors will hold office until the next annual general meeting of the Company or until their successor is elected or appointed, unless their office is earlier vacated in accordance with the Articles of the Company, or with the provisions of the *Business Corporations Act* (British Columbia).

The following are the full name, place of residence, position with the Company, and principal occupation within the preceding five years of each of the directors and executive officers of the Company as at the date of this AIF:

Name, Position and Residency ⁽¹⁾	Principal Occupation or Employment ⁽¹⁾	Period as a Director of the Company
JORGE GANOZA DURANT President, Chief Executive Officer & Director Lima, Peru	President & CEO of the Company.	December 2, 2004 to present
DAVID LAING ^{(3) (5)} Chair of the Board and Director British Columbia, Canada	Mining Engineer; Independent Mining Consultant, November 2018 to present; Chief Operating Officer of Equinox Gold Corp. and predecessors (mining), Aug 2016 to Nov 2018.	September 26, 2016 to present
MARIO SZOTLENDER ⁽⁵⁾ Director Caracas, Venezuela	Independent Consultant and Director of several public mineral exploration companies.	June 16, 2008 to present
DAVID FARRELL ^{(2) (3) (4)} Director British Columbia, Canada	President of Davisa Consulting (a private consulting company).	July 15, 2013 to present
ALFREDO SILLAU ^{(2) (3) (4)} Director Lima, Peru	Managing Partner, CEO and Director of Faro Capital (investment management).	November 29, 2016 to present
KYLIE DICKSON ^{(2) (4)} Director British Columbia, Canada	Corporate Director, Financial Consultant; Director and Audit Committee Chair of Hillcrest Energy Technologies Ltd. (energy solutions), April 2021 to present; Director and Audit Committee Chair of Star Royalties Ltd. (royalties and streaming), Nov 2020 to present; Vice-President, Business Development of Equinox Gold Corp. and predecessors (mining), April 2017 to March 2020; Chief Financial Officer of JDL Gold Corp. until its acquisition of Luna Gold Corp. (mining), Oct 2016 to April 2017.	August 16, 2017 to present
KATE HARCOURT ⁽⁵⁾ Director Monmouthshire, Wales	Chartered Environmentalist; Independent Environmental and Social Advisor to the mining industry; Director of Condor Gold plc since Mar 2015, Director of Orezone Gold Corporation since 2018; ESG Officer for Cornish Lithium since Jan 2021.	July 2, 2021 to present
LUIS GANOZA DURANT Chief Financial Officer Lima, Peru	Chief Financial Officer of the Company.	N/A

CESAR VELASCO Chief Operating Officer – Latin America Lima, Peru	Chief Operating Officer – Latin America of the Company, Sept 2021 to present; General Manager, Minera Bateas S.A. (subsidiary of Fortuna), Nov 2018 to Aug 2021; Commercial Manager, EXSA S.A. (mining supplies), Mar 2018 to October 2018 and Business Development Manager, July 2010 to Feb 2018.	N/A
PAUL CRIDDLE Chief Operating Officer – West Africa Western Australia, Australia	Chief Operating Officer – West Africa of the Company, July 2, 2021 to present; Director or Senior Officer of Roxgold Inc., Dec 2012 to July 2021.	N/A
MANUEL RUIZ-CONEJO Senior Vice-President, Mining Lima, Peru	Senior Vice-President, Mining of the Company, Sept 2021 to present; Vice-President, Operations of the Company, Aug 2011 to Sept 2021.	N/A
JOSE PACORA Senior Vice-President, Special Projects Lima, Peru	Senior Vice-President, Special Projects of the Company, Oct 2021 to present; Vice-President, Project Development of the Company, Nov 2014 to Sept 2021.	N/A
ERIC CHAPMAN Senior Vice-President, Technical Services British Columbia, Canada	Senior Vice-President, Technical Services of the Company, Oct 2021 to present; Vice-President, Technical Services of the Company, Jan 2017 to Sept 2021.	N/A
PAUL WEEDON Senior Vice-President, Exploration Western Australia, Australia	Senior Vice-President, Exploration of the Company, Oct 2021 to present; Vice-President, Exploration, West Africa of the Company, July 2, 2021 to Sept 2021; Vice-President, Exploration of Roxgold Inc., Oct 2018 to July 2, 2021; Senior Director – Exploration, APAC, Newmont Ltd. (mining), Feb 2018 to Oct 2018; and Senior Director – Exploration, Africa, May 2012 to January 2018.	N/A
JULIEN BAUDRAND Senior Vice-President, Sustainability Utah, USA	Senior Vice-President, Sustainability of the Company, Dec 2021 to present; Vice-President Sustainability, West Africa of the Company, Sept 2021 to Nov 2021; Group Sustainability Manager of Roxgold Inc., 2019 to Sept 2021; and Sustainability Manager of Roxgold Sanu S.A., 2016 to 2019.	N/A

As at December 31, 2021, the directors and executive officers of the Company beneficially owned or had control or direction over, directly or indirectly, an aggregate of 2,873,245 Common Shares, representing approximately 1.0 percent of the issued Common Shares of the Company.

Notes:

- (1) The information as to country of residence, principal occupation, and Common Shares held is not within the knowledge of the management of the Company and has been furnished by the respective individuals.
- (2) Member of the Audit Committee of the Company.

- (3) Member of the Compensation Committee of the Company.
- (4) Member of the Corporate Governance and Nominating Committee of the Company.
- (5) Member of the Sustainability Committee of the Company.

Cease Trade Orders or Bankruptcies

On April 3, 2017, a management cease trade order (“**MCTO**”) was issued by the British Columbia Securities Commission and other Canadian provincial securities regulatory authorities pursuant to National Policy 12-203 Management Cease Trade Orders in connection with the late filing of the Company’s annual audited financial statements and related management’s discussion and analysis for the years ended December 31, 2016 and 2015 and the AIF for the year ended December 31, 2016 (the “**Annual Documents**”). The MCTO prohibited the Chief Executive Officer and the Chief Financial Officer of the Company from trading in securities of the Company until the Company completed the required filing of the Annual Documents as well as its Interim Financial Documents (as defined below) for the first quarter of 2017, and the regulator revokes the MCTO.

The Annual Documents were filed on May 15, 2017. Due to the delay in finalizing the Annual Financial Documents, the Company was delayed in filing its interim financial statements and related management’s discussion and analysis for the three months ended March 31, 2017 and 2016 (together, the “**Interim Financial Documents**”). The Company filed the Interim Financial Documents on May 24, 2017, and the MCTO was revoked by the British Columbia Securities Commission on May 25, 2017.

Other than as set forth above, as at the date of the AIF and during the 10 years prior to the date of the AIF, none of the directors or executive officers of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

- (a) is or has been a director or executive officer of any company (including the Company), that while that person was acting in that capacity:
 - (i) was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, other than as disclosed above;
 - (ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
 - (iii) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officer and shareholder.

Penalties or Sanctions

As at the date of the AIF and during the 10 years prior to the date of the AIF, none of the directors or officers of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Conflicts of Interest

There are no existing or potential material conflicts of interest between the Company or any of its subsidiaries and a director or officer of the Company or any subsidiary.

AUDIT COMMITTEE

Pursuant to the provisions of National Instrument 52-110 *Audit Committees* (“**NI 52-110**”), the Company’s Audit Committee has adopted a written charter (the “**Charter**”) that sets out its mandate and responsibilities. The Charter is attached hereto as Schedule “A”.

The Audit Committee is presently comprised of Kylie Dickson, Alfredo Sillau and David Farrell. All members of the Audit Committee are “independent” and “financially literate”, within the meanings given to those terms in NI 52-110.

The education and experience of the Audit Committee members that is relevant to the performance of their responsibilities as Audit Committee members is as follows:

Audit Committee Member	Education and Experience
Kylie Dickson	Ms. Dickson is a Canadian Chartered Professional Accountant, Chartered Accountant (CPA,CA) with more than 14 years’ experience working with publicly traded resource companies. She received her Bachelor of Business Administration degree in Accounting from Simon Fraser University. She is the Audit Committee Chair of Hillcrest Energy Technologies Ltd. and Star Royalties Ltd., and she previously held the positions of Vice-President, Business Development of Equinox Gold Corp. and Chief Financial Officer of several mineral exploration and mining companies. Prior to her work with public companies, Ms. Dickson was an audit manager in the mining group of a major audit firm.
Alfredo Sillau	Mr. Sillau is Managing Partner, CEO and Director of Faro Capital, an investment management firm that manages private equity and real estate funds. Previously, he headed the business development in Peru for Compass Group, a regional investment management firm, until late 2011. As CEO of Compass, Mr. Sillau actively took part in the structuring, promoting and management of investment funds with approximately US\$500 million in assets under management. Mr. Sillau is a graduate of Harvard Business School. His background has given him the required experience to understand and assess the general application of the accounting principles used by the Company and to understand internal controls and procedures for financial reporting.

David Farrell	Mr. Farrell is President of Davisa Consulting, a private consulting firm working with junior to mid-tier global mining companies. He formerly was Managing Director of Mergers & Acquisitions at Endeavour Financial where he successfully closed over \$25 billion worth of M&A transactions for junior and mid-tier natural resource companies. Before his 12 years at Endeavour Financial, David was a lawyer at Stikeman Elliott LLP, working in Vancouver, Budapest and London. Mr. Farrell graduated from the University of British Columbia with a B.Comm. (Honours, Finance) and an LL.B and was called to the bar in both British Columbia and England. In addition, he has completed the ICD-Rotman Directors Education Program and been awarded the ICD.D designation. His background has given him the required experience to understand and assess the general application of the accounting principles used by the Company and to understand internal controls and procedures for financial reporting.
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The auditor of the Company obtains, as necessary, the pre-approval of the Audit Committee for any anticipated additional services required of the auditor for the coming fiscal year. If other service requirements arise during the year, the Audit Committee pre-approves such services at that time, prior to the commencement of such services.

During the Company's most recently completed fiscal year, no services were performed by the Company's auditor pursuant to the *De-Minimus Non-audit Services* exemption contained in NI 52-110.

During the Company's most recently completed fiscal year, the Company's auditor performed certain non-audit services. Fees and out-of-pocket costs charged by the auditor during the last two fiscal years are as follows:

	2021	2020
Audit Fees	\$1,441,200	\$982,150
Audit-Related Fees	16,300	15,500
Tax Fees	87,900	2,230
All Other Fees	Nil	Nil
	\$1,545,400	\$999,880

"Audit Fees" are the aggregate amounts billed for the audit of the Company's consolidated annual financial statements, and review of the interim financial statements. These amounts include services relating to the Company's securities offering documents.

"Audit-Related Fees" are amounts charged for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit Fees". The amounts charged include services for attestation engagements.

"Tax Fees" are amounts for professional services rendered for tax compliance and tax advice on actual or contemplated transactions.

"All Other Fees" are amounts not included in the categories above.

LEGAL PROCEEDINGS

There are no known legal proceedings involving an amount exceeding 10 percent of the current assets of the Company to which the Company is a party or which any of its properties is the subject during the most recently completed financial year, or any such proceedings known to the Company to be contemplated. The Company has not been subject to any regulatory penalties or sanctions during the most recently completed financial year related

to securities legislation or imposed by a court or regulatory body, nor has Fortuna entered into any settlement agreements relating to securities legislation during the most recently completed financial year.

TRANSFER AGENT AND REGISTRAR

The Common Shares are listed for trading on the TSX in Canada and on the NYSE in the United States. The Debentures are only listed for trading on the TSX. The Company's transfer agent and registrar for its Common Shares and Debentures is Computershare Trust Company, at its offices in Vancouver, BC and Toronto, ON. The Company's co-transfer agent and registrar for its Common Shares in the United States is Computershare Trust Company, N.A. at its office in Golden, Colorado.

MATERIAL CONTRACTS

In connection with the Roxgold Acquisition, the Company entered into the Arrangement Agreement with Roxgold, pursuant to which the Company agreed to purchase all of the issued and outstanding Roxgold Shares in exchange for 0.283 of a common share of Fortuna and CAD\$0.001 in cash for each Roxgold Share outstanding, subject to the terms and conditions of the Arrangement Agreement. The Roxgold Acquisition was completed by way of a court-approved plan of arrangement under the *Business Corporations Act* (British Columbia) on July 2, 2021. Refer to "*General Development of the Business – Business of the Company*".

In connection with the 2019 Financing described in this AIF under the heading "General Development of the Business – Three-Year History and Recent Developments", the Company entered into the Indenture. Refer to "*Description of Capital Structure – Debentures*".

Other than as disclosed in this AIF and other than those entered into in the ordinary course of the Company's business, there are no contracts that are material to the Company and that were entered into during the most recently completed fiscal year ended December 31, 2021 or before the most recently completed financial year, but are still in effect as of the date of this AIF.

INTERESTS OF EXPERTS

Auditors

The 2021 Financial Statements have been audited by KPMG LLP, as set forth in their report of independent registered public accounting firm thereon. KPMG LLP is the independent registered public accounting firm of the Company and is independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations and also that they are independent accountants with respect to the Company under all relevant U.S. professional and regulatory standards.

Qualified Persons

Paul Criddle, FAUSIMM, Paul Weedon, MAIG, Matthew Cobb, MAIG, and Craig Richards, P.Eng. prepared the Yaramoko Technical Report which was filed by the Company on SEDAR on March 30, 2022. See "*Description of the Business – Material Mineral Properties*".

Paul Criddle, Chief Operating Officer West Africa of the Company, Paul Weedon, Senior Vice-President Exploration of the Company, Matthew Cobb, Senior Resource Geologist of Roxgold (a wholly owned subsidiary of the Company), and Craig Richards, Chief Mining Engineer of the Company, is each a Qualified Person as defined by NI 43-101.

To the knowledge of the Company, as at the date of the Yaramoko Technical Report and as of the date hereof, Paul Criddle, Paul Weedon, Matthew Cobb, and Craig Richards together own, directly or indirectly, less than one percent of the outstanding Common Shares. None of Paul Criddle, Paul Weedon, Matthew Cobb, and Craig Richards has received a direct or indirect interest in the property of the Company.

ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, is contained in the Company's Management Information Circular for the most recent annual meeting of shareholders. Additional financial information is provided in the 2021 Financial Statements and the 2021 MD&A. The foregoing disclosure documents, along with additional information relating to the Company are available for viewing on SEDAR at www.sedar.com.

SCHEDULE "A"

FORTUNA SILVER MINES INC. (the "Company")

Audit Committee Charter

PURPOSE

The primary function of the Audit Committee is to assist the Board of Directors of the Company (the "**Board**") in fulfilling its oversight responsibilities by reviewing the financial information to be provided to the shareholders and others, the systems of internal controls and management information systems established by the senior officers of the Company ("**Management**") and the Company's internal and external audit process and monitoring compliance with the Company's legal and regulatory requirements with respect to its financial statements.

The Audit Committee is accountable to the Board. In the course of fulfilling its specific responsibilities hereunder, the Audit Committee is expected to maintain an open communication between the Company's external auditors and the Board.

The Audit Committee does not plan or perform audits or warrant the accuracy or completeness of the Company's financial statements or financial disclosure or compliance with generally accepted accounting procedures as these are the responsibility of Management.

RESPONSIBILITIES

Subject to the powers and duties of the Board, the Board hereby delegates to the Audit Committee the following powers and duties to be performed by the Audit Committee on behalf of and for the Board. Nothing in this Charter is intended to or does confer on any member a higher standard of care or diligence than that which applies to the directors as a whole.

External Auditors

The Audit Committee has primary responsibility for the selection, appointment, dismissal, compensation and oversight of the external auditors, subject to the overall approval of the Board. For this purpose, the Audit Committee may consult with Management.

The external auditors shall report directly to the Audit Committee.

Also, the Audit Committee:

- a. recommends to the Board:
 - i. whether the current external auditors should be nominated for reappointment for the ensuing year and if applicable, select and recommend a suitable alternative for nomination; and
 - ii. the amount of compensation payable to the external auditors;
- b. resolves disagreements, if any, between Management and the external auditors regarding financial reporting;
- c. provides the Board with such recommendations and reports with respect to the financial statements of the Company as it deems advisable;

- d. takes reasonable steps to confirm the independence of the external auditors, including but not limited to pre-approving any non-audit related services provided by the external auditors to the Company or the Company's subsidiaries, if any;
- e. confirms that the external auditors are a 'participating audit' firm for the purpose of National Instrument 52-108 *Auditor Oversight* and are in compliance with governing regulations;
- f. reviews the plan and scope of the audit to be conducted by the external auditors of the Company;
- g. reviews and evaluates the performance of the external auditors; and
- h. reviews and approves the Company's hiring policy regarding partners, employees and former partners and employees of the Company's present and former external auditors.

Audit and Review Process and Results

The Audit Committee has a duty to receive, review and make any inquiry regarding the completeness, accuracy and presentation of the Company's financial statements to ensure that the financial statements fairly present the financial position and risks of the organization and that they are prepared in accordance with generally accepted accounting principles. To accomplish this, the Audit Committee:

- a. considers the scope and general extent of the external auditors' review, including their engagement letter and major changes to the Company's auditing and accounting principles and practices;
- b. consults with management regarding the sufficiency of the Company's internal system of audit and financial controls, internal audit procedures and results of such audits;
- c. ensures the external auditors have full, unrestricted access to required information and have the cooperation of management;
- d. reviews with the external auditors the audit process and standards, as well as regulatory or Company-initiated changes in accounting practices and policies and the financial impact thereof, and selection or application of appropriate accounting principles;
- e. reviews with the external auditors and, if necessary, legal counsel, any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Company and the manner in which these matters are being disclosed in the financial statements;
- f. reviews the appropriateness and disclosure of any off-balance sheet matters;
- g. reviews disclosure of related-party transactions;
- h. receives and reviews with the external auditors, the external auditors' audit report and the audited financial statements;
- i. makes recommendations to the Board respecting approval of the audited financial statements;
- j. meets with the external auditors separately from management to review the integrity of the Company's financial reporting, including the clarity of financial disclosure and the degree of conservatism or aggressiveness of the accounting policies and estimates, any significant disagreements or difficulties in obtaining information, adequacy of internal controls over financial reporting, adequacy of disclosure controls and procedures, and the degree of compliance by the Company with prior recommendations of the external auditors;

- k. directs management to implement such changes as the Audit Committee considers appropriate, subject to any required approvals of the Board arising out of the review; and
- l. meets at least annually with the external auditors, independent of management, and reports to the Board on such meetings.

Interim Financial Statements

The Audit Committee:

- a. reviews and determines the Company's practice with respect to review of interim financial statements by the external auditors;
- b. conducts all such reviews and discussions with the external auditors and Management as it deems appropriate; and
- c. makes recommendations to the Board respecting approval of the interim financial statements.

Involvement with Management

The Audit Committee has primary responsibility for overseeing the actions of management in all aspects of financial management and reporting. The Audit Committee:

- a. reviews the Company's annual and interim financial statements, Management's Discussion and Analysis and earnings press releases, if any, before the Company publicly discloses this information;
- b. reviews all of the Company's public disclosure of financial information extracted from the Company's financial statements, if such financial statements have not previously been reviewed by the Committee, prior to such information being made public by the Company and for such purpose, the CFO assumes responsibility for providing the information to the Audit Committee for its review;
- c. reviews material financial risks with Management, the plan that Management has implemented to monitor and deal with such risks and the success of Management in following the plan;
- d. consults annually and otherwise as required with the Company's CEO and CFO respecting the adequacy of the internal controls over financial reporting and disclosure controls and procedures and reviews any breaches or deficiencies;
- e. obtains such certifications of annual and interim filings by the CEO and CFO attesting to internal controls over financial reporting and disclosure controls and procedures as deemed advisable;
- f. reviews Management's response to significant written reports and recommendations issued by the external auditors and the extent to which such recommendations have been implemented by Management;
- g. reviews with Management the Company's compliance with applicable laws and regulations respecting financial reporting matters, and any proposed regulatory changes and their impact on the Company; and
- h. reviews as required with Management and approves disclosure of the Audit Committee Charter, and Audit Committee disclosure required in the Company's Annual Information Form, Information Circular and on the Company's website.

PROCEDURAL MATTERS

The Audit Committee:

- a. invites the Company's external auditors, the CFO, and such other persons as deemed appropriate by the Audit Committee to attend meetings of the Audit Committee;
- b. reports material decisions and actions of the Audit Committee to the Board, together with such recommendations as the Audit Committee may deem appropriate;
- c. has the power to conduct or authorize investigations into any matter within the scope of its responsibilities;
- d. has the right to engage independent counsel and other advisors as it determines necessary to carry out its duties and the right to set the compensation for any advisors employed by the Audit Committee;
- e. has the right to communicate directly with the CFO and other members of Management who have responsibility for the internal and external audit process, as well as to communicate directly with the internal and external auditors; and
- f. pre-approves non-audit services to be performed by the external auditors, in accordance with the provisions of National Instrument 52-110 – Audit Committees ("**NI 52-110**").

COMPOSITION

The Audit Committee is composed of a minimum of three directors, all of whom are independent, subject to any exemptions or relief that may be granted from such requirements under NI 52-110, and have relevant skills and/or experience in the Audit Committee's areas of responsibility as may be required by the securities laws applicable to the Company, including those of any stock exchange on which the Company's securities are traded. No member shall have served as the CEO of the Company, or an affiliate, within the past five years, or as the CFO of the Company, or an affiliate, within the past three years.

The members of the Audit Committee shall not be members of more than three public company audit committees (including the Company), except for a member with a demonstrable financial expertise such as a former CFO, who shall not be a member of more than four audit committees (including the Company).

Appointment of Committee Members and Vacancies

Members of the Audit Committee are appointed or confirmed by the Board annually and hold office at the pleasure of the Board. The Board fills any vacancy on, and may appoint any additional members to, the Audit Committee.

Committee Chair

The Board appoints a Chair for the Audit Committee.

STRUCTURE AND OPERATIONS

Meetings

The Chair of the Audit Committee or the Chair of the Board or any two of its members may call a meeting of the Audit Committee. The Audit Committee meets at least four times each fiscal year, and at such other times during each year as it deems appropriate.

Quorum

A majority of the members appointed to the Audit Committee constitutes a quorum.

Notice of Meetings

The Chair of the Audit Committee arranges to provide notice of the time and place of every meeting in writing (including by electronic means) to each member of the Audit Committee at least two (2) business days prior to the time fixed for such meeting, provided, however, that a member may in any manner waive a notice of a meeting. Attendance of a member at a meeting constitutes a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called. The Chair also ensures that an agenda for the meeting and all required materials for review by the members of the Audit Committee are delivered to the members with sufficient time for their review, or that such requirement is waived.

Absence of Committee Chair

If the Chair of the Audit Committee is not present at any meeting of the Audit Committee, the other members of the Audit Committee will choose a Chair to preside at the meeting.

Secretary of Committee

At each meeting the Audit Committee appoints a secretary who need not be a director of the Company.

Attendance of the Company's Officers at Meetings

The Chair of the Audit Committee or any two members of the Audit Committee may invite one or more officers of the Company to attend any meeting of the Audit Committee.

Delegation

The Audit Committee may, in its discretion and where permitted by NI 52-110, delegate all or a portion of its duties and responsibilities to a subcommittee, management or, to the extent otherwise permitted by applicable plans, laws or regulations, to any other body or individual.

Procedure and Records

Subject to any statute or constating documents of the Company, the Audit Committee determines its own procedures at meetings and may conduct meetings by telephone and keeps records of its proceedings.

COMPLAINTS

The Audit Committee has established a whistle-blower policy as detailed in the Code of Business Conduct and Ethics and Whistle-Blower Policy, which sets out the procedures for:

- a. the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
- b. the confidential, anonymous submission to the Company of concerns regarding questionable accounting or auditing matters.

The Audit Committee reviews the whistle-blower policy annually.

REPORTING AND ASSESSMENT

The Audit Committee reports to the Board of Directors, and on an annual basis, presents to the Board a Committee Annual Report consisting of the Audit Committee's review of its charter, the Committee's and its Chair's performance over the past year, and any recommendations the Audit Committee makes in respect thereto.

EXHIBIT 99.2

AUDITED CONSOLIDATED FINANCIAL STATEMENTS



FORTUNA
SILVER MINES INC.

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended
December 31, 2021 and 2020

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management of Fortuna Silver Mines Inc. (the "Company") ("we", "us" or "our") have prepared the consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") and the accompanying Management's Discussion and Analysis ("MD&A") and are responsible for their content. The financial information presented in the MD&A is consistent with the information that is contained in the consolidated financial statements. The consolidated financial statements include, where necessary, amounts based on our estimates and judgement.

In order to discharge our responsibility for the integrity of the financial statements, the Company maintains a system of Internal Control over Financial Reporting and Disclosure Controls and Procedures. These controls are designed to provide reasonable assurance that the Company's assets are safeguarded, transactions are executed and recorded in accordance with our authorization, proper records are maintained and relevant and reliable financial information is produced. These controls include maintaining quality standards in the hiring and training of employees, policies and procedures manuals, a corporate code of conduct and ensuring that there is proper accountability for performance within appropriate and well defined areas of responsibility.

The Board of Directors is responsible for overseeing the performance of our responsibilities for financial reporting and internal control over Financial Reporting and Disclosure Controls and Procedures. The Audit Committee, which is composed of non-executive directors, meets with us as well as the external auditors to ensure that we are properly fulfilling our financial reporting responsibilities to the Directors who approve the consolidated financial statements. The external auditors have full and unrestricted access to the Audit Committee to discuss the scope of their audits, and the adequacy of the system of internal controls, and to review financial reporting issues.

The consolidated financial statements have been audited by KPMG LLP, the Company's independent registered public accounting firm, in accordance with the standards of the Public Company Accounting Oversight Board (United States).

/s/ Jorge Ganoza Durant
President and Chief Executive Officer

/s /Luis Ganoza Durant
Chief Financial Officer

Vancouver, Canada
March 23, 2022



KPMG LLP
Chartered Professional Accountants
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Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
Fortuna Silver Mines Inc.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of Fortuna Silver Mines Inc. (the Company) as of December 31, 2021 and 2020, the related consolidated statements of income, comprehensive income, cash flows, and changes in equity for each of the years then ended, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the years then ended, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission", and our report dated March 23, 2022 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.



Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the Audit Committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Fair value of the mineral properties and exploration and evaluation assets acquired as part of the Roxgold Inc. acquisition

As discussed in Note 6 to the consolidated financial statements, on July 2, 2021, the Company acquired 100% of the issued and outstanding shares of Roxgold Inc. (Roxgold) with an acquisition date fair value of \$655,295 thousand. The transaction was accounted for as a business combination. In allocating the purchase consideration to the acquired assets and liabilities, \$810,000 thousand was allocated to mineral properties and exploration and evaluation assets. To determine the fair value of mineral properties and exploration and evaluation assets, the Company used a discounted cash flow model.

We identified the evaluation of the fair value of mineral properties and exploration and evaluation assets acquired in the Roxgold acquisition as a critical audit matter. Significant auditor judgment was required because there was a high degree of measurement uncertainty associated with the key inputs to the discounted cash flow model, which included the estimated quantities of mineral reserves and mineral resources and the life of mine plans, long-term gold prices, expected future production costs and capital expenditures, and discount rates. Changes in any of these assumptions could have had a significant effect on the determination of the fair value of the mineral properties and exploration and evaluation assets acquired.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to the critical audit matter. This included controls related to the Company's valuation of the mineral properties and exploration and evaluation assets acquired and the determination of the forecasted cash flow assumptions. We evaluated the competence, capabilities, and objectivity of the Company's personnel who determined the mineral reserves and mineral resources and the life of mine plans. We compared the amount of mineral reserves and mineral resources in the discounted cash flow model to the life of mine plan and to the mineral reserve and mineral resource estimates. We compared expected future production costs and capital expenditures in the discounted cash flow model to the life of mine plan and to historical expenditures. We involved valuation professionals with specialized skills and knowledge, who assisted in (a) assessing the long-term gold prices by comparing to third party data; and (b) evaluating the discount rates used by comparing them to independently calculated ranges of discount rates using internal and external independent sources.



Recoverable amount of the Lindero cash-generating unit

As discussed in Note 10 to the consolidated financial statements, the carrying value of the Company's mineral properties, plant and equipment is \$1,712,354 thousand as at December 31, 2021, which includes the carrying amount of the Lindero cash-generating unit (CGU). As discussed in Note 5(b)(ii) to the consolidated financial statements, the Company determined there were indicators of impairment associated with the Lindero CGU. As discussed in note 3(i) to the consolidated financial statements, when an indicator of impairment exists, the Company is required to determine the recoverable amount of the CGU to determine whether an impairment should be recognized. To determine the recoverable amount of the CGU, the Company used a discounted cash flow model. Based on the outcome of the impairment testing performed, the Company determined that there was no impairment of the Lindero CGU as of December 31, 2021.

We identified the assessment of the recoverable amount of the Lindero CGU to be a critical audit matter. A high degree of auditor judgment was required to evaluate the inputs used to estimate the recoverable amount. Significant assumptions used in the determination of the recoverable amount included the estimated quantities of mineral reserves and mineral resources and the life of mine plan, long-term gold prices, expected future production costs and capital expenditures, and the discount rate. Changes in any of these assumptions could have had a significant effect on the determination of the estimated recoverable amount.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's process to determine the recoverable amount of the CGU. This included controls over the Company's development of the significant assumptions used to estimate the recoverable amount of the Lindero CGU. We assessed the competence, capabilities and objectivity of the Company's personnel who determined the mineral reserves and mineral resources and the life of mine plan. We compared the amount of mineral reserves and mineral resources in the discounted cash flow model to the life of mine plan and to the mineral reserve and mineral resource estimates. We compared the Company's historical estimates of mineral reserves and resources, life of mine plan and operating results to actual results to assess the accuracy of the Company's forecasting process. We compared expected future production costs and capital expenditures in the discounted cash flow model to the life of mine plan and to historical expenditures. We involved valuations professionals with specialized skills and knowledge, who assisted in (a) assessing the long-term gold prices by comparing to third party data; and (b) evaluating the discount rate used by comparing it to an independently calculated range of discount rates using internal and external independent sources.

Inferred resources used in the Caylloma and San Jose life of mine plans

As discussed in Note 10 to the consolidated financial statements, the carrying value of the Company's mineral properties, plant and equipment is \$1,712,354 thousand as at December 31, 2021. These amounts include the carrying amounts of the Caylloma and San Jose mines. Estimates of the quantities of the mineral reserves and mineral resources form the basis for the Company's life of mine plans, which are used for the calculation of depletion expense under the units of production method and in impairment tests. The Company's estimates of the life of its mines includes the portion of inferred resources expected to be extracted economically. The decision to use inferred resources, and the portion of inferred resources to be included in the life of mine, varies for each operation and is based on the geological characteristics of the ore body, the quality and predictability of inferred resources, and the conversion of inferred resources into measured and indicated resources that the Company has historically achieved.

We identified the determination of the portion of inferred resources included in the life of mine plans for the Caylloma and San Jose mines as a critical audit matter. A high degree of auditor judgment was required to evaluate the significant assumptions that were developed by the Company's personnel to determine the portion of inferred resources included in the life of mine plans. Significant assumptions include the accessibility of resources from existing mining infrastructure and the determination of the percentage of available inferred resources expected to be converted to measured and indicated resources in future periods.



The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to the critical audit matter. This included controls related to the estimation of the portion of inferred resources included in the life of mine plans for the Caylloma and San Jose mines. We assessed the competence, capabilities and objectivity of the Company's personnel who determined the portion of available inferred resources to be included in the Caylloma and San Jose life of mine plans, including the accessibility of resources from existing mining infrastructure. We evaluated the ability of the Company to estimate the portion of inferred resources included in the life of mine plans by comparing historical estimates of inferred resources to the actual conversion of inferred resources to measured and indicated resources.

//s// KPMG LLP

Chartered Professional Accountants

We have served as the Company's auditor since 2017.

Vancouver, Canada

March 23, 2022



KPMG LLP
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Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
Fortuna Silver Mines Inc.

Opinion on Internal Control Over Financial Reporting

We have audited Fortuna Silver Mines Inc.'s (the Company) internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated statements of financial position of the Company as of December 31, 2021 and 2020, the related consolidated statements of income, comprehensive income, cash flows, and changes in equity for each of the years then ended, and the related notes (collectively, the consolidated financial statements), and our report dated March 23, 2022 expressed an unqualified opinion on those consolidated financial statements.

The Company acquired Roxgold Inc. during 2021, and, except for controls over purchase price adjustments related to the acquisition, management excluded from its assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2021, Roxgold Inc.'s internal control over financial reporting associated with 50% of total assets (inclusive of the purchase price adjustments) and 17% of total revenues included in the consolidated financial statements of the Company as of and for the year ended December 31, 2021. Our audit of internal control over financial reporting of the Company also excluded an evaluation of the internal control over financial reporting of Roxgold Inc.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, which appears under the heading Management's Report on Internal Control Over Financial Reporting in the accompanying Management's Discussion and Analysis. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based



on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

//s// KPMG LLP

Chartered Professional Accountants

Vancouver, Canada

March 23, 2022

Fortuna Silver Mines Inc.**Consolidated Income Statements**

(Tabular amounts presented in thousands of US dollars, except share and per share amounts)

	Note	Years ended December 31,	
		2021	2020
Sales	21	\$ 599,853	\$ 278,966
Cost of sales	22	394,376	168,745
Mine operating income		205,477	110,221
General and administration	23	45,360	35,086
Exploration and evaluation		1,012	1,196
Foreign exchange loss		6,092	12,197
Other expenses	24	16,134	4,504
		68,598	52,983
Operating income		136,879	57,238
Investment gains		-	3,306
Interest and finance costs, net	25	(12,863)	(1,413)
Gain on derivatives		(2,751)	(176)
Roxgold transaction costs	6	(14,085)	-
		(29,699)	1,717
Income before income taxes		107,180	58,955
Income taxes			
Current income tax expense	26	51,651	38,818
Deferred income tax recovery	26	(3,870)	(1,416)
		47,781	37,402
Net income for the year		\$ 59,399	\$ 21,553
Net income attributable to:			
Fortuna shareholders		\$ 57,877	\$ 21,553
Non-controlling interest	31	1,522	-
		\$ 59,399	\$ 21,553
Earnings per share	20		
Basic		\$ 0.24	\$ 0.12
Diluted		\$ 0.23	\$ 0.12
Weighted average number of common shares outstanding (000's)			
Basic		237,998	174,993
Diluted		249,443	186,073

The accompanying notes are an integral part of these financial statements.

Fortuna Silver Mines Inc.**Consolidated Statements of Comprehensive Income**

(Tabular amounts presented in thousands of US dollars, except share and per share amounts)

	Note	Years ended December 31,	
		2021	2020
Net income for the year		\$ 59,399	\$ 21,553
Items that will remain permanently in other comprehensive income:			
Changes in fair value of investments in equity securities, net of \$nil tax		(272)	(382)
Items that may in the future be reclassified to profit or loss:			
Currency translation adjustment, net of \$179 tax		(4,022)	-
Changes in fair value of hedging instruments, net of \$nil tax		1,006	(204)
Total other comprehensive loss for the year		(3,288)	(586)
Comprehensive income for the year		\$ 56,111	\$ 20,967
Comprehensive income attributable to:			
Fortuna shareholders		54,589	20,967
Non-controlling interest	31	1,522	-
		\$ 56,111	\$ 20,967

The accompanying notes are an integral part of these financial statements.

Fortuna Silver Mines Inc.**Consolidated Statements of Financial Position**

(Tabular amounts presented in thousands of US dollars, except share and per share amounts)

As at	Note	December 31, 2021	December 31, 2020
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		\$ 107,097	\$ 131,898
Trade and other receivables	7	76,487	76,555
Inventories	8	85,819	35,274
Other current assets	9	11,679	4,340
		281,082	248,067
NON-CURRENT ASSETS			
Restricted cash		2,056	-
Mineral properties and property, plant and equipment	10	1,712,354	791,127
Other assets	11	26,430	16,144
Total assets		\$ 2,021,922	\$ 1,055,338
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	\$ 133,805	\$ 65,275
Income taxes payable		20,563	23,808
Current portion of lease obligations	14	10,523	6,978
Current portion of closure and reclamation provisions	17	1,882	380
		166,773	96,441
NON-CURRENT LIABILITIES			
Debt	15	157,489	158,616
Deferred tax liabilities	26	191,668	19,499
Closure and reclamation provisions	17	54,230	39,970
Lease obligations	14	18,882	12,519
Other liabilities	16	3,310	2,523
Total liabilities		592,352	329,568
SHAREHOLDERS' EQUITY			
Share capital	19	1,079,746	492,306
Reserves		28,785	24,724
Retained earnings		266,617	208,740
Equity attributable to Fortuna shareholders		1,375,148	725,770
Equity attributable to non-controlling interest	31	54,422	-
Total equity		1,429,570	725,770
Total liabilities and shareholders' equity		\$ 2,021,922	\$ 1,055,338

Contingencies and Capital Commitments (Note 32); Subsequent Events (Note 33)

/s/ Jorge Ganoza Durant
 Jorge Ganoza Durant
 Director

/s/ Kylie Dickson
 Kylie Dickson
 Director

The accompanying notes are an integral part of these financial statements.

Fortuna Silver Mines Inc.**Consolidated Statements of Cash Flows**

(Tabular amounts presented in thousands of US dollars, except share and per share amounts)

	Note	Years ended December 31,	
		2021	2020
Operating activities:			
Net income for the year		\$ 59,399	\$ 21,553
Items not involving cash			
Depletion and depreciation		122,272	45,408
Accretion expense		3,799	751
Income taxes		47,781	37,401
Interest expense, net		8,469	662
Loss on extinguishment of debt facility	15	595	-
Share based payments (recovery) expense, net of cash settlements		(3,079)	12,284
Write-off of inventories		7,035	(5)
Unrealized foreign exchange loss		4,304	14,656
Investment gains		-	(3,306)
Unrealized loss on derivatives		1,260	178
Other		3,360	1,680
Closure and reclamation payments		(354)	(341)
Changes in working capital	30	(39,314)	(9,118)
Cash provided by operating activities		215,526	121,803
Income taxes paid		(62,677)	(28,186)
Interest paid		(7,420)	(547)
Interest received		1,708	315
Net cash provided by operating activities		147,138	93,385
Investing activities:			
Cash consideration for acquisition of Roxgold	6	(25,333)	-
Cash acquired through acquisition of Roxgold	6	65,622	-
Promissory note receivable	6	(35,296)	-
Additions to mineral properties, plant and equipment		(152,289)	(93,033)
Purchases of investments		-	(17,844)
Proceeds from sale of investments		14	10,575
Proceeds from sale of assets		12	72
Recoveries of (additions to) Lindero construction VAT		28,771	(13,419)
Cash used in investing activities		(118,499)	(113,649)
Financing activities:			
Transaction costs on credit facility	15(a)	(3,036)	-
Proceeds from credit facility	15(a)	-	65,000
Repayment of credit facility	15(a)	(32,288)	(55,000)
Proceeds from issuance of common shares		313	70,011
Share issuance costs		-	(3,358)
Payments of lease obligations		(11,928)	(7,747)
Dividend payment to non-controlling interest		(4,483)	-
Cash (used in) provided by financing activities		(51,422)	68,906
Effect of exchange rate changes on cash and cash equivalents		(2,018)	(148)
(Decrease) increase in cash and cash equivalents during the year		(24,801)	48,494
Cash and cash equivalents, beginning of the year		131,898	83,404
Cash and cash equivalents, end of the year		\$ 107,097	\$ 131,898
Cash and cash equivalents consist of:			
Cash		\$ 64,096	\$ 52,130
Cash equivalents		43,001	79,768
Cash and cash equivalents, end of the year		\$ 107,097	\$ 131,898

Supplemental cash flow information (Note 30)

The accompanying notes are an integral part of these financial statements

Fortuna Silver Mines Inc.
Consolidated Statements of Changes in Equity

(Tabular amounts presented in thousands of US dollars, except share and per share amounts)

	Note	Share capital		Reserves							Total equity
		Number of common shares	Amount	Equity reserve	Hedging reserve	Fair value reserve	Equity component of convertible debentures	Foreign currency reserve	Retained earnings	Non-controlling interest	
Balance at January 1, 2021		184,195,727	\$ 492,306	\$ 20,086	\$ (878)	\$ (424)	\$ 4,825	\$ 1,115	\$ 208,740	\$ -	\$ 725,770
Total comprehensive income for the year											
Net income for the year		-	-	-	-	-	-	-	57,877	1,522	59,399
Other comprehensive loss for the year		-	-	-	1,006	(272)	-	(4,022)	-	-	(3,288)
Total comprehensive income for the year		-	-	-	1,006	(272)	-	(4,022)	57,877	1,522	56,111
Transactions with owners of the Company											
Acquisition of Roxgold	6	106,106,224	582,523	7,332	-	-	-	-	-	52,900	642,755
Exercise of stock options		68,927	389	(136)	-	-	-	-	-	-	253
Shares issued on vesting of share units		1,146,452	4,468	(4,468)	-	-	-	-	-	-	-
Convertible debenture conversion		12,000	60	-	-	-	-	-	-	-	60
Share-based payments	18	-	-	4,621	-	-	-	-	-	-	4,621
		107,333,603	587,440	7,349	-	-	-	-	-	52,900	647,689
Balance at December 31, 2021		291,529,330	\$ 1,079,746	\$ 27,435	\$ 128	\$ (696)	\$ 4,825	\$ (2,907)	\$ 266,617	\$ 54,422	\$ 1,429,570
Balance at January 1, 2020		160,291,553	\$ 422,145	\$ 20,870	\$ (674)	\$ (42)	\$ 4,825	\$ 1,115	\$ 187,187	\$ -	\$ 635,426
Total comprehensive income for the year											
Net income for the year		-	-	-	-	-	-	-	21,553	-	21,553
Other comprehensive loss for the year		-	-	-	(204)	(382)	-	-	-	-	(586)
Total comprehensive income for the year		-	-	-	(204)	(382)	-	-	21,553	-	656,393
Transactions with owners of the Company											
Issuance of common shares		23,000,000	69,000	-	-	-	-	-	-	-	69,000
Share issuance costs		-	(3,358)	-	-	-	-	-	-	-	(3,358)
Exercise of stock options		211,626	1,438	(427)	-	-	-	-	-	-	1,011
Shares issued on vesting of share units		692,548	3,081	(3,081)	-	-	-	-	-	-	-
Share-based payments	18	-	-	2,724	-	-	-	-	-	-	2,724
		23,904,174	70,161	(784)	-	-	-	-	-	-	69,377
Balance at Decemer 31, 2020		184,195,727	\$ 492,306	\$ 20,086	\$ (878)	\$ (424)	\$ 4,825	\$ 1,115	\$ 208,740	\$ -	\$ 725,770

The accompanying notes are an integral part of these financial statements.

Fortuna Silver Mines Inc.

Notes to Consolidated Financial Statements

For the years ended December 31, 2021 and 2020

(Tabular amounts presented in thousands of US dollars, except share and per share amounts)

1. NATURE OF OPERATIONS

Fortuna Silver Mines Inc. and its subsidiaries (the “Company”) is a publicly traded company incorporated and domiciled in British Columbia, Canada.

The Company is engaged in precious and base metal mining and related activities in Argentina, Burkina Faso, Mexico, Peru, and Côte d’Ivoire. The Company operates the open pit Lindero gold mine (“Lindero”) in northern Argentina, the underground Yaramoko mine (“Yaramoko”) in south western Burkina Faso, the underground San Jose silver and gold mine (“San Jose”) in southern Mexico, the underground Caylloma silver, lead, and zinc mine (“Caylloma”) in southern Peru, and is developing the open pit Séguéla gold mine (“Séguéla”) in south western Côte d’Ivoire.

On July 2, 2021, the Company acquired all of the issued and outstanding common shares of Roxgold Inc. (“Roxgold”) (see Note 6). Through the completion of the acquisition, the Company acquired the Yaramoko mine and the Séguéla advanced exploration project.

The Company’s common shares are listed on the New York Stock Exchange under the trading symbol FSM and on the Toronto Stock Exchange under the trading symbol FVI.

The Company’s registered office is located at Suite 650 - 200 Burrard Street, Vancouver, Canada, V6C 3L6.

2. COVID-19 UNCERTAINTIES

In March 2020, the World Health Organization declared COVID-19 as a pandemic. In response to the pandemic, Governments implemented measures to curb the spread of COVID-19. Government mandated measures in Argentina, Mexico, and Peru included among others, the closure of international borders, the temporary suspension of all non-essential business, including mining and the declaration of mandatory quarantine periods. These measures resulted in the temporary suspension of operations at our operations in Argentina, Mexico and Peru, which impacted our production and costs in 2020.

During 2021, there were no Government mandated suspensions of operations at any of our operations in Latin America. However, operations in Latin America were affected by waves of COVID-19 during the year, which resulted in reduced workforces and quarantine periods for those affected. The pandemic continued to cause difficulties and hardship in the communities where we operate. The Company has, however, been able to continue operations in West Africa largely unaffected since the outbreak of COVID-19.

Health protocols are in place at each mine site for control, isolation and quarantine, as necessary, and these continue to be reviewed and adjusted accordingly based on the circumstances at each location. The Company’s focus is the health and safety of the workforce and on measures to prevent and manage the transmission of COVID-19 amongst the workforce and the communities in which the Company operates.

The Company’s operations and financial performance are dependent on it being able to operate at each of its mines and projects. Given the fast-changing situation with respect to the COVID-19 pandemic, including further waves of the virus and the emergence of variant forms of the virus, it is difficult to predict the exact nature and extent of the impact the pandemic may have on the Company’s operations and its business. Outbreaks of COVID-19 in areas where the Company operates or restrictive directives of government and public health authorities could cause delays or disruptions in the Company’s supply chain, restrict access to its mine sites, restrict its ability to transport and ship gold doré and/or metal concentrates, restrict access to processing and refinery facilities, or impediments to market logistics. Suspensions of operations or curtailment of commissioning activities at the Company’s mines remains a significant risk to its business and operations.

Fortuna Silver Mines Inc.

Notes to Consolidated Financial Statements

For the years ended December 31, 2021 and 2020

(Tabular amounts presented in thousands of US dollars, except share and per share amounts)

3. BASIS OF PRESENTATION

Statement of Compliance

These consolidated financial statements ("financial statements") have been prepared by management of the Company in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") effective as of December 31, 2021.

Certain comparative figures have been reclassified to conform to the presentation adopted for the year ended December 31, 2021.

On March 23, 2022, the Company's Board of Directors approved these financial statements for issuance.

Basis of Measurement

These financial statements have been prepared on a historical cost basis, except for those assets and liabilities that are measured at fair value (Note 28) at the end of each reporting period.

4. SIGNIFICANT ACCOUNTING POLICES

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

(a) Basis of Consolidation

These financial statements include the accounts of the Company. All significant intercompany transactions, balances, revenues, and expenses have been eliminated upon consolidation.

Subsidiaries are included in the consolidated financial results of the Company from the effective date of acquisition or control and up to the effective date of disposition or loss of control. Control is achieved when the Company has power over the investee, is exposed to or has rights to variable returns from its involvement with an investee, and had the ability to affect those returns through its power over the investee.

Fortuna Silver Mines Inc. is the ultimate parent entity of the group. At December 31, 2021, the principal subsidiaries of the Company, their geographic locations, and the ownership interests held by the Company, were as follows:

Name	Location	Ownership	Principal Activity
Minera Bateas S.A.C. ("Bateas")	Peru	100%	Caylloma Mine
Compania Minera Cuzcatlan S.A. de C.V. ("Cuzcatlan")	Mexico	100%	San Jose Mine
Mansfield Minera S.A. ("Mansfield")	Argentina	100%	Lindero Mine
Roxgold SANU S.A. ("Sanu")	Burkina Faso	90%	Yaramoko Mine
Roxgold SANGO S.A. ("Sango")	Côte d'Ivoire	90%	Séguéla Exploration Project

(b) Business Combination

A business combination is an acquisition of assets and liabilities that constitute a business. A business is an integrated set of activities and assets that consist of inputs and processes, including operational processes that, when applied to those inputs, have the ability to create outputs that provide a return to the Company and its shareholders. A

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business also includes those assets and liabilities that do not necessarily have all the inputs and processes required to produce outputs, but can be integrated with the inputs and processes of the Company to create outputs.

When acquiring a set of activities or assets in the exploration and development stage, which may not have outputs, the Company considers other factors to determine whether the set of activities or assets is a business.

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is allocated to the identifiable assets acquired and liabilities assumed based on the acquisition-date fair value. The excess of the cost of acquisition over the fair value of the Company's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets acquired, the difference, or gain, is recognized directly in the consolidated statement of operations. The results of businesses acquired during the period are included in the financial statements from the date of acquisition. Acquisition-related costs are expensed as incurred. Provisional fair values are finalized within 12 months of the acquisition date. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period about facts and circumstances that existed at the acquisition date.

(c) Non-Controlling Interests

Non-controlling interest represents equity interests in subsidiaries owned by outside parties. Non-controlling interests are recorded at their proportionate share of the fair value of identifiable net assets acquired on initial recognition. The share of net assets of subsidiaries attributable to non-controlling interests is presented as a component of equity. Their share of net income and other comprehensive income is recognized directly in equity even if the results of the non-controlling interest have a deficit balance.

The Company recognises transactions with non-controlling interest as transactions with equity shareholders. Changes in the Company's ownership interest in subsidiaries that do not result in loss of control are accounted for as equity transactions.

(d) Consolidation, Functional and Presentation Currency

These financial statements are presented in United States Dollars ("\$" or "US\$" or "US dollars"), which is the functional currency of the Company. Reference to C\$ are to Canadian dollars. All amounts in these financial statements have been rounded to the nearest thousand US dollars, unless otherwise stated.

The functional currency for each entity consolidated within the Company's financial statements is determined by the currency of the primary economic environment in which it operates. The functional currency of subsidiaries acquired in the year are identified in the table below.

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Name of Subsidiary	Place of Incorporation	Beneficial Common Share Ownership Interest	Principal Activity	Functional Currency
Roxgold SANU S.A.	Burkina Faso	90%	Mining	USD
Roxgold SANGO S.A.	Côte d'Ivoire	90%	Exploration	USD
Roxgold Burkina Faso S.A.R.L.	Burkina Faso	100%	Exploration	USD
Roxgold Exploration S.A.R.L.	Burkina Faso	100%	Exploration	USD
Roxgold Boussoura S.A.R.L.	Burkina Faso	100%	Exploration	USD
FR Mining Limited	British Virgin Islands	100%	Holding	USD
FR Gold Limited	British Virgin Islands	100%	Holding	USD
Roxgold CI Limited	Cayman Islands	100%	Holding	USD
Roxgold Boussoura	Cayman Islands	100%	Holding	USD
Roxgold Inc.	Canada	100%	Holding	CAD
FR Gold Mining Inc.	Canada	100%	Holding	CAD
Fortuna Silver Mines Australia Pty Ltd.	Australia	100%	Corporate	AUD
LGL Exploration Côte d'Ivoire SA	Côte d'Ivoire	100%	Exploration	XOF
LGL Resources Côte d'Ivoire SA	Côte d'Ivoire	100%	Exploration	XOF

Assets and liabilities of the subsidiaries that have a functional currency other than the US dollars are translated into US dollars at the exchange rate in effect on the consolidated statements of financial position date and revenues and expenses are translated at the average rate over the reporting period. Gains and losses from these translations are recognized in other comprehensive income.

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange at each financial position date. Foreign exchange gains or losses on translation to the functional currency of an entity are recorded in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

(e) Cash, Cash Equivalents and Short-Term Investments

Cash and cash equivalents include cash on hand, demand deposits, and money market instruments with maturities from the date of acquisition of 90 days or less, which are readily convertible to known amounts of cash and are subject to insignificant changes in value. Short-term investments consist of term deposits with original maturities in excess of three months but less than twelve months. Cash, cash equivalents and short-term investments are designated as amortized cost.

(f) Inventories

Inventories include mineral concentrates, doré, leach pad, gold in-circuit, stockpiled ore, materials and supplies, and are valued at the lower of average production cost and estimated net realizable value. Production costs allocated to metal inventories include direct mining costs, direct labor and material costs, mine site overhead, depletion and amortization. Stockpiled ore that is not expected to be processed within the next twelve months is classified as non-current. Costs allocated to materials and supplies are based on weighted average costs and include all costs of purchase and other costs in bringing these inventories to their existing location and condition.

In the heap leaching process, ore is stacked on the leach pad and treated with a chemical solution that dissolves the gold contained within the ore. The resulting pregnant solution is further processed in a plant where the gold is recovered. The cost of leach pad inventory is based on cost of mining, crushing and leaching, including applicable depletion and amortization, and is removed as ounces of gold are recovered at the weighted average cost per recoverable ounce of gold on the leach pad. Estimates of recoverable gold in the leach pad are calculated based on

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the quantities of ore placed on the leach pad (measured tonnes added to the leach pad), the estimated grade of ore placed on the leach pad (based on assay data), and an estimated recovery percentage (based on estimated recovery assumptions from metallurgical testing). The nature of the leaching process inherently limits the ability to precisely monitor inventory levels. As a result, estimates are refined based on actual results and engineering studies over a period of time. The final recovery of gold from leach pad will not be known until the leaching process is concluded at the end of the mine life.

If the carrying value exceeds the net realizable amount, a write-down is recognized. The write-down may be reversed in a subsequent period if the circumstances which caused the write-down no longer exist, to the extent that the related inventory has not been sold. Net realizable value is calculated as the estimated price at the time of sale based on prevailing metal prices less estimated future costs to convert the inventories into saleable form and estimated costs to sell.

(g) Exploration and Evaluation Assets

Exploration expenditures on properties for which the Company does not have title or rights to are expensed when incurred. Significant payments related to the acquisition of land and mineral rights and the costs to conduct a preliminary evaluation to determine that the property has potential to develop an economic ore body are capitalized as incurred. The time between initial acquisition and a full evaluation of a property's potential is dependent on many factors including, but not limited to, location relative to existing infrastructure, the property's stage of development, geological controls and metal prices.

The Company capitalizes the cost of acquiring, maintaining its interest and exploring mineral properties as exploration and evaluation assets until such time as the properties are placed into development, abandoned, sold, or considered to be impaired in value.

If a mineable ore body is discovered, exploration and evaluation costs are reclassified to mining properties. The Company uses the following criteria in its assessment:

- the property has mineral reserves as referred to in Canadian National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"), and
- when legal, permitting and social matters have been resolved sufficiently to allow mining of the ore body.

Exploration and evaluation assets are tested for impairment when an indicator of impairment is identified and upon reclassification to mining properties.

If no mineable ore body is discovered, all previously capitalized costs are expensed in the period in which it is determined the property has no economic value.

Proceeds received from the sale of interests in exploration and evaluation assets are credited to the carrying value of the mineral properties, plant and equipment. Exploration costs that do not relate to any specific property are expensed as incurred.

(h) Mineral Properties, and Property, Plant and Equipment

i. Mineral Properties and Development Costs

For operating mines, all mineral property expenditures are capitalized and amortized based on a unit-of-production method considering the expected production to be obtained over the life of the mineral property. The expected

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production includes proven and probable reserves and for the San Jose, Caylloma and Yaramoko mines the portion of inferred resources expected to be extracted economically as part of the production cost.

Capitalized costs of producing properties are amortized on a unit-of-production basis over proven and probable reserves and the portion of inferred resources where it is considered highly probable that those resources are expected to be extracted economically.

The expected production to be obtained over the life of the mineral property is based on our life-of-mine production plans which for San Jose, Caylloma and Yaramoko include a portion of inferred resources, and therefore differ from the life-of-mine plans we publish as part of our NI 43-101 compliant technical reports which are based on reserves only. The decision to use inferred resources, and the portion of inferred resources to be included varies for each operation and is based on the geological characteristics of the ore body, the quality and predictability of inferred resources, and the conversion of inferred resources into measured and indicated (“M&I”) that we have historically achieved in the past.

Many factors are taken into account during resource classification including; the quality of drilling and sampling, drill/sample spacing, sample preparation and analysis, geological logging and modelling, database construction, geological interpretation and modelling, statistical/geostatistical analysis, interpolation method, local estimation, engineering studies, economic parameters, and reconciliation with actual results.

Once the integrity of the data has been established, two important considerations around classification of resources are geologic continuity and possible variation of thickness and grade between samples. For our inferred resources at San Jose, Caylloma and Yaramoko we are able to achieve a significant level of confidence on the existence of mineable material as geological continuity has been established by consistent drill hole intercepts both along strike and down-dip which provides us with reasonable confidence in the location of the structures. The vast majority of the inferred resources are interpolated, estimated between existing drill hole intercepts, as opposed to extrapolated where the grades are estimated beyond the furthest sample point, adding to our confidence in the geologic continuity of the veins. Furthermore, San Jose, Caylloma and Yaramoko are not structurally complex deposits where faulting has disrupted geologic continuity.

With regards to the variation of thickness and grade between samples, we use statistical means to calculate the probability that tonnage and grade content falls within a certain accuracy over a given timeframe. If the potential variation is estimated to be within $\pm 25\%$ at 90 percent confidence globally, we classify it as an inferred resource. This is equivalent to stating that we have 95 percent confidence that greater than 75% of the inferred tonnes, grade, and metal content will ultimately be recovered by the mine and hence that the same percentage or higher will be converted from an inferred resource to an indicated resource through infill drilling as per our policy of upgrading prior to production.

As part of our process to include inferred resources into our life-of-mine production plans, we apply an economic cut-off to identify only the material that can be considered profitable to mine within our mine designs, and at this time we apply a conversion or “risk” factor to the mining blocks comprised of inferred resources that we include in such mine production plans. This conversion factor is based on the predictability of conversion derived from statistical estimates of confidence as described above and the support from historic conversion rates of inferred resources into M&I at each of our mines. The conversion factors used in our 2021 and 2020 life-of-mine plans were 90% at San Jose, 80% at Caylloma and 100% at Yaramoko.

The percentage of inferred resources included as a component of the total mineable inventory (reserve + resource) considered in the 2021 life-of-mine evaluation for each operation as of December 31, 2020, was San Jose 35% (2020: 35%), Caylloma 31% (2020: 52%), and Yaramoko 11%.

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The Company reviews the conversion factors including past experience in assessing the future expected conversion of inferred resources to be used in the life-of-mine plans for inclusion of inferred resources once a year in light of new geologic information and conversion data and when events or circumstances indicate that a review should be made. The Company continually monitors expected conversion and any changes in estimates that arise from this review are accounted for prospectively.

Significant estimation is involved in determining resources and in determining the percentage of resources ultimately expected to be converted to reserves, which we determine based on careful consideration of both internal and external technical and economic data. Estimation of future conversion of resources is inherently uncertain and involves significant judgment and actual outcomes may vary from these judgments and estimates and such outcomes may have a material impact on the results. Revisions to these estimates are accounted for in the period in which the change in the estimate arises.

ii. Property, Plant and Equipment

Property, plant and equipment are recorded at cost, net of accumulated depreciation and impairments. Costs directly related to construction projects are capitalized to work in progress until the asset is available for use in the manner intended by management. Assets, other than capital works in progress, are depreciated to their residual values over their estimated useful lives as follows:

Land and buildings

Land	Not depreciated	
Mineral properties	Units of production	Declining balance
Buildings, located at the mine	Units of production	Declining balance
Buildings, others ⁽¹⁾	6-10 years	Straight line
Leasehold improvements ⁽¹⁾	4-8 years	Straight line

Plant and equipment

Processing plant	Units of production	Declining balance
Machinery and equipment ⁽¹⁾	3-12 years	Straight line
Furniture and other equipment ⁽¹⁾	2-12 years	Straight line
Transport units	4-5 years	Straight line
Capital work in progress	Not depreciated	

⁽¹⁾ The lesser of useful life or life of mine.

Equipment under finance lease is initially recorded at the present value of minimum lease payments at the inception of the lease and depreciated over the shorter of the lease term or useful life.

Spare parts and components included in machinery and equipment are depreciated over the shorter of the useful life of the component or the related machinery and equipment.

Borrowing costs attributed to the construction of qualifying assets are capitalized to mineral properties, plant and equipment, and are included in the carrying amounts of related assets until the asset is available for use in the manner intended by management.

The sales proceeds and associated production costs incurred during commissioning of qualifying assets under capital works in progress are recognized in profit or loss.

On an annual basis, the depreciation method, useful economic life, and residual value of each component asset is reviewed with any changes recognized prospectively over its remaining useful economic life.

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iii. Stripping cost

Pre-production stripping costs are generally capitalized and amortized over the production life of the mine using the unit-of-production method.

Stripping costs incurred during the production stage are incurred in order to produce inventory or to improve access to ore which will be mined in the future. Where the costs are incurred to produce inventory, the production stripping costs are accounted for as a cost of producing those inventories. Where the costs are incurred to improve access to ore which will be mined in the future, the costs are deferred and capitalized to the statement of financial position as a stripping activity asset (included in mining interest) if the following criteria are met:

- improved access to the ore body is probable;
- the component of the ore body can be accurately identified; and
- the costs relating to the stripping activity associated with the component can be reliably measured.

If these criteria are not met, the costs are expensed in the period in which they are incurred.

The stripping activity asset is subsequently depleted using the units-of-production depletion method over the life of the identified component of the ore body to which access has been improved as a result of the stripping activity.

(i) Asset Impairment

At the end of each reporting period, the Company assesses for impairment indicators and if there are such indicators, then the Company performs a test of impairment.

For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash inflows or cash generating units. These are typically individual mines or development projects. Brownfields exploration projects, located close to existing mine infrastructure, are assessed for impairment as part of the associated mine cash generating unit.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal ("FVLCD") and value in use.

When the recoverable amount is assessed using pre-tax discounted cash flow techniques, the resulting estimates are based on detailed mine and/or production plans. For value in use, recent cost levels are considered, together with expected changes in costs compatible with the current condition of the business. The cash flow forecasts are based on best estimates of the expected future revenues and costs, including the future cash costs of production, sustaining capital expenditures, and reclamation and closure costs.

Where a FVLCD model is used, the cash flow forecast includes net cash flows expected to be realized from extraction, processing, and sale of mineral resources that do not currently qualify for inclusion in proven or probable reserves and the portion of resources expected to be extracted economically.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of recoverable amount but not beyond the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized into earnings immediately.

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(j) Borrowing Costs

Interest and other financing costs incurred that are attributable to acquiring and developing exploration and development stage mining properties and constructing new facilities (“qualifying assets”), are capitalized and included in the carrying amounts of qualifying assets until those qualifying assets are capable of operating in the manner intended by management.

The capitalization of borrowing costs incurred commences on the date when the following three conditions are met:

- expenditures for the qualifying asset are being incurred;
- borrowing costs are being incurred; and,
- activities that are necessary to prepare the qualifying asset for its intended use are being undertaken.

Borrowing costs incurred after the qualifying assets are substantially complete are expensed.

Transaction costs, including legal, upfront commitment fees and other costs of issuance, associated with debt are recorded against the debt and are amortized over the term of the credit facility using the effective interest rate method.

All other borrowing costs are expensed in the period in which they are incurred.

(k) Assets Held for Sale

A non-current asset is classified as held for sale when it meets the following criteria:

- The non-current asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets; and,
- the sale of the non-current asset is highly probable. For the sale to be highly probable:
 - o the appropriate level of management must be committed to a plan to sell the asset;
 - o an active program to locate a buyer and complete the plan must have been initiated;
 - o the non-current asset or disposal group must be actively marketed for sale at a price that is reasonable in relation to its current fair value;
 - o the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale (with certain exceptions); and
 - o actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Assets held for sale are not depreciated and are recorded at the lower of their carrying amount and fair value less costs to sell.

(l) Income Taxes

Income tax expense consists of current and deferred tax expense.

Current tax expense is the expected tax payable on the taxable income for the year using tax rates enacted or substantively enacted at period end adjusted for amendments to tax payable with regards to previous years.

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to unused tax loss carry forwards, unused tax credits, and differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis (“temporary differences”). Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized, or the liability is settled.

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The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable income will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

The following temporary differences do not result in deferred tax assets or liabilities:

- the initial recognition of assets or liabilities, not arising in a business combination, that does not affect accounting or taxable income;
- goodwill; and
- investments in subsidiaries, associates and jointly controlled entities where the timing of reversal of the temporary differences can be controlled and reversal in the foreseeable future is not probable.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(m) Provisions

i. Closure and Reclamation Provisions

Future obligations to retire an asset, including dismantling, remediation and ongoing treatment and monitoring of the site related to normal operation are initially recognized and recorded as a liability based on estimated future cash flows discounted at the risk-free rate.

The closure and reclamation provision ("CRP") is adjusted at each reporting period for changes to the expected amount of cash flows required to discharge the liability, the timing of such cash flows and the risk-free discount rate.

The liability is accreted to full value over time through periodic charges to profit or loss.

The amount of the CRP initially recognized is capitalized as part of the related asset's carrying value and amortized to profit or loss. The method of amortization follows that of the underlying asset. The costs related to a CRP are only capitalized to the extent that the amount meets the definition of an asset and can bring about future economic benefit. For a closed site or where the asset which generated a CRP no longer exists, there is no longer a future benefit related to the costs and as such, the amounts are expensed. Revisions in estimates or new disturbances result in an adjustment to the CRP with an offsetting adjustment to the asset, unless there is no future benefit, in which case they are expensed.

Due to uncertainties inherent in environmental remediation, the ultimate cost of future site closure and reclamation could differ from the amounts provided. The estimate of future site closure and reclamation costs is subject to change based on amendments to laws and regulations, changes in technologies, price increases and changes in interest rates, and as new information concerning the Company's closure and reclamation obligations becomes available. Such changes are reflected prospectively in the determination of the provision.

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ii. Environmental Disturbance Restoration Provisions

During the operating life of an asset, events such as infractions of environmental laws or regulations may occur. These events are not related to the normal operation of the asset and are referred to as environmental disturbance restoration provisions (“EDRP”). The costs associated with an EDRP are accrued and charged to earnings in the period in which the event giving rise to the liability occurs. Any subsequent adjustments to an EDRP due to changes in estimates are also charged to earnings in the period of adjustment. These costs are not capitalized as part of the long-lived asset’s carrying value.

iii. Other Provisions

Provisions are recognized when a present legal or constructive obligation exists as a result of past events, and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation. Where the effect of the time value of money is material the provision is discounted using an appropriate current market based pre-tax discount rate.

(n) Common Share Capital

Shares are classified as equity. Costs directly attributable to the issuance of common shares are shown in equity as a deduction from the proceeds.

(o) Share-Based Payments

The fair value method of accounting is used for share-based payment transactions. Under this method, the cost of stock options and other equity-settled share-based payment arrangements are recorded based on the estimated fair value at the grant date and charged to earnings over the vesting period. Where awards are forfeited because non-market based vesting conditions were not satisfied, the expense previously recognized is reversed in the period the forfeiture occurs.

Share-based payment expenses relating to cash-settled awards, including deferred and restricted share units are accrued and expensed over the vesting period based on the quoted market value of the Company’s common shares. As these awards will be settled in cash, the expense and liability are adjusted at each reporting period for any changes in the underlying share price.

Equity settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the Company obtains the goods or the counter party renders the services.

i. Stock Option Plan

The Company applies the fair value method of accounting for all stock option awards. Under this method, the Company recognizes a compensation expense for all stock options awarded to employees, based on the fair value of the options on the date of grant which is determined by using the Black-Scholes option pricing model. The fair value of the options is expensed over the graded vesting period of the options.

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ii. Deferred Share Unit Plan

Deferred share units (“DSU”) are typically granted to non-executive directors of the Company. They are payable in cash upon resignation, retirement, removal, failure to achieve re-election, or upon a change of control of the Company. The DSU compensation liability is accounted for based on the number of DSUs outstanding and the quoted market value of the Company’s common shares at the financial position date. The year-over-year change in the DSU compensation liability is recognized in profit or loss.

iii. Share Unit Plans

The Company’s amended and restated share unit plan (the “SU Plan”) covers all restricted share units (“RSUs”) and performance share units (“PSUs”) granted by the Company on and after March 1, 2015.

Restricted Share Units

The Company’s RSUs are settled in either cash or equity, as determined by the Company’s Board of Directors at the grant date and typically vest over three years.

For cash settled RSUs, the share-based payment expense is adjusted at each reporting period to reflect any change in the quoted market price of the Company’s common shares and the vesting of each RSU grant, with a corresponding amount recorded in Trade and Other Payables and Other Liabilities.

For equity-settled RSUs, the fair value is determined based on the quoted market price of the Company’s common shares at the date of grant, and the fair value is recognized as a share-based payment expense over the vesting period with a corresponding amount recorded in equity reserves.

Performance Share Units

The Company’s PSUs are performance-based awards for the achievement of specified performance metrics by specified deadlines and are settled in either cash or equity, as determined by the Company’s Board of Directors at the grant date and typically vest over three years.

For cash settled PSUs, the share-based payment expense is adjusted at each reporting period to reflect any change in the quoted market price of the Company’s common shares, the vesting of each PSU grant and the expected performance factors with a corresponding amount recorded in Trade and Other Payables.

For equity-settled PSUs, the fair value is determined based on the quoted market price of the Company’s common shares at the date of grant and the number of PSUs expected to vest based on the performance factors. The fair value is recognized as a share-based payment expense over the vesting period with a corresponding amount recorded in equity reserves.

(p) Related Party Transactions

Parties are related if one party has the ability directly, or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities, and include key management personnel of the Company. A transaction is a related party transaction when there is a transfer of resources or obligations between related parties.

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(q) Earnings per Share

Basic earnings per share ("EPS") is computed by dividing the net income for the year by the weighted average number of common shares outstanding during the year.

The diluted earnings per share calculation is based on the weighted average number of common shares outstanding during the year, adjusted for the effects of dilutive common share equivalents. This method requires that the dilutive effect of outstanding options and equity settled units issued should be calculated using the treasury stock method. This method assumes that all common share equivalents have been exercised at the beginning of the year (or at the time of issuance, if later), and that the funds obtained thereby were used to purchase common shares of the Company at the average trading price of the common shares during the year, but only if dilutive.

Dilution from convertible debentures is calculated using the if-converted method, based on the number of shares to be issued upon conversion of the convertible debentures, with a corresponding adjustment to net income for the after-tax interest expense related to the convertible debentures.

(r) Financial Instruments

i Classification and measurement of financial assets and financial liabilities

Financial assets are measured as either: amortized cost; fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). All non-derivative financial liabilities are measured at amortized cost. The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated, and instead the hybrid financial instrument is assessed for classification.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income (OCI). This election is made on an investment-by-investment basis. All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

Components of compound financial instruments are separately classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an

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equity instrument. The financial liability is initially recognized at fair value, net of an allocation of issuance costs, and is subsequently measured at amortized cost. The equity component is initially measured based on the residual amount, net of an allocation of issuance costs, and is not subsequently remeasured.

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, or cancellation of our own equity instruments. No gain or loss is recognized on the issue of our own equity instruments, unless the equity is issued to settle a liability.

Financial Liabilities at Amortized Cost – Financial liabilities are measured at amortized cost using the effective interest method, unless they are required to be measured at fair value through profit or loss, or the Company has opted to measure them at FVTPL. Debt and accounts payable and accrued liabilities are recognized initially at fair value, net of any transaction costs incurred, and subsequently at amortized cost using the effective interest method.

The following accounting policies apply to the subsequent measurement of financial assets:

- Financial assets at FVTPL - These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
- Financial assets at amortized cost - These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
- Equity investments at FVOCI - These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Gains or losses recognized on the sale of the equity investment are recognized in OCI and are never reclassified to profit or loss.

ii Impairment of Financial Assets

An entity is required to recognize expected credit losses when financial instruments are initially recognized and to update the amount of expected credit losses recognized at each reporting date to reflect changes in the credit risk of the financial instruments.

For the Company's trade receivables, it determines the lifetime expected losses for all of its trade receivables. The expected lifetime credit loss provision for the Company's trade receivables is based on historical counterparty default rates and adjusted for relevant forward-looking information, when required.

iii Hedge Accounting

The Company has established a strategy, in accordance with its current risk management policies, to use interest rate swaps to hedge against the variability in cash flows arising from changes in USD LIBOR based floating interest rate borrowing relating to its credit facility.

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Management qualitatively assess that the changes in value of the hedging instrument and the hedged item will move in opposite directions and will be perfectly offset. As both counterparties to the derivative are investment grade, the effect of credit risk is considered as neither material nor dominant in the economic relationship. The portion of the gain or loss on the hedging instrument that is determined to be effective will be recognized directly in other comprehensive income while the amount that is determined to be ineffective, if any, will be recorded in the profit or loss during the life of the hedging relationship.

(s) Revenue Recognition

The Company earns revenue from contracts with customers related to its concentrate and doré sales. Revenue from contracts with customers is recognized when a customer obtains control of the concentrate or the doré and the Company satisfies its performance obligation. The Company considers the terms of the contract in determining the transaction price, which is the amount the entity expects to be entitled to in exchange for the transferring of the concentrates. The transaction price of a contract is allocated to each performance obligation based on its stand-alone selling price.

The Company satisfies its performance obligations for its concentrate sales based upon specified contract terms which are generally upon delivery to the customer at a specified warehouse or upon loading of the concentrate onto a vessel. The Company typically receives payment within one to four weeks of delivery.

Doré sales are recognized when the Company satisfies its performance obligation and control is transferred to the customer upon payment. Final weights and assays are adjusted on final settlement which is approximately one month after delivery.

Revenue from concentrate sales is recorded based upon forward market price of the expected final sales price date. IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15") does not consider provisional price adjustments associated with concentrate sales to be revenue from contracts with customers as they arise from changes in market pricing for silver, gold, lead and zinc between the delivery date and settlement date. As such, the provisional price adjustments are accounted for as derivatives and presented separately in Note 21 of these financial statements.

(t) Segment Reporting

The Company's operating segments are based on the reports reviewed by the senior management group that are used to make strategic decisions. The Chief Executive Officer, as chief operating decision maker, considers the business from a geographic perspective considering the performance of the Company's business units.

A geographical segment is a distinguishable component of the entity that is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different than those of segments operating in other economic environments.

The business operations comprise the mining and processing of gold, silver-lead, zinc, and silver-gold and the sale of these products.

(u) Adoption of New Accounting Standards, Interpretation or Amendments

In 2020, the IASB published Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16) ("Phase 2 amendments") to address the financial reporting impacts of replacing one benchmark interest rate with an alternative rate and became effective January 1, 2021. The adoption of these amounts did not have a material effect on the Company's financial statements.

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(v) New Accounting Standards Issued but not yet Effective

A number of new standards are effective for annual periods beginning after January 1, 2022 and earlier application is permitted; however, the Company has not early adopted other new or amended standards in preparing these financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Company's consolidated financial statements:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) ; and
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1).

5. USE OF ESTIMATES, ASSUMPTIONS, AND JUDGEMENTS

The preparation of these financial statements requires management to make estimates and judgements that affect the reported amounts of assets and liabilities at the period end date and reported amounts of expenses during the reporting period. Such judgements and estimates are, by their nature, uncertain. Actual outcomes could differ from these estimates.

The impact of such judgements and estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. These judgements and estimates are continuously evaluated and are based on management's experience and knowledge of the relevant facts and circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and are accounted for prospectively.

In preparing these consolidated financial statements for the year ended December 31, 2021, the Company applied the critical estimates, assumptions and judgements as disclosed below.

(a) Critical Accounting Estimates and Assumptions

Areas where critical accounting estimates and assumptions have the most significant effect on the amounts recognized in the consolidated financial statements include:

i. Mineral Reserves and Resources and the Life of Mine Plan

The Company estimates its mineral reserves and mineral resources in accordance with the requirements of NI 43-101. Estimates of the quantities of the mineral reserves and mineral resources form the basis for the Company's life of mine plans, which are used for the calculation of depletion expense under the units of production method, impairment tests, and forecasting the timing of the payments related to the environmental reclamation provision.

Significant estimation is involved in determining the reserves and resources included within the Company's life of mine plans. Changes in forecast prices of commodities, exchange rates, production costs or recovery rates may result in the Company's life of mine plan being revised and such changes could impact depletion rates, asset carrying values and our environmental reclamation provision. As at December 31, 2021, the Company used the following long-term prices for our reserve and resource estimations: gold \$1,600/oz for all mines except Séguéla which used \$1,500/oz, silver \$21/oz, lead \$2,000/t and zinc \$2,500/t.

In addition to the estimates above, estimation is involved in determining the percentage of resources ultimately expected to be converted to reserves and hence included in the Company's life of mine plans. The Company's life of mine plans include a portion of inferred resources as the Company believes this provides a better estimate of the expected life of mine for certain types of deposits, in particular for vein type structures. The percentage of inferred

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resources out of the total tonnage included in the life of mine plans is based on site specific geological, technical, and economic considerations. Estimation of future conversion of resources is inherently uncertain and involves judgement, and actual outcomes may vary from these judgements and estimates and such changes could have a material impact on the financial results. Some of the key assumptions in the estimation process include geological continuity, stationarity in the grades within defined domains, reasonable geotechnical and metallurgical conditions, treatment of outlier (extreme) values, cut-off grade determination and the establishment of geostatistical and search parameters. Revisions to these estimates are accounted for prospectively in the period in which the change in estimate arises.

ii. Valuation of Mineral Properties and Exploration Properties

The Company carries its mineral properties at cost less accumulated depletion and any accumulated provision for impairment. The costs of each property and related capitalized expenditures are depleted over the economic life of the property on a units-of-production basis. When a property is abandoned or when there is an impairment, costs are charged to profit or loss.

The Company undertakes a review of the carrying values of mining properties and related expenditures whenever events or changes in circumstances indicate that their carrying values may exceed their estimated net recoverable amounts determined by reference to estimated future operating results and discounted net cash flows. Where previous impairment has been recorded, the Company analyzes any impairment reversal indicators. An impairment loss is recognized when the carrying value of those assets is not recoverable.

In undertaking this review, management of the Company is required to make significant estimates of, amongst other things, future production and sales volumes, metal prices, foreign exchange rates, mineral resource and reserve quantities, future operating and capital costs to the end of the mine's life, and reclamation costs. These estimates are subject to various risks and uncertainties which may ultimately have an effect on the expected recoverability of the carrying values of the mining properties and related expenditures.

The Company, from time to time, acquires exploration and development properties. When properties are acquired, the Company must determine the fair value attributable to each of the properties. When the Company conducts exploration on a mineral property and the results from the exploration do not support the carrying value, the property is written down to its new fair value which could have a material effect on the consolidated statement of financial position and the consolidated income statement.

iii. Deferred stripping costs

In determining whether stripping costs incurred during the production phase of a mining property relate to mineral reserves that will be mined in a future period and therefore should be capitalized, the Company makes estimates of the proportion of stripping activity which relates to extracting ore in the current period versus the proportion which relates to obtaining access to ore reserves which will be mined in the future.

iv. Inventory

Finished goods, work-in-process, heap leach ore and stockpile ore are valued at the lower of the average production costs or net realizable value. The assumptions used in the valuation of work-in process inventories include estimates of gold contained in the ore stacked on leach pads, assumptions of the amount of gold stacked that is expected to be recovered from the leach pads, the amount of gold in the mill circuits and assumption of the gold price expected to be realized when the gold is recovered. If these estimates or assumptions prove to be inaccurate, the Company could be required to write-down the recorded value of its work-in-process inventories, which would reduce the Company's earnings and working capital.

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v. Reclamation and Other Closure Provisions

The Company has obligations for reclamation and other closure activities related to its mining properties. The future obligations for mine closure activities are estimated by the Company using mine closure plans or other similar studies which outline the requirements that will be carried out to meet the obligations.

Because the obligations are dependent on the laws and regulations of the countries in which the mines operate, the requirements could change as a result of amendments in the laws and regulations relating to environmental protection and other legislation affecting resource companies. As the estimate of the obligations is based on future expectations, a number of estimates and assumptions are made by management in the determination of closure provisions.

vi. Revenue from metal in concentrate

The Company's sales of metal in concentrates allow for price adjustments based on the market price at the end of the relevant quotational period ("QP") stipulated in the contract. These are referred to as provisional pricing arrangements and are such that the selling price for metal in concentrate is based on the prevailing spot price on a specified future date. At each balance sheet date, the Company estimates the value of the trade receivable using forward metal prices.

Adjustments to the sale price occurs based on movements in quoted market prices up to the end of the QP. The period between provisional invoicing and the end of the QP is generally between one and three months. Any future changes over the QP are embedded within the provisionally priced trade receivables and are, therefore, within the scope of IFRS 9 and not within the scope of IFRS 15. As such, the provisional price adjustments are accounted for as derivatives and presented separately in Note 21 of these financial statements.

vii. Contingencies

Contingencies can be either possible assets or possible liabilities arising from past events which, by their nature, will only be resolved when one or more future events not within our control occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgement and estimates of the outcome of future events. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings or regulatory or government actions that may negatively impact our business or operations, the Company with assistance from its legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims or actions.

A liability is recognized in the consolidated financial statements when the outcome of the legal proceedings is probable and the estimated settlement amount can be estimated reliably. Contingent assets are not recognized in the consolidated financial statements until virtually certain.

viii. Fair Value Estimates in the Acquisition of Roxgold (Note 6)

Accounting for acquisitions requires estimates with respect to the fair value of the assets acquired and liabilities assumed. The determination of fair value requires management to use valuation methods including discounted cash flow models, comparable transactions and other market-based information, and to make assumptions and estimates about future events, such as production, future metal prices, production costs, capital expenditures, discount rates and other assumptions. Changes in these assumptions or estimates could affect the fair values assigned to assets acquired and liabilities assumed.

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If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. These provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. The measurement period ends as soon as the Company receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable and shall not exceed one year from the acquisition date.

(b) Critical Accounting Judgements in Applying the Entity's Accounting Policies

Judgements that have the most significant effect on the amounts recognized in the Company's consolidated financial statements are as follows:

i. Income Taxes

Deferred tax assets and liabilities are determined based on differences between the financial statement carrying values of assets and liabilities and their respective income tax bases and losses carried forward. The determination of the ability of the Company to utilize tax loss carryforwards to offset deferred tax liabilities requires management to exercise judgement and make certain assumptions about the future performance of the Company.

Management is required to assess whether it is "probable" that the Company will benefit from these prior losses and other deferred tax assets. Changes in economic conditions, metal prices and other factors could result in revisions to the estimates of the benefits to be realized or the timing of utilization of the losses.

ii. Assessment of Impairment and Reversal of Impairment Indicators

Management applies significant judgement in assessing whether indicators of impairment or reversal of impairment exist for an asset or a group of assets which could result in a testing for impairment. Internal and external factors such as significant changes in the use of the asset, commodity prices, life of mines, tax laws or regulations in the countries that our mines operate in and interest rates are used by management in determining whether there are any indicators of impairment or reversal of previous impairments.

As of December 31, 2021, the company determined there were indicators of impairment at the Lindero Mine due to a decrease in operating performance relative to management's expectations. In determining the recoverable amounts of the Company's mining interests, the Company makes estimates of the discounted future after-tax cash flows expected to be derived from the Company's mining properties, costs to sell the mining properties and the appropriate discount rate. The projected cash flows are significantly affected by changes in assumptions related to long-term metal prices, changes in the amount of recoverable reserves and resources, production cost estimates, future capital expenditures, discount rates and exchange rates. The Company performed a test of impairment using a discount rate of 6.25% and a long-term gold price of \$1,650/oz. As a result, management estimated the recoverable amount of the Lindero Mine as at December 31, 2021, determined on a fair value less cost of disposal basis, and concluded no impairment charge was required. However, adverse changes in any of these assumptions in future periods may result in an impairment.

iii. Functional Currency

The functional currency for the Company and its subsidiaries is the currency of the primary economic environment in which each operates. The determination of functional currency may require certain judgements to determine the

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primary economic environment. The Company reconsiders the functional currency used when there is a change in the events and conditions which determined the primary economic environment.

iv. Leases

Significant judgments made by management in the accounting for leases primarily included whether the lease conveys the right to use a specific asset, whether the Company obtains substantially all of the economic benefits from the use of the asset, whether the Company has the right to direct the use of the asset, evaluating the appropriate discount rate to use to discount the lease liability for each lease or groups of assets, and to determine the lease term where a contract includes renewal options. Significant judgments over these factors would affect the present value of the lease liabilities, as well as the associated amount of the right-of-use ("ROU") asset.

v. Value-added tax ("VAT") receivable

Timing of collection of VAT receivables is uncertain as VAT refund procedures require a significant amount of information and follow-up. The Company assesses the recoverability of the amounts receivable at each reporting date and the expected timing of the recovery, which are impacted by several factors, including the status of discussions with the tax authorities, and current interpretation of relevant VAT legislation and regulation. Changes in these judgements can materially affect the amount recognized as VAT receivable and could result in an increase in other expenses recognized in profit or loss and the presentation of current and non-current VAT receivable.

6. ACQUISITION OF SUBSIDIARY

On July 2, 2021 (the "Closing Date"), the Company completed the acquisition of Roxgold (the "Transaction") and its underground producing Yaramoko mine in Burkina Faso, the Séguéla development project in Côte d'Ivoire, and the Boussoura exploration property in Burkina Faso. The Transaction was completed by way of a court-approved plan of arrangement (the "Arrangement") under the Business Corporations Act (British Columbia) pursuant to the terms of an Arrangement agreement between Fortuna and Roxgold dated effective April 26, 2021. Under the terms of the Transaction, the Company acquired all of the issued and outstanding common shares ("Roxgold Shares") of Roxgold in exchange for 0.283 of a common share of Fortuna and C\$0.001 in cash for each Roxgold Share. Upon completion of the Transaction, Roxgold became a wholly-owned subsidiary of Fortuna. The Company began consolidating the operating results, cash flows, and net assets of Roxgold from July 2, 2021.

On the closing of the Transaction, the Company issued 106,106,224 common shares and paid \$0.3 million in cash in exchange for all of the issued and outstanding Roxgold Shares. In addition, the Company made the following cash payments:

- \$5.6 million in change of control payments to non-continuing executives of Roxgold;
- \$14.5 million on the accelerated vesting of RSUs and PSUs upon the change of control of Roxgold to non-continuing executives which has been determined to form part of the consideration;
- \$9.2 million on the accelerated vesting of DSUs upon the change of control of Roxgold to directors of Roxgold which has been determined to form part of the consideration; and
- \$4.6 million on the accelerated vesting of RSUs and PSUs upon the change of control of Roxgold to continuing executives and directors of Roxgold, \$1.3 million of which has been determined to form part of the consideration and \$3.3 million was expensed as Roxgold transaction costs.

Under the terms of the Arrangement, all Roxgold stock options, RSUs and PSUs issued in 2018, 2019, and 2020 to continuing employees and executives outstanding as at the effective time of the Arrangement were assumed by the Company having the same terms and conditions as the original respective Roxgold long-term incentive plans (including with respect to vesting and settlement), except that on settlement thereof the holder will receive 0.283

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of a Fortuna common share or the cash equivalent at the time of settlement. Following the acquisition of Roxgold, the Company assumed 405,240 options, 1,023,696 PSUs and 1,419,649 RSUs. The Company recorded \$8.2 million to equity reserve and \$4.0 million to other liabilities. During the year ended December 31, 2021, \$0.8 million of the equity settled units assumed were settled in cash.

The Company advanced a promissory note of \$35.3 million to Roxgold on June 29, 2021 in advance of closing of the Transaction, to cover expected cash consideration, transaction costs, and liabilities in relation to the Transaction. The promissory note was effectively settled upon closing of the Transaction.

The Company has determined that the Transaction represents a business combination, with the Company identified as the acquirer. Based on the share price of the Company's common shares immediately prior to the Closing Date, the estimated fair value of the of the Options, RSUs, and PSUs assumed, the cash consideration paid, and settlement of the pre-existing promissory note between Roxgold and Fortuna, the total consideration of the acquisition was determined to be \$655.3 million.

Consideration paid:

Fortuna shares issued to Roxgold shareholders	\$	582,523
Options, RSUs, and PSUs assumed by Fortuna		12,143
Settlement of promissory note due from Roxgold		35,296
Cash consideration paid to Roxgold shareholders, PSU, RSU, and DSU holders		25,333
Total consideration	\$	655,295

In accordance with the acquisition method of accounting, the acquisition cost was allocated to the underlying assets acquired and liabilities assumed, based upon their estimated fair values at the date of acquisition. The Company retained an independent appraiser to assist with determination of the fair value of certain assets acquired and liabilities assumed. The consideration paid has been allocated to the assets acquired and liabilities assumed based on their estimated fair values on the Closing Date.

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During the year ended December 31, 2021, the Company completed the analysis to assign fair values to all assets acquired and liabilities assumed. Figures previously presented have been updated to reflect the measurement period adjustments detailed below. The following table summarizes the final purchase price allocation:

Allocation of consideration: (Expressed in \$'000 rounded)	Reported as of		Final Allocation
	September 30, 2021	Adjustments	
Cash and cash equivalents	\$ 65,600	\$ —	\$ 65,600
Trade and other receivables	18,800	—	18,800
Other current assets	3,000	—	3,000
Inventory ⁽¹⁾	23,300	1,200	24,500
Restricted cash	2,100	—	2,100
Mineral properties and exploration and evaluation assets ⁽²⁾	789,200	20,800	810,000
Property, plant and equipment	85,500	—	85,500
Trade and other payables ⁽⁴⁾	(56,400)	(3,300)	(59,700)
Income taxes payable	(5,400)	—	(5,400)
Lease liabilities	(13,600)	—	(13,600)
Debt	(31,700)	—	(31,700)
Closure and reclamation provision ⁽³⁾	(3,300)	(7,800)	(11,100)
Deferred tax liabilities ⁽⁵⁾	(162,600)	(13,400)	(176,000)
Other liabilities ⁽⁴⁾	(6,405)	2,600	(3,805)
Non controlling interest	(52,800)	(100)	(52,900)
Net assets acquired	\$ 655,295	\$ —	\$ 655,295

⁽¹⁾ The fair value of inventory was adjusted to reflect an update to the mine plan and expected timing of processing stockpiled ore.

⁽²⁾ Measurement period adjustments to mineral properties were a result of updates to the mineral reserve and resource statement and refinements to the timing of cash flows used in the discounted cash flow models used to value mineral properties.

⁽³⁾ Adjustments to the fair value of closure and reclamation provisions were the result of management reviewing site closure plans during the measurement period and making adjustments and refinements to the cost estimates.

⁽⁴⁾ Relates to adjustments to the opening balance sheet as of July 2, 2021 based on refinements to the treatment of executive payments.

⁽⁵⁾ The deferred tax liabilities were updated to reflect the change in temporary differences which resulted from the changes to the fair value of assets and liabilities acquired.

The fair value of mineral properties and exploration and evaluation assets (Level 3), debt (Level 2), and lease liabilities (Level 2) were estimated using discounted cash flow models, comparable transactions and other market-based information. The fair value of property, plant, and equipment (Level 3) was estimated using either market or cost approaches. Expected future cash flows are based on estimates of future gold prices and projected revenues, estimated quantities of mineral reserves and mineral resources, expected future production costs and capital expenditures based on life-of-mine plans. The fair value of inventory (Level 3) was based on forward gold prices and the cost to complete.

The non-controlling interest represents a 10% interest in the legal entities that own the Yaramoko and Séguéla properties, by the Burkina Faso and Côte d'Ivoire governments, respectively. The non-controlling interest was determined based on the present ownership instruments' proportionate share in the recognized amounts of the acquiree's identifiable net assets.

For the year ended December 31, 2021, transaction and integration costs in the form of continuing employee payouts, advisory, legal and other professional fees of \$14.1 million were expensed as incurred and included in Roxgold transaction costs in the Consolidated Income Statement.

Consolidated revenue for the year ended December 31, 2021 includes revenue from the properties acquired in the Transaction of \$101.3 million. Consolidated net income for the year ended December 31, 2021 includes net income before tax from Roxgold of \$9.4 million. Had the transaction occurred on January 1, 2021, pro-forma unaudited

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consolidated revenue and net income before tax for the year ended December 31, 2021 would have been approximately \$704.7 million and \$115.2 million, respectively.

7. TRADE AND OTHER RECEIVABLES

As at	December 31, 2021	December 31, 2020
Trade receivables from doré and concentrate sales	\$ 25,718	\$ 26,309
Advances and other receivables	4,424	4,108
Value added taxes recoverable - operations	46,345	13,432
Value added taxes recoverable - Lindero construction	-	32,706
Trade and other receivables	\$ 76,487	\$ 76,555

The Company's trade receivables from concentrate and doré sales are expected to be collected in accordance with the terms of the existing concentrate and doré sales contracts with its customers. No amounts were past due as at December 31, 2021 and 2020.

During the year ended December 31, 2021, all of the Lindero construction value added taxes were recovered.

During the year ended December 31, 2021, the Company sold VAT receivables in the amount of \$5.5 million at a factor rate of 5% to a commercial bank in Burkina Faso, and recognized a provision of \$0.9 million related to estimated VAT receivables anticipated to be sold in the next twelve months.

8. INVENTORIES

As at	Note	December 31, 2021	December 31, 2020
Concentrate stockpiles		\$ 1,711	\$ 1,682
Doré bars		3,456	1,796
Leach pad and gold-in-circuit		30,321	7,851
Ore stockpiles		39,292	11,640
Materials and supplies		31,437	22,020
Total inventories		\$ 106,217	\$ 44,989
Less: non-current portion	11	(20,398)	(9,715)
Current inventories		\$ 85,819	\$ 35,274

During the year ended December 31, 2021, the Company expensed \$346.4 million (December 31, 2020 – \$160.1 million) of inventories to cost of sales. During the year ended December 31, 2021, charges of \$7.0 million, including \$2.8 million related to depreciation, were recognized in cost of sales to reduce low grade stockpiles at Lindero and Yaramoko to net realizable value.

9. OTHER CURRENT ASSETS

As at	December 31, 2021	December 31, 2020
Derivatives	\$ 1,490	\$ -
Prepaid expenses	8,060	2,622
Investments in equity securities	416	1,059
Assets held for sale	-	659
Income tax recoverable	1,713	-
Other current assets	\$ 11,679	\$ 4,340

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Investments in equity securities are classified as fair value through other comprehensive income, and any changes in the fair value of the investments are recorded in Other Comprehensive Income.

10. MINERAL PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

	Note	Mineral Properties - Depletable	Mineral Properties - Non depletable	Construction in Progress	Property, Plant & Equipment	Total
COST						
Balance at December 31, 2020		\$ 327,414	\$ 250,145	\$ 188,960	\$ 378,754	\$ 1,145,273
Acquisition of Roxgold	6	112,499	697,537	15,047	70,453	895,536
Additions		54,882	59,600	34,210	23,433	172,125
Changes in closure and reclamation provision		2,262	1,552	-	(85)	3,729
Disposals		-	-	-	(5,643)	(5,643)
Transfers		261,055	(242,038)	(227,591)	208,574	-
Balance at December 31, 2021		\$ 758,112	\$ 766,796	\$ 10,626	\$ 675,486	\$ 2,211,020
ACCUMULATED DEPLETION						
Balance at December 31, 2020		\$ 191,842	\$ -	\$ -	\$ 162,304	\$ 354,146
Disposals		-	-	-	(4,319)	(4,319)
Depletion and depreciation		83,618	-	-	65,221	148,839
Balance at December 31, 2021		\$ 275,460	\$ -	\$ -	\$ 223,206	\$ 498,666
Net Book Value at December 31, 2021		\$ 482,652	\$ 766,796	\$ 10,626	\$ 452,280	\$ 1,712,354

		Mineral Properties - Depletable	Mineral Properties - Non depletable	Construction in Progress	Property, Plant & Equipment	Total
COST						
Balance at December 31, 2019		\$ 312,577	\$ 211,799	\$ 222,906	\$ 286,732	\$ 1,034,014
Additions		12,143	33,804	49,333	9,805	105,085
Changes in closure and reclamation provision		3,927	4,730	-	682	9,339
Disposals		(1,233)	(188)	-	(1,744)	(3,165)
Transfers		-	-	(83,279)	83,279	-
Balance at December 31, 2020		\$ 327,414	\$ 250,145	\$ 188,960	\$ 378,754	\$ 1,145,273
ACCUMULATED DEPLETION						
Balance at December 31, 2019		\$ 170,857	\$ -	\$ -	\$ 133,982	\$ 304,839
Disposals		(543)	-	-	(1,126)	(1,669)
Depletion and depreciation		21,528	-	-	29,448	50,976
Balance at December 31, 2020		\$ 191,842	\$ -	\$ -	\$ 162,304	\$ 354,146
Net Book Value at December 31, 2020		\$ 135,572	\$ 250,145	\$ 188,960	\$ 216,450	\$ 791,127

Non-depletable mineral properties include \$22.0 million of exploration and evaluation assets (December 31, 2020 - \$9.0 million).

On November 4, 2021, the Company entered into a fourth amended and restated credit agreement, effective November 5, 2021. The Company's principal operating subsidiaries in Mexico, Peru, Côte d'Ivoire and Burkina Faso, and their respective direct and indirect holding companies, have guaranteed the obligations of the Company contemplated by the Amended Credit Facility. The Company has pledged all of its assets to secure the payment of its obligations contemplated by the Amended Credit Facility and the Company's principal operating subsidiaries in Mexico and Peru, as well as the direct and indirect holding companies of the Company's principal operating subsidiaries in Mexico, Peru, Côte d'Ivoire and Burkina Faso, have pledged all of their respective assets to secure their respective guarantees of such payment, including the shares of the Company's principal operating subsidiaries in Mexico, Peru, Côte d'Ivoire and Burkina Faso. The Company's principal operating subsidiary in Burkina Faso has pledged its bank accounts to secure the obligations under its guarantee. (Note 15 (a)).

Fortuna Silver Mines Inc.**Notes to Consolidated Financial Statements**

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11. OTHER ASSETS

As at	Note	December 31, 2021	December 31, 2020
Ore stockpiles	8	\$ 20,398	\$ 9,715
Value added tax recoverable		3,426	3,386
Income tax recoverable	33(d)	1,087	1,199
Deferred income tax recoverable		22	-
Derivatives		129	-
Other long-term assets		1,368	1,844
Total other assets		\$ 26,430	\$ 16,144

12. TRADE AND OTHER PAYABLES

As at	Note	December 31, 2021	December 31, 2020
Trade accounts payable		\$ 82,533	\$ 31,573
Payroll and related payables		23,311	15,878
Mining royalty payable		2,416	1,094
Other payables		12,161	3,103
Derivative liabilities		3,077	1,260
Share units payable	18(a)(b)	10,307	12,367
Total trade and other payables		\$ 133,805	\$ 65,275

13. RELATED PARTY TRANSACTIONS

In addition to the related party transactions and balances disclosed elsewhere in these financial statements, the Company entered into the following related party transactions during the years ended December 31, 2021, and 2020:

(a) Purchase of Goods and Services

During the years ended December 31, 2021, the Company was charged \$5 thousand (2020: \$157 thousand) for general and administrative services pursuant to a shared services agreement with Gold Group Management Inc., a company of which Simon Ridgway, the Company's former Chairman, is a director. Effective February 2, 2021, Mr. Ridgway resigned as director and Chairman of the Board, and costs associated with the shared services agreement with Gold Group Management Inc. are no longer reported as related party transactions.

As at December 31, 2021, the Company had \$nil outstanding balances payable to Gold Group Management Inc. (December 31, 2020 - \$9 thousand). Amounts due to related parties are due on demand and are unsecured.

Fortuna Silver Mines Inc.**Notes to Consolidated Financial Statements**

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(b) Key Management Personnel

During the year ended December 31, 2021 and 2020, the Company was charged for consulting services by Mario Sztolender, a director of the Company and by Mill Street Services Ltd., a company of which Mr. Ridgway, the Company's former Chairman, is a director. Effective February 2, 2021, Mr. Ridgway resigned as director and Chairman of the Board, and costs associated incurred with Mill Street Services Ltd. are no longer reported as related party transactions. Such amounts, along with other amounts paid to key management personnel were as follows:

	Years ended December 31,	
	2021	2020
Salaries and benefits	\$ 7,639	\$ 4,266
Directors fees	658	707
Consulting fees	78	134
Share-based payments	2,565	11,115
	\$ 10,940	\$ 16,222

14. LEASE OBLIGATIONS

As at	Minimum lease payments	
	December 31, 2021	December 31, 2020
Less than one year	\$ 12,292	\$ 7,367
Between one and five years	13,380	10,209
More than five years	15,983	14,127
	41,655	31,703
Less: future finance charges	(12,250)	(12,206)
Present value of minimum lease payments	29,405	19,497
Less: current portion	(10,523)	(6,978)
Non-current portion	\$ 18,882	\$ 12,519

As at December 31, 2021, there were \$29.3 million of lease obligations related to mining equipment and \$0.1 million of other leases.

15. DEBT

The following table summarizes the changes in debt:

	Note	Credit Facilities	Convertible debentures	Total
Balance at December 31, 2019		\$ 109,430	\$ 37,105	\$ 146,535
Amortization of discount		420	1,661	2,081
Drawdowns		65,000	-	65,000
Payments		(55,000)	-	(55,000)
Balance at December 31, 2020		119,850	38,766	158,616
Transaction costs		(3,036)	-	(3,036)
Acquisition of Roxgold	6	31,711	-	31,711
Amortization of discount		242	1,641	1,883
Extinguishment of debt		603	-	603
Payments		(32,288)	-	(32,288)
Balance at December 31, 2021		\$ 117,082	\$ 40,407	\$ 157,489
Non-current portion		\$ 117,082	\$ 40,407	\$ 157,489

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(a) Credit Facilities

The Company had two credit facilities comprising of a \$40.0 million non-revolving credit facility and an \$80.0 million revolving credit facility, which both had a maturity date of January 26, 2022. Following the acquisition of Roxgold on July 2, 2021, the Company assumed Roxgold's credit facility, comprising a \$60.0 million term loan and a \$20.0 million revolving credit facility with an interest rate of LIBOR plus 4%, which both had a maturity date of December 30, 2022. The Company repaid the outstanding Roxgold credit facility on November 5, 2021.

On November 4, 2021, the Company entered into a fourth amended and restated credit agreement (the "Amended Credit Facility") effective November 5, 2021, with a syndicate of banks led by BNP Paribas, and including The Bank of Nova Scotia, Bank of Montreal and Société Générale, which converted the Company's prior non-revolving and revolving facilities with the Bank of Nova Scotia and BNP Paribas (the "Scotiabank Facility") into a revolving term credit facility and increased the amount of the facility from \$120.0 million to \$200.0 million, subject to the conditions described below. The facility has a term of four years and steps down to \$150.0 million after three years. Interest accrues on LIBOR loans under the facility at LIBOR plus an applicable margin of between two and three percent, which varies according to the consolidated leverage levels of the Company, as defined in the Amended Credit Facility.

On closing of the Amended Credit Facility, \$120.0 million was available for drawdown and was drawn down in full. The total Amended Credit Facility of up to \$200.0 million became available to the Company upon its receipt of the extension of the San Jose environmental impact authorization ("EIA") on December 17, 2021. The Company evaluated the Amended Credit Facility and concluded that it was an extinguishment of debt rather than a modification as a result of the change in counter parties, increase in available credit and the posting of the Roxgold assets as security.

On repayment of the Roxgold credit facility and closing of the Amended Credit Facility, the unamortized balance of transaction costs in connection with the credit facilities was \$0.6 million, and this balance was written off and recorded as loss on extinguishment of debt.

The Company's principal operating subsidiaries in Mexico, Peru, Côte d'Ivoire and Burkina Faso, and their respective direct and indirect holding companies, have guaranteed the obligations of the Company contemplated by the Amended Credit Facility. The Company has pledged all of its assets to secure the payment of its obligations contemplated by the Amended Credit Facility and the Company's principal operating subsidiaries in Mexico and Peru, as well as the direct and indirect holding companies of the Company's principal operating subsidiaries in Mexico, Peru, Côte d'Ivoire and Burkina Faso, have pledged all of their respective assets to secure their respective guarantees of such payment, including the shares of the Company's principal operating subsidiaries in Mexico, Peru, Côte d'Ivoire and Burkina Faso. The Company's principal operating subsidiary in Burkina Faso has pledged its bank accounts to secure the obligations under its guarantee.

The Amended Credit Facility includes covenants customary for a facility of this nature including, among other matters, reporting requirements, and positive, negative, and financial covenants set out therein. As at December 31, 2021, the Company was in compliance with all of the covenants under the Amended Credit Facility.

(b) Convertible Debentures

On October 2 and 6, 2019, the Company completed a bought deal public offering of senior subordinated unsecured convertible debentures with an aggregate principal amount of \$46.0 million (the "Debentures").

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Notes to Consolidated Financial Statements

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The Debentures mature on October 31, 2024 and bear interest at a rate of 4.65% per annum, payable semi-annually in arrears on the last business day of April and October, commencing on April 30, 2020. For the year ended December 31, 2021, the Company paid \$2.1 million in interest on the Debentures.

The Debentures are convertible at the holder's option into common shares in the capital of the Company at a conversion price of \$5.00 per share (the "Conversion Price"), representing a conversion rate of 200 Common Shares per \$1 thousand principal amount of Debentures, subject to adjustment in certain circumstances.

On or after October 31, 2022 and prior to October 31, 2023, the Debentures may be redeemed in whole or in part from time to time at the Company's option at a price equal to their principal amount plus accrued and unpaid interest, provided that the volume weighted average trading price of the Common Shares on the NYSE for the 20 consecutive trading days ending on the fifth trading day preceding the date on which the notice of the redemption is given is at least 125% of the Conversion Price. On and after October 31, 2023, the Debentures may be redeemed in whole or in part from time to time at the Company's option at a price equal to their principal amount plus accrued and unpaid interest regardless of the trading price of the Common Shares.

Subject to applicable securities laws and regulatory approval and provided that no event of default has occurred and is continuing, the Company may, at its option, elect to satisfy its obligation to pay the principal amount of the Debentures and accrued and unpaid interest on the redemption date and the maturity date, in whole or in part, through the issuance of Common Shares, by issuing and delivering that number of Common Shares, obtained by dividing the principal amount of the Debentures and all accrued and unpaid interest thereon by 95% of the current market price (as defined in the Debenture Indenture) on such redemption date or maturity date, as applicable.

During the year ended December 31, 2021, \$0.1 million of the Debentures were converted.

16. OTHER LIABILITIES

As at	Note	December 31, 2021	December 31, 2020
Restricted share units	18(b)	\$ 1,437	\$ 2,264
Other non-current liabilities		1,873	259
		\$ 3,310	\$ 2,523

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17. CLOSURE AND RECLAMATION PROVISIONS

The following table summarizes the changes in closure and reclamation provisions:

	Note	Closure and Reclamation Provisions					Total
		Caylloma Mine	San Jose Mine	Lindero Mine	Yaramoko Mine	Séguéla Project	
Balance at December 31, 2020		\$ 14,761	\$ 5,905	\$ 19,684	\$ -	\$ -	\$ 40,350
Acquisition of Roxgold	6	-	-	-	11,122	-	11,122
Changes in estimate		(152)	1,142	(422)	1,609	1,552	3,729
Reclamation expenditures		(180)	(173)	-	-	-	(353)
Accretion		469	439	377	164	-	1,449
Effect of changes in foreign exchange rates		-	(185)	-	-	-	(185)
Balance at December 31, 2021		14,898	7,128	19,639	12,895	1,552	56,112
Less: Current portion		(1,230)	(652)	-	-	-	(1,882)
Non-current portion		\$ 13,668	\$ 6,476	\$ 19,639	\$ 12,895	\$ 1,552	\$ 54,230

	Closure and Reclamation Provisions					Total
	Caylloma Mine	San Jose Mine	Lindero Project	Yaramoko Mine	Séguéla Project	
Balance at December 31, 2019	\$ 11,324	\$ 4,848	\$ 14,953	\$ -	\$ -	31,125
Changes in estimate	3,288	1,328	4,482	-	-	9,098
Reclamation expenditures	(114)	(227)	-	-	-	(341)
Accretion	256	249	249	-	-	754
Effect of changes in foreign exchange rates	7	(293)	-	-	-	(286)
Balance at December 31, 2020	14,761	5,905	19,684	-	-	40,350
Less: Current portion	(142)	(238)	-	-	-	(380)
Non-current portion	\$ 14,619	\$ 5,667	\$ 19,684	\$ -	\$ -	39,970

Closure and reclamation provisions represent the present value of reclamation costs related to mine and development sites. For the year ended December 31, 2021 the Company recognized an initial obligation at Séguéla related to the disturbance created from construction activities.

	Closure and Reclamation Provisions					Total
	Caylloma Mine	San Jose Mine	Lindero Mine	Yaramoko Mine	Séguéla Project	
Undiscounted uninflated estimated cash flow	\$ 15,816	\$ 7,846	\$ 18,772	\$ 12,634	\$ 1,489	56,557
Discount rate	3.22%	7.56%	1.94%	2.08%	2.08%	
Inflation rate	2.00%	5.55%	4.00%	2.60%	2.50%	

The Company is expecting to incur progressive reclamation costs throughout the life of its mines.

18. SHARE BASED PAYMENTS

During the year ended December 31, 2021, the Company recognized share-based payments of \$3.8 million (December 31, 2020 - \$12.4 million) related to the amortization of deferred, restricted and performance share units and \$nil (December 31, 2020 - \$0.1 million) related to amortization of stock options.

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(a) Deferred Share Units (DSUs)

	Cash Settled	
	Number of DSUs	Fair Value
Outstanding, December 31, 2019	961,871	\$ 3,918
Granted	162,648	383
Changes in fair value	-	4,938
Outstanding, December 31, 2020	1,124,519	9,239
Granted	55,245	347
Units paid out in cash	(374,709)	(3,436)
Changes in fair value	-	(3,013)
Outstanding, December 31, 2021	805,055	\$ 3,137

(b) Restricted Share Units (RSUs)

	Cash Settled		Equity Settled
	Number of RSUs	Fair Value	Number of RSUs
Outstanding, December 31, 2019	392,435	\$ 1,157	1,166,912
Granted	1,056,207	2,489	815,220
Units paid out in cash	(81,152)	(257)	-
Vested and paid out in shares	-	-	(448,766)
Changes in fair value and vesting	-	2,003	-
Outstanding, December 31, 2020	1,367,490	5,392	1,533,366
Granted	677,250	4,111	-
Units paid out in cash	(618,357)	(2,484)	-
Assumed on acquisition	328,254	1,590	1,091,395
Vested and paid out in shares	-	-	(655,267)
Transferred from equity to cash settled	260,444	-	(260,444)
Forfeited or cancelled	(155,942)	(54)	(64,589)
Changes in fair value and vesting	-	(3,052)	-
Outstanding, December 31, 2021	1,859,139	5,503	1,644,461
Less: current portion		(4,066)	
Non-current portion		\$ 1,437	

(c) Performance Share Units

	Cash Settled		Equity Settled
	Number of PSUs	Fair Value	Number of PSUs
Outstanding, December 31, 2019	-	-	1,274,450
Forfeited or cancelled	-	-	(191,498)
Vested and paid out in shares	-	-	(243,782)
Outstanding, December 31, 2020	-	-	839,170
Assumed on acquisition	515,008	2,390	508,688
Granted	-	-	1,196,012
Forfeited or cancelled	-	-	(206,798)
Vested and paid out in shares	-	-	(491,185)
Change in fair value and vesting	-	714	-
Outstanding, December 31, 2021	515,008	3,104	1,845,887

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(d) Stock Options

The Company's Stock Option Plan, as amended and approved from time to time, permits the Company to issue up to 12,200,000 stock options. As at December 31, 2021, a total of 2,092,236 stock options are available for issuance under the plan.

	Number of stock options	Weighted average exercise price
		Canadian dollars
Outstanding, December 31, 2019	1,784,029	\$ 5.85
Exercised	(211,626)	6.28
Expired unexercised	(517,833)	4.79
Outstanding, December 31, 2020	1,054,570	6.28
Exercised	(68,927)	4.99
Assumed on acquisition	405,240	3.77
Expired unexercised	(141,500)	3.22
Outstanding, December 31, 2021	1,249,383	\$ 5.88
Vested and exercisable, December 31, 2020	1,054,570	\$ 6.28
Vested and exercisable, December 31, 2021	1,249,383	\$ 5.88

19. SHARE CAPITAL

(a) Authorized Share Capital

The Company has an unlimited number of common shares without par value authorized for issue.

(b) Share Issuances

	Note	Number of common shares	Amount
Balance at January 1, 2020		160,291,553	\$ 422,145
Issuance of common shares (i)		23,000,000	69,000
Share issuance costs		-	(3,358)
Exercise of stock options		211,626	1,438
Shares issued on vesting of share units		692,548	3,081
Balance at December 31, 2020		184,195,727	\$ 492,306
Acquisition of Roxgold	6	106,106,224	582,523
Exercise of stock options		68,927	389
Shares issued on vesting of share units		1,146,452	4,468
Convertible debenture conversion		12,000	60
Balance December 31, 2021		291,529,330	\$ 1,079,746

⁽ⁱ⁾ On May 20, 2020, the Company completed a bought deal public equity offering and issued an aggregate of 23,000,000 common shares at a price of \$3.00 per share for gross proceeds of \$69.0 million, which included the exercise, in full, of the over-allotment option. The Company incurred transaction costs of \$3.4 million related to this financing.

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20. EARNINGS PER SHARE

	Years ended December 31	
	2021	2020
Basic:		
Net income for the period attributable to Fortuna shareholders	\$ 57,877	\$ 21,553
Weighted average number of shares (000's)	237,998	174,993
Earnings per share - basic	\$ 0.24	\$ 0.12

	Years ended December 31	
	2021	2020
Diluted:		
Net income for the period attributable to Fortuna shareholders	\$ 57,877	\$ 21,553
Add: finance costs on convertible debt, net of \$nil tax	3,779	-
Diluted net income for the period	\$ 61,656	\$ 21,553
Weighted average number of shares (000's)	237,998	174,993
Incremental shares from dilutive potential shares	11,445	11,080
Weighted average diluted number of shares (000's)	249,443	186,073
Earnings per share - diluted	\$ 0.23	\$ 0.12

As at December 31, 2021, there were 7,551 out of the money options that were excluded from the diluted earnings per share calculation as their effect would have been anti-dilutive (December 31, 2020 –7,551).

21. SALES

The Company's geographical analysis of revenue from contracts with customers attributed to the location of the products produced, is as follows:

	Year ended December 31, 2021				
	Peru	Mexico	Argentina	Burkina Faso	Total
Silver-gold concentrates	\$ -	\$ 219,663	\$ -	\$ -	\$ 219,663
Silver-lead concentrates	59,755	-	-	-	59,755
Zinc concentrates	42,990	-	-	-	42,990
Gold doré	-	-	178,999	101,256	280,255
Provisional pricing adjustments	799	(3,609)	-	-	(2,810)
Sales to external customers	\$ 103,544	\$ 216,054	\$ 178,999	\$ 101,256	\$ 599,853

	Year ended December 31, 2020				
	Peru	Mexico	Argentina	Burkina Faso	Total
Silver-gold concentrates	\$ -	\$ 188,327	\$ -	\$ -	\$ 188,327
Silver-lead concentrates	43,055	-	-	-	43,055
Zinc concentrates	23,980	-	-	-	23,980
Gold doré	-	-	20,297	-	20,297
Provisional pricing adjustments	608	2,699	-	-	3,307
Sales to external customers	\$ 67,643	\$ 191,026	\$ 20,297	\$ -	\$ 278,966

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	Years ended December 31	
	2021	2020
Customer 1	\$ 178,999	\$ 191,026
Customer 2	103,544	67,643
Customer 3	101,256	-
Customer 4	91,950	20,297
Customer 5	48,032	-
Customer 6	47,212	-
Customer 7	28,860	-
	\$ 599,853	\$ 278,966

From time to time, the Company mitigates the price risk associated with its base metal production by entering into forward sale and collar contracts for some of its forecasted base metal production and non-metal commodities.

During December 2020, the Company entered into the following contracts:

- zero-cost collar for 12,300 tonnes of zinc with a floor price of \$2,600 per tonne and a cap of \$2,900 per tonne, maturing monthly from January 1, 2021 to December 31, 2021;
- zero-cost collar for 720,000 gallons of heating oil with a floor price of \$1.40 per gallon and a cap of \$1.6150 per gallon, maturing monthly from January 1, 2021 to December 31, 2021;
- zero-cost collar for 1,680,000 gallons of jet fuel with a floor price of \$1.30 per gallon and a cap of \$1.4775 per gallon, maturing monthly from January 1, 2021 to December 31, 2021;
- forward-swap for 720,000 gallons of heating oil with a price of \$1.52 per gallon, maturing monthly from January 1, 2022 to December 31, 2022; and
- forward-swap for 1,680,000 gallons of jet fuel with a price of \$1.438 per gallon, maturing monthly from January 1, 2022 to December 31, 2022.

On February 11, 2021, the Company entered into a zero-cost collar for 6,237 tonnes of lead with a floor price of \$2,000 per tonne and a cap of \$2,125 per tonne, maturing monthly from February 1, 2021 to December 31, 2022.

During October 2021, the Company entered into the following contracts:

- zero-cost collar for 1,200 tonnes of zinc with a floor price of \$3,200 per tonne and a cap of \$3,500 per tonne, maturing from January 1, 2022 to March 31, 2022;
- zero-cost collar for 1,200 tonnes of zinc with a floor price of \$3,200 per tonne and a cap of \$3,400 per tonne, maturing from April 1, 2022 to June 30, 2022;
- zero-cost collar for 1,200 tonnes of zinc with a floor price of \$3,200 per tonne and a cap of \$3,290 per tonne, maturing from July 1, 2022 to September 30, 2022;
- zero-cost collar for 1,200 tonnes of zinc with a floor price of \$3,100 per tonne and a cap of \$3,225 per tonne, maturing from October 1, 2022 to December 31, 2022;
- forward-swap for 1,200 tonnes of zinc with a price of \$3,300 per tonne, maturing quarterly from January 1, 2022 to March 31, 2022;
- forward-swap for 1,200 tonnes of zinc with a price of \$3,256 per tonne, maturing quarterly from April 1, 2022 to June 30, 2022;
- forward-swap for 1,200 tonnes of zinc with a price of \$3,256 per tonne, maturing quarterly from July 1, 2022 to September 30, 2022; and
- forward-swap for 1,200 tonnes of zinc with a price of \$3,175 per tonne, maturing quarterly from October 1, 2022 to December 31, 2022.

The zinc, lead and fuel contracts are derivative financial instruments and are not accounted for as designated hedges. They were initially recognized at fair value on the date on which the related derivative contracts were entered into

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and are subsequently re-measured to estimated fair value. Any gains or losses arising from changes in the fair value of the derivatives are credited or charged to profit or loss.

During the year ended December 30, 2021 the Company recognized \$1.5 million of realized loss on settlement of swaps, and \$1.3 million of unrealized loss, from changes in the fair value of the open positions (December 31, 2020 – \$nil).

22. COST OF SALES

	Years ended December 31,	
	2021	2020
Direct mining costs	\$ 198,141	\$ 94,609
Salaries and benefits	34,773	16,586
Workers' participation	7,647	7,459
Depletion and depreciation	121,077	43,778
Royalties and other taxes	25,703	6,318
Impairment (recovery) of inventories	7,035	(5)
Cost of Sales	\$ 394,376	\$ 168,745

For the year ended December 31, 2021, depletion and depreciation includes \$6.3 million (December 31, 2020 - \$2.5 million) of depreciation relating to right-of-use assets.

23. GENERAL AND ADMINISTRATION

	Years ended December 31,	
	2021	2020
General and administration	\$ 39,386	\$ 20,834
Workers' participation	1,813	1,808
	41,199	22,642
Share-based payments	4,161	12,444
General and Administration	\$ 45,360	\$ 35,086

24. OTHER EXPENSES

	Note	Years ended December 31,	
		2021	2020
Write-down (recovery) of investment in associates		\$ 327	\$ (194)
Loss on disposal of assets and other write-downs		818	878
Provision for accounts receivable		659	484
SGM Royalty settlement	33 (e)	9,600	447
Other expenses (income)		4,730	(308)
Care and maintenance costs related to COVID-19		-	3,121
Share of loss from associates		-	76
		\$ 16,134	\$ 4,504

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25. INTEREST AND FINANCE COSTS, NET

	Years ended December 31,	
	2021	2020
Interest income	\$ 1,846	\$ 1,217
Interest expense	(10,246)	(1,510)
Bank stand-by and commitment fees	(69)	(369)
Accretion expense	(3,799)	(751)
Loss on extinguishment of credit facility	(595)	-
	\$ (12,863)	\$ (1,413)

26. INCOME TAX

(a) Reconciliation of Effective Tax Rate

Income tax expense differs from the amount that would be computed by applying the applicable Canadian statutory income tax rate to income before income taxes. The significant reasons for the differences are as follows:

	Years ended December 31,	
	2021	2020
Net income before tax	\$ 107,180	\$ 58,955
Statutory tax rate	27.0%	27.0%
Anticipated income tax at statutory rates	28,939	15,918
Non-deductible expenditures (deductible expenditures)	(5,535)	1,326
Differences between Canadian and foreign tax rates	4,392	1,284
Changes in estimate	(93)	(192)
Effect of change in tax rates	(1,919)	436
Inflation adjustment	(24,873)	(10,634)
Impact of foreign exchange	14,865	15,081
Changes in deferred tax assets not recognized	18,692	5,909
Mining taxes	7,636	4,656
Withholding taxes	8,148	3,670
Other items	(2,471)	(52)
Total income tax expense	\$ 47,781	\$ 37,402
Total income tax represented by:		
Current income tax expense	\$ 51,651	\$ 38,818
Deferred tax recovery	(3,870)	(1,416)
	\$ 47,781	\$ 37,402

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(b) Tax Amounts Recognized in Profit or Loss

	Years ended December 31,	
	2021	2020
Current tax expense		
Current taxes on profit for the year	\$ 51,106	\$ 38,603
Changes in estimates related to prior years	545	215
	\$ 51,651	\$ 38,818
Deferred tax expense		
Origination and reversal of temporary differences and foreign exchange rate	\$ (985)	\$ (1,500)
Changes in estimates related to prior years	(638)	(396)
Effect of differences in tax rates	(328)	44
Effect of changes in tax rates	(1,919)	436
	\$ (3,870)	\$ (1,416)
Total tax expense	\$ 47,781	\$ 37,402

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(c) Deferred Tax Balances

The significant components of the recognized deferred tax assets and liabilities are:

	December 31, 2021	December 31, 2020
Deferred tax assets:		
Reclamation and closure cost obligation	\$ 15,872	\$ 13,080
Carried forward tax loss	4,192	17,729
Equipment and buildings	23,989	-
Accounts payable and accrued liabilities	19,370	16,437
Deductibility of resource taxes	3,085	3,414
Lease obligations	8,270	5,769
Other	1,153	127
Total deferred tax assets	\$ 75,931	\$ 56,556
Deferred tax liabilities:		
Mineral properties	\$ (244,296)	\$ (55,134)
Mining and foreign withholding taxes	(4,523)	(4,862)
Equipment and buildings	-	(1,928)
Convertible debenture	(1,198)	(1,544)
Inflation	(10,163)	(11,210)
Inventory and other	(7,419)	(1,377)
Total deferred tax liabilities	\$ (267,599)	\$ (76,055)
Net deferred tax liabilities	\$ (191,668)	\$ (19,499)
	2021	2020
Classification:		
Deferred tax assets	\$ -	\$ -
Deferred tax liabilities	(191,668)	(19,499)
Net deferred tax liabilities	\$ (191,668)	\$ (19,499)

The Company's movement of net deferred tax liabilities is described below:

	2021	2020
At January 1	\$ 19,499	\$ 20,915
Deferred income tax (recovery) expense through income statement	(3,870)	(1,416)
Deferred income tax expense through equity	176,039	-
At December 31	\$ 191,668	\$ 19,499

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(d) Unrecognized Deferred Tax Assets and Liabilities

The Company recognizes tax benefits on losses or other deductible amounts where it is more likely than not that the deferred tax asset will be realized. The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consists of the following amounts:

	December 31, 2021	December 31, 2020
Unrecognized deductible temporary differences and unused tax losses:		
Non capital losses	\$ 136,072	\$ 90,192
Provisions	11,657	14,488
Share issue costs	1,711	3,894
Mineral properties, plant and equipment	12,705	-
Lease obligation	863	555
Derivative liabilities	-	1,111
Capital losses	4,204	255
Investments in equity securities and associates	901	1,534
Unrecognized deductible temporary differences	\$ 168,114	\$ 112,029

As at December 31, 2021, the Company has temporary differences associated with investments in subsidiaries for which an income tax liability has not been recognized as the Company can control the timing of the reversal of the temporary differences and the Company plans to reinvest in its foreign subsidiaries. The temporary difference associated with investments in subsidiaries aggregate as follow:

	December 31, 2021	December 31, 2020
Mexico	\$ 204,283	\$ 248,880
Peru	59,976	62,414
West Africa	114,559	-

(e) Tax Loss Carry Forwards

Tax losses have the following expiry dates:

	December 31, 2021	December 31, 2020
Year of expiry	Year of expiry	
Canada	2026 - 2041 \$ 150,015	2026 - 2039 \$ 90,300
Argentina	-	2020 - 2024 68,900
Mexico	2021 - 2030 378	2021 - 2029 367
Peru	-	-

In addition, as at December 31, 2021, the Company has accumulated Canadian resource related expenses of \$8.5 million (December 31, 2020- \$8.5 million) for which the deferred tax benefit has not been recognized.

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27. SEGMENTED INFORMATION

The following summary describes the operations of each reportable segment:

- Mansfield Minera S.A. (“Mansfield”) – operates the Lindero gold mine
- Roxgold SANU S.A. (“Sanu”) – operates the Yaramoko gold mine
- Roxgold SANGO S.A. (“Sango”) – construction of the Séguéla mine
- Compania Minera Cuzcatlan S.A. de C.V. (“Cuzcatlan”) – operates the San Jose silver-gold mine
- Minera Bateas S.A.C. (“Bateas”) – operates the Caylloma silver, lead and zinc mine
- Corporate – corporate stewardship

	Years ended December 31, 2021						
	Mansfield	Sanu	Sango	Cuzcatlan	Bateas	Corporate	Total
Revenues from external customers	\$ 178,999	\$ 101,256	\$ -	\$ 216,054	\$ 103,544	\$ -	\$ 599,853
Cost of sales before depreciation and depletion	(79,224)	(51,839)	-	(90,499)	(51,737)	-	(273,299)
Depreciation and depletion in cost of sales	(43,665)	(28,973)	-	(32,257)	(16,182)	-	(121,077)
General and administration	(5,793)	(953)	-	(10,007)	(4,127)	(24,480)	(45,360)
Other (expenses) income	(5,069)	(2,536)	(472)	(15,793)	632	-	(23,238)
Finance items	(972)	(2,664)	(96)	(882)	(5,034)	(20,051)	(29,699)
Segment income (loss) before taxes	44,276	14,291	(568)	66,616	27,096	(44,531)	107,180
Income taxes	(3,242)	(2,749)	(499)	(23,586)	(9,415)	(8,290)	(47,781)
Segment income (loss) after taxes	\$ 41,034	\$ 11,542	\$ (1,067)	\$ 43,030	\$ 17,681	\$ (52,821)	\$ 59,399

	Years ended December 31, 2020						
	Mansfield	Sanu	Sango	Cuzcatlan	Bateas	Corporate	Total
Revenues from external customers	\$ 20,297	\$ -	\$ -	\$ 191,026	\$ 67,643	\$ -	\$ 278,966
Cost of sales before depreciation and depletion	(10,073)	-	-	(76,459)	(40,056)	-	(126,588)
Depreciation and depletion in cost of sales	-	-	-	(27,856)	(14,301)	-	(42,157)
General and administration	-	-	-	(8,054)	(3,891)	(23,141)	(35,086)
Other (expenses) income	(12,982)	-	-	(3,742)	(1,214)	41	(17,897)
Finance items	4,208	-	-	(104)	(698)	(1,689)	1,717
Segment income (loss) before taxes	1,450	-	-	74,811	7,483	(24,789)	58,955
Income taxes	(323)	-	-	(28,926)	(4,312)	(3,841)	(37,402)
Segment income (loss) after taxes	\$ 1,127	\$ -	\$ -	\$ 45,885	\$ 3,171	\$ (28,630)	\$ 21,553

As at December 31, 2021	Mansfield	Sanu	Sango	Cuzcatlan	Bateas	Corporate	Total
Total assets	\$ 613,584	\$ 249,153	\$ 760,220	\$ 239,448	\$ 128,012	\$ 31,505	\$ 2,021,922
Total liabilities	\$ 51,544	\$ 228,929	\$ 25,281	\$ 48,094	\$ 54,863	\$ 183,641	\$ 592,352
Capital expenditures ¹	\$ 40,845	\$ 22,856	\$ 56,614	\$ 26,962	\$ 24,848	\$ -	\$ 172,125

¹ Capital expenditures are on an accrual basis for the year ended December 31, 2021

As at December 31, 2020	Mansfield	Sanu	Sango	Cuzcatlan	Bateas	Corporate	Total
Total assets	\$ 622,122	\$ -	\$ -	\$ 280,602	\$ 125,286	\$ 27,328	\$ 1,055,338
Total liabilities	\$ 50,650	\$ -	\$ -	\$ 49,500	\$ 42,710	\$ 186,708	\$ 329,568
Capital expenditures ¹	\$ 79,686	\$ -	\$ -	\$ 15,801	\$ 9,476	\$ 122	\$ 105,085

¹ Capital expenditures are on an accrual basis for the year ended December 31, 2020

28. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs

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are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability (interest rate, yield curves), or inputs that are derived principally from or corroborated observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

The following sets up the methods and assumptions used to estimate the fair value of Level 2 and Level 3 financial instruments.

Financial asset or liability	Methods and assumptions used to estimate fair value
Trade receivables	Trade receivables arising from the sales of metal concentrates are subject to provisional pricing, and the final selling price is adjusted at the end of a quotational period. These are marked to market at each reporting date based on the forward price corresponding to the expected settlement date.
Investments in equity securities	Investments in equity securities are recorded at fair value based on the quoted market price at the end of each reporting period with changes in fair value through other comprehensive income.
Interest rate swap, metal, fuel and foreign exchange contracts	Fair value is calculated as the present value of the estimated contractual cash flows. Estimates of future cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. These are discounted using a yield curve, and adjusted for credit risk of the Company or the counterparty.
Convertible Debentures	The fair value of the convertible debentures represents both the debt and equity components of the convertible debentures and has been determined with reference to the quoted market price of the convertible debentures.

During the years ended December 31, 2021, and 2020, there were no transfers of amounts between Level 1, Level 2, and Level 3 of the fair value hierarchy. The following tables show the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. Fair value information for financial assets and financial liabilities not measured at fair value is not presented if the carrying amount is a reasonable approximation of fair value.

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	Carrying value				Fair value			Carrying value approximates Fair Value
	Fair Value through OCI	Fair value through profit or loss	Amortized cost	Total	Level 1	Level 2	Level 3	
December 31, 2021								
Financial assets measured at Fair Value								
Investments in equity securities	\$ 496	\$ -	\$ -	\$ 496	\$ 496	\$ -	\$ -	\$ -
Trade receivables concentrate sales	-	23,298	-	23,298	-	23,298	-	-
Fuel hedge contracts asset	-	1,619	-	1,619	-	1,619	-	-
	<u>\$ 496</u>	<u>\$ 24,917</u>	<u>\$ -</u>	<u>\$ 25,413</u>	<u>\$ 496</u>	<u>\$ 24,917</u>	<u>\$ -</u>	<u>\$ -</u>
Financial assets not measured at Fair Value								
Cash and cash equivalents	\$ -	\$ -	\$ 107,097	\$ 107,097	\$ -	\$ -	\$ -	\$ 107,097
Trade receivables doré sales	-	-	2,420	2,420	-	-	-	2,420
Other receivables	-	-	4,424	4,424	-	-	-	4,424
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 113,941</u>	<u>\$ 113,941</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 113,941</u>
Financial liabilities measured at Fair Value								
Interest rate swap liability	\$ (78)	\$ -	\$ -	\$ (78)	\$ -	\$ (78)	\$ -	\$ -
Metal forward sales contracts liability	-	(2,547)	-	(2,547)	-	(2,547)	-	-
Foreign exchange forward contracts liability	-	(508)	-	(508)	-	(508)	-	-
	<u>\$ (78)</u>	<u>\$ (3,055)</u>	<u>\$ -</u>	<u>\$ (3,133)</u>	<u>\$ -</u>	<u>\$ (3,133)</u>	<u>\$ -</u>	<u>\$ -</u>
Financial liabilities not measured at Fair Value								
Trade payables	\$ -	\$ -	\$ (80,925)	\$ (80,925)	\$ -	\$ -	\$ -	\$ (80,925)
Payroll payable	-	-	(23,311)	(23,311)	-	-	-	(23,311)
Credit facilities	-	-	(117,082)	(117,082)	-	(120,000)	-	-
Convertible debentures	-	-	(40,407)	(40,407)	-	(50,614)	-	-
Other payables	-	-	(44,427)	(44,427)	-	-	-	(44,427)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (306,152)</u>	<u>\$ (306,152)</u>	<u>\$ -</u>	<u>\$ (170,614)</u>	<u>\$ -</u>	<u>\$ (148,663)</u>

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	Carrying value				Fair value			Carrying value approximates Fair Value
	Fair Value through OCI	Fair value through profit or loss	Amortized cost	Total	Level 1	Level 2	Level 3	
December 31, 2020								
Financial assets measured at Fair Value								
Investments in equity securities	\$ 1,059	\$ -	\$ -	\$ 1,059	\$ 1,059	\$ -	\$ -	\$ -
Trade receivables concentrate sales	-	22,361	-	22,361	-	22,361	-	-
	\$ 1,059	\$ 22,361	\$ -	\$ 23,420	\$ 1,059	\$ 22,361	\$ -	\$ -
Financial assets not measured at Fair Value								
Cash and cash equivalents	\$ -	\$ -	\$ 131,898	\$ 131,898	\$ -	\$ -	\$ -	\$ 131,898
Trade receivables doré sales	-	-	3,948	3,948	-	-	-	3,948
Other receivables	-	-	4,108	4,108	-	-	-	4,108
	\$ -	\$ -	\$ 139,954	\$ 139,954	\$ -	\$ -	\$ -	\$ 139,954
Financial liabilities measured at Fair Value								
Interest rate swap liability	\$ (1,084)	\$ -	\$ -	\$ (1,084)	\$ -	\$ (1,084)	\$ -	\$ -
Metal forward sales contracts liability	-	(124)	-	(124)	-	(124)	-	-
Fuel forward contracts liability	-	(52)	-	(52)	-	(52)	-	-
	\$ (1,084)	\$ (176)	\$ -	\$ (1,260)	\$ -	\$ (1,260)	\$ -	\$ -
Financial liabilities not measured at Fair Value								
Trade payables	\$ -	\$ -	\$ (26,140)	\$ (26,140)	\$ -	\$ -	\$ -	\$ (26,140)
Payroll payable	-	-	(17,676)	(17,676)	-	-	-	(17,676)
Credit facilities	-	-	(119,850)	(119,850)	-	(120,000)	-	-
Convertible debentures	-	-	(38,766)	(38,766)	-	(78,315)	-	-
Other payables	-	-	(22,784)	(22,784)	-	-	-	(22,784)
	\$ -	\$ -	\$ (225,216)	\$ (225,216)	\$ -	\$ (198,315)	\$ -	\$ (66,600)

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29. MANGEMENT OF FINACIAL RISK

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and reviews the Company's policies on an ongoing basis.

The Company is exposed to certain financial risks, including credit risk, liquidity risk, currency risk, metal price risk, and interest rate risk.

(a) Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. All our trade accounts receivables from concentrate sales are held with large international metals trading companies.

The Company's cash and cash equivalents and short-term investments are held through large financial institutions. These investments mature at various dates within three months.

The Company's maximum exposure to credit risk as at December 31, 2021 and 2020 is as follows:

As at	December 31, 2021	December 31, 2020
Cash and cash equivalents	\$ 107,097	\$ 131,898
Derivative assets	1,619	-
Trade and other receivables	76,487	76,555
Income tax receivable	1,713	-
Other non-current receivables	5,903	6,429
	<u>\$ 192,819</u>	<u>\$ 214,882</u>

The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk. We limit our exposure to counterparty credit risk on cash and term deposits by only dealing with financial institutions with high credit ratings and through our investment policy of purchasing only instruments with a high credit rating. Almost all of our concentrate are sold to large well-known concentrate buyers.

(c) Liquidity Risk

Liquidity risk is the risk that we will not be able to meet our financial obligations as they come due. We manage our liquidity risk by continually monitoring forecasted and actual cash flows. We have in place a planning and budgeting process to help determine the funds required to support our normal operating requirements and our development plans. We aim to maintain sufficient liquidity to meet our short term business requirements, taking into account our anticipated cash flows from operations, our holdings of cash and cash equivalents, and our committed and anticipated liabilities.

The Company had \$187.1 million of liquidity comprised of cash and cash equivalents as at December 31, 2021, and believes that its cash and cash equivalents will provide sufficient liquidity to meet the Company's minimum obligations for at least the next 12 months from December 31, 2021. On November 4, 2021, the Company entered into a fourth amended and restated credit agreement, effective as of November 5, 2021, which converted the Company's existing non-revolving and revolving facility into a revolving term credit facility in the amount of \$200.0 million, with a term of four years and a step down to \$150.0 million after three years. On closing of the amended credit facility, \$120.0 million was available for drawdown and was drawn down in full. The total amended credit facility of up to \$200.0 million became available to the Company upon its receipt of the extension of the San Jose environmental impact authorization on December 17, 2021.

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The Company manages its liquidity risk by continuously monitoring forecasted and actual cashflows. A rigorous reporting, planning and budgeting process are in place to help facilitate forecasting funding requirements, to support operations on an ongoing basis and expansion plans, if any.

As at December 31, 2021, the Company expects the following maturities of its financial liabilities, lease obligations, and other contractual commitments, excluding payments relating to interest:

	Expected payments due by year as at December 31, 2021				
	Less than 1 year	1 - 3 years	4 - 5 years	After 5 years	Total
Trade and other payables	\$ 133,805	\$ -	\$ -	\$ -	\$ 133,805
Debt	-	46,000	120,000	-	166,000
Income taxes payable	20,563	-	-	-	20,563
Lease obligations	12,292	11,315	2,065	15,983	41,655
Other liabilities	-	3,310	-	-	3,310
Capital commitments, Séguéla	66,542	5,217	-	-	71,759
Closure and reclamation provisions	1,883	5,561	23,954	24,714	56,112
	\$ 235,085	\$ 71,403	\$ 146,019	\$ 40,697	\$ 493,204

	Expected payments due by year as at December 31, 2020				
	Less than 1 year	1 - 3 years	4 - 5 years	After 5 years	Total
Trade and other payables	\$ 65,275	\$ -	\$ -	\$ -	\$ 65,275
Debt	-	120,000	46,000	-	166,000
Income taxes payable	23,808	-	-	-	23,808
Lease obligations	7,367	6,166	4,043	14,127	31,703
Other liabilities	-	2,523	-	-	2,523
Capital commitments, Lindero	558	-	-	-	558
Closure and reclamation provisions	433	5,444	10,692	23,781	40,350
	\$ 97,441	\$ 134,133	\$ 60,735	\$ 37,908	\$ 330,217

Operating leases includes leases for office premises, computer equipment and other equipment used in the normal course of business.

(d) Currency risk

The Company is exposed to fluctuations in foreign exchange rates as a portion of our expenses are incurred in Canadian dollars, Peruvian soles, Argentine peso, Mexican peso, West Africa CFA Franc and Australian dollars. A significant change in the foreign exchange rates between the United States dollar relative to the other currencies could have a material effect on the Company's profit or loss, financial position, or cash flows.

During October 2021, the Company entered into a forward contract for \$18.5 million Euros with a fixed rate of 1.173 maturing monthly from January 31, 2022 to April 28, 2023, related to the construction of Séguéla.

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As at December 31, 2021 and 2020, the Company was exposed to currency risk through the following assets and liabilities denominated in foreign currencies:

	December 31, 2021						
	Canadian Dollars	Peruvian Soles	Mexican Pesos	Argentine Pesos	West African CFA Franc	Australian Dollars	Euro
Cash and cash equivalents	1,660	5,508	18,126	4,319	11,494,909	5	28
Marketable securities	527	-	-	-	-	-	-
Restricted cash	-	-	-	-	1,166,963	-	-
Trade and VAT receivables	690	2,144	174,229	1,526,506	13,433,368	-	-
Income tax receivable	-	20,707	-	-	-	-	-
VAT - long term receivable	-	-	70,520	-	-	-	-
Trade and other payables	(3,839)	(17,496)	(400,697)	(1,174,033)	(10,094,158)	(939)	(1,431)
Provisions, current	-	(4,413)	(13,534)	(95,353)	-	-	-
Income tax payable	-	-	(87,881)	-	-	-	-
Other liabilities	-	-	(6,178)	-	-	-	-
Provisions, non current	-	-	(87,305)	-	-	-	-
Total foreign currency exposure	(962)	6,450	(332,720)	261,439	16,001,082	(934)	(1,403)
US\$ equivalent of foreign currency exposure	(755)	1,668	(16,802)	2,734	28,548	(804)	(1,207)

	December 31, 2020						
	Canadian Dollars	Peruvian Soles	Mexican Pesos	Argentine Pesos	West African CFA Franc	Australian Dollars	Euro
Cash and cash equivalents	1,402	9,658	3,117	2,326	-	-	-
Marketable securities	1,348	-	-	-	-	-	-
Trade and VAT receivables	53	3,563	108,569	3,281,760	-	-	-
Income tax receivable	-	6,915	-	-	-	-	-
VAT - long term receivable	-	-	67,542	-	-	-	-
Trade and other payables	(17,838)	(28,046)	(311,747)	(764,331)	-	-	-
Provisions, current	-	100	(4,871)	(77,549)	-	-	-
Income tax payable	-	(275)	(297,083)	-	-	-	-
Other liabilities	(207)	-	(5,160)	-	-	-	-
Provisions, non current	-	(754)	(67,102)	-	-	-	-
Total foreign currency exposure	(15,254)	(8,839)	(506,735)	2,442,206	-	-	-
US\$ equivalent of foreign currency exposure	(11,981)	(2,439)	(25,402)	29,091	-	-	-

Sensitivity as to change in foreign currency exchange rates on our foreign currency exposure as at December 31, 2021 is provided below:

Currency	Change	Effect on foreign denominated items
Mexican pesos	+/- 10%	\$ 1,527
Peruvian soles	+/- 10%	\$ 152
Argentinian pesos	+/- 10%	\$ 249
Canadian Dollar	+/- 10%	\$ 69
West African CFA franc	+/- 10%	\$ 2,595
Australian Dollar	+/- 10%	\$ 61
Euro	+/- 10%	\$ 110

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Due to the volatility of the exchange rate for Argentine Peso, the Company is applying additional measures in cash management to minimize potential losses arising from the conversion of funds. As discussed in note 30(g), with the capital controls in effect, the Company is required to convert the equivalent value of foreign currency received from the proceeds of the sale of all gold doré from the Lindero Mine.

(e) Metal Price Risk

The Company is exposed to metal price risk with respect to the sales of silver, gold, lead, and zinc concentrates. The following table summarizes the effect on provisionally priced sales and accounts receivables of a 10% change in metal prices from the prices used at December 31, 2021:

Metal	Change	Effect on Sales
Silver	+/- 10%	\$ 1,154
Gold	+/- 10%	\$ 562
Lead	+/- 10%	\$ 343
Zinc	+/- 10%	\$ 318

During the year ended December 31, 2021, the Company recognized negative sales adjustments of \$2.8 million (December 31, 2020 – positive \$3.3 million) as a result of changes in metal prices on the final settlement or during the quotational period.

From time to time, the Company mitigates the price risk associated with its base metal production by entering into forward sale and collar contracts for some of its forecasted base metal production and non-metal commodities (see Note 21).

(f) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Currently, the Company's interest rate exposure mainly relates to interest earned on its cash, cash equivalent, and short-term investment balances, interest paid on its LIBOR-based debt, and the mark-to-market value of derivative instruments which depend on interest rates.

(g) Capital Management

The Company's objective when managing its capital is to maintain its ability to continue as a going concern while at the same time maximizing the growth of its business and providing returns to its shareholders. The Company manages its capital structure and makes adjustments based on changes to its economic environment and the risk characteristics of the Company's assets.

Effective December 23, 2019, changes to Argentina's tax laws proposed by the new Argentine Government were implemented. The changes ratified and extended legislation which was to expire on December 31, 2019 and allow the Argentine Central Bank to regulate funds coming into and flowing out of Argentina in order to maintain stability and support the economic recovery of the country. These capital controls have the effect of: requiring exporters to convert the equivalent value of foreign currency received from the export into Argentine Pesos; requiring the prior consent of the Argentine Central Bank to the payment of cash dividends and distributions of currency out of Argentina; requiring Argentine companies to convert foreign currency loans received from abroad into Argentine Pesos; and restricting the sale of Argentine Pesos for foreign currency.

Fortuna Silver Mines Inc.

Notes to Consolidated Financial Statements

For the years ended December 31, 2021 and 2020

(Tabular amounts presented in thousands of US dollars, except share and per share amounts)

The Company's capital requirement is effectively managed based on the Company having a thorough reporting, planning and forecasting process to help identify the funds required to ensure the Company is able to meet its operating and growth objectives.

The Company's capital structure consists of equity comprising of share capital, reserves and retained earnings as well as debt facilities, equipment financing obligations less cash, cash equivalents and short-term investments.

	December 31, 2021	December 31, 2020
Equity	\$ 1,375,148	\$ 725,770
Debt	157,489	158,616
Lease obligations	29,405	19,497
Less: cash and cash equivalents	(107,097)	(131,898)
	\$ 1,454,945	\$ 771,985

As discussed above, the Company operates in Argentina where the new Argentine government has ratified and extended legislation to December 31, 2025 to allow the Argentine Central Bank to regulate funds coming into and flowing out of Argentina. Other than the restrictions related to these capital controls and complying with the debt covenants under the Company's credit facility, the Company is not subject to any externally imposed capital requirements. As at December 31, 2021 and 2020, the Company was in compliance with its debt covenants.

30. SUPPLEMENTAL CASH FLOW INFORMATION

Changes in working capital for the years ended December 31, 2021 and 2020 are as follows:

	Years ended December 31,	
	2021	2020
Trade and other receivables	\$ (16,897)	\$ 10,258
Prepaid expenses	(2,149)	161
Inventories	(23,824)	(25,659)
Trade and other payables	3,556	6,122
Total changes in working capital	\$ (39,314)	\$ (9,118)

Fortuna Silver Mines Inc.**Notes to Consolidated Financial Statements**

For the years ended December 31, 2021 and 2020

(Tabular amounts presented in thousands of US dollars, except share and per share amounts)

The changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes for the years as set out below are as follows:

	Note	Bank loan	Convertible debentures	Lease obligations	Derivatives
As at December 31, 2019		\$ 109,430	\$ 37,105	\$ 23,879	\$ 894
Additions		65,000	-	2,684	176
Terminations		-	-	(497)	-
Interest		420	1,661	1,920	563
Payments		(55,000)	-	(8,438)	(560)
Foreign exchange		-	-	(51)	-
Changes in fair value		-	-	-	187
As at December 31, 2020		119,850	38,766	19,497	1,260
Additions		-	-	7,397	508
Terminations		-	-	(1,203)	-
Acquisition of Roxgold	6	31,711	-	13,597	-
Interest		845	1,641	2,336	1,018
Payments		(32,288)	-	(11,928)	(2,105)
Transaction costs		(3,036)	-	-	-
Foreign exchange		-	-	(291)	-
Changes in fair value		-	-	-	777
As at December 31, 2021		\$ 117,082	\$ 40,407	\$ 29,405	\$ 1,458

The significant non-cash financing and investing transactions during the years ended December 31, 2021 and 2020 are as follows:

	Note	Years ended December 31,	
		2021	2020
Acquisition of Roxgold	6	\$ 594,666	\$ -
Mineral properties, plant and equipment changes in closure and reclamation provision		\$ (3,729)	\$ (9,339)
Stock options allocated to share capital upon exercise		\$ 136	\$ 427
Additions on right of use assets		\$ (2,551)	\$ (2,715)
Share units allocated to share capital upon settlement		\$ 4,468	\$ 3,081

Fortuna Silver Mines Inc.

Notes to Consolidated Financial Statements

For the years ended December 31, 2021 and 2020

(Tabular amounts presented in thousands of US dollars, except share and per share amounts)

31. NON-CONTROLLING INTEREST

As at December 31, 2021, the non-controlling interest (“NCI”) of the Government of Burkina Faso, which represents 10% in Roxgold SANU S.A. totalled \$12.1 million. The income attributable to the NCI for the six months ended December 31, 2021, totalling \$1.5 million is based on the net income for Yaramoko.

As at December 31, 2021, the NCI of the Government of Côte d’Ivoire, which represents 10% in Roxgold Sango S.A. totalled \$42.3 million. The loss attributable to the NCI for the six months ended December 31, 2021, totalling \$0.1 million is based on the net loss for Séguéla.

Summarized statement of financial position

As of December 31, 2021	Yaramoko		Séguéla	
Non-controlling interest percentage		10%		10%
Current assets	\$	60,225	\$	12,036
Non-current assets		200,406		62,146
Current liabilities		(32,754)		(21,312)
Non-current liabilities		(111,353)		(52,484)
Net assets	\$	116,524	\$	386
Non-controlling interest	\$	12,095	\$	42,327

Summarized income statement

For the period ended December 31, 2021	Yaramoko		Séguéla	
Revenue	\$	101,256	\$	-
Net income (loss) and comprehensive income (loss)	\$	15,945	\$	(729)

Summarized cash flows

For the period ended December 31, 2021	Yaramoko		Séguéla	
Cash flows provided by operating activities	\$	28,566	\$	(144)
Cash flows used in investing activities	\$	(28,429)		(25,631)
Cash flows (used in) provided by financing activities	\$	(14,804)	\$	37,601

32. CONTINGENCIES AND CAPITAL COMMITMENTS

(a) Caylloma Letter of Guarantee

The Caylloma mine closure plan, as amended, that was in effect in January 2021, included total undiscounted closure costs of \$11.4 million, which consisted of progressive closure activities of \$3.5 million, final closure activities of \$7.2 million, and post closure activities of \$0.8 million pursuant to the terms of the Mine Closing Law.

Under the terms of the current Mine Closing Law, the Company is required to provide the Peruvian Government with a guarantee in respect of the Caylloma mine closure plan as it relates to final closure activities and post-closure activities and related taxes. In 2021, the Company provided a guarantee of \$9.7 million to the Peruvian Government in respect of such closure costs and taxes, by way of a security bond in the amount of \$1.5 million and a bank letter of guarantee in the amount of \$8.4 million. The security bond and the bank letter of guarantee expired on January 28, 2022.

Fortuna Silver Mines Inc.

Notes to Consolidated Financial Statements

For the years ended December 31, 2021 and 2020

(Tabular amounts presented in thousands of US dollars, except share and per share amounts)

On November 17, 2021 the Ministry of Energy and Mining approved a second amendment to the closure plan for the Caylloma mine by Directorate Resolution No. 220-2021/MINEM-DGAAM. As a result, the total undiscounted closure costs for the Caylloma Mine as at November 17, 2021 were \$15.4 million, which amounts includes \$5.2 million of progressive closure activities, \$8.3 million of final closure activities, and \$1.9 million of post-closure activities. On January 19, 2022, the Company obtained a new bank letter of guarantee and increased the amount guaranteed to \$10.8 million, which guarantee is valid until January 27, 2023.

On August 19, 2021, the Peruvian Government approved Law N° 31347 which modifies the Mine Closing Law. This new law includes, among other things, new criteria for the calculation of guarantee required to be in place for the closing of a mine. As a result, a guarantee will be required to be put in place for the full mine closure plan, to include progressive closure costs, final closure activities and post closure-activities. The effective date for the new Mine Closing Law has not yet been confirmed by the Peruvian Government, but it is expected to be in effect in 2023.

(b) San Jose Letter of Guarantee

The Company has established three letters of guarantee in the aggregate amount of \$1.2 million to fulfill its environmental obligations under the terms and conditions of the Environmental Impact Statements issued by the Secretaria de Medio Ambiente y Recursos Naturales ("SEMARNAT") in 2009 in respect of the construction of the San Jose mine, and in 2017 and 2020 with respect to the expansion of the dry stack tailings facility at the San Jose mine. The letters of guarantee expire on December 31, 2023, June 15, 2022, and September 17, 2022, respectively.

(c) Other Commitments

As at December 31, 2021, the Company had capital commitments of \$1.3 million and \$5.2 million for civil work, equipment purchases and other services at the Lindero and San Jose Mines, respectively, which are expected to be expended within one year.

As of December 31, 2021, the Company had capital commitments of \$71.8 million for the construction of the Séguéla Mine, with \$66.4 million expected to be expended within one year.

The Company entered into an agreement with a service provider wherein the Company would be required to make an early termination payment, which is reduced monthly over 30 months, if the Company terminates the agreement, and in certain circumstances, could be required to make other payments that will be negotiated between the Company and the service provider. If the Company had terminated the agreement at December 31, 2021 it would have been subject to an early termination payment of \$7.8 million.

(d) Tax Contingencies

The Company is, from time to time, involved in various tax assessments arising in the ordinary course of business. The Company cannot reasonably predict the likelihood or outcome of these actions. The Company has recognised tax provisions with respect to current assessments received from the tax authorities in the various jurisdictions in which the Company operates, and from any uncertain tax positions identified. For those amounts recognised related to current tax assessments received, the provision is based on management's best estimate of the outcome of those assessments, based on the validity of the issues in the assessment, management's support for their position, and the expectation with respect to any negotiations to settle the assessment. Management re-evaluates the outstanding tax assessments regularly to update their estimates related to the outcome for those assessments taking into account the criteria above.

Fortuna Silver Mines Inc.

Notes to Consolidated Financial Statements

For the years ended December 31, 2021 and 2020

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Peru

The Company was assessed \$1.2 million (4.3 million Peruvian soles), including interest and penalties of \$0.6 million (2.4 million Peruvian soles), for the 2010 tax year by SUNAT, the Peruvian tax authority, with respect to the deduction of certain losses arising from derivative instruments. The Company has applied to the Peruvian tax court to appeal the assessment.

On January 22, 2019, the Peruvian tax court reaffirmed SUNAT's position and denied the deduction. The Company believes the assessment is inconsistent with Peruvian tax law and that it is probable the Company will succeed on appeal through the Peruvian legal system. The Company has paid the disputed amount in full and has initiated proceedings through the Peruvian legal system to appeal the decision of the Peruvian tax court.

As at December 31, 2021, the Company has recorded the amount paid of \$1.1 million (4.3 million Peruvian soles) in other long-term assets, as the Company believes it is probable that the appeal will be successful (Note 11).

(e) SGM Royalty

In January 2020, the Company received notice from the Dirección General de Minas ("DGM") seeking to cancel one of the Company's mining concessions at the San Jose Mine in Oaxaca, Mexico if a disputed royalty, in the Mexican peso equivalent of \$30 million plus VAT (being the amount of the claimed royalty from 2011 to 2019), was not paid before March 15, 2020. In early February 2020, the Company began legal proceedings (the "Amparo Proceedings") to contest the initiation of the cancellation procedure taken by the DGM on the Company's mining concession, if the royalty claimed by the Mexican Geological Service (the "SGM") was not paid. Effective May 27, 2021, the DGM provided notice to the Company of the termination of the cancellation procedure, as it had determined that the required cause for the cancellation of the concession was not established. As a result the Company discontinued the Amparo Proceedings in the Collegiate Court in Mexico. Further, on advice received from Mexican counsel, the Company withdrew the administrative and legal proceedings that it had initiated in the Mexican Federal Administrative Court to remove reference to the royalty on the title register.

On October 7, 2021, the Company and the SGM entered into a settlement agreement, pursuant to which the Company paid to the SGM the amount of \$9.6 million, plus value added tax (which is included in Other Expenses) to end any prior dispute, and agreed to pay to the SGM a three percent royalty on the billing value of minerals obtained from the concession from May 1, 2021 on an ongoing basis. The terms of the royalty are set out in a royalty agreement between the parties dated March 18, 2022. The remaining terms of the settlement are confidential and the Company has not admitted any liability.

(f) Other Contingencies

The Company is subject to various investigations and other claims, legal, labor, and tax proceedings covering matters that arise in the ordinary course of business activities. Each of these matters is subject to various uncertainties, and it is possible that some of these matters may be resolved unfavorably for the Company. Certain conditions may exist as of the date these financial statements are issued that may result in a loss to the Company. None of these matters is expected to have a material effect on the results of operations or financial conditions of the Company.

33. SUBSEQUENT EVENTS

On January 28, 2022, the Company received a notice (the "Notice") from the Secretaría de Medio Ambiente y Recursos Naturales ("SEMARNAT") which advised that SEMARNAT has made a typographical error in the extension to the term of the environmental impact authorization ("EIA") for the San Jose Mine, located in Oaxaca, Mexico.

Fortuna Silver Mines Inc.**Notes to Consolidated Financial Statements**

For the years ended December 31, 2021 and 2020

(Tabular amounts presented in thousands of US dollars, except share and per share amounts)

On December 17, 2021, SEMARNAT granted the Company a 12 year extension to the EIA for the San Jose Mine which expires in October 2033. However, the Notice states that SEMARNAT has made a typographical error in the EIA Extension and that the correct term is two years. The Company is of the view that the Notice was issued by the local office of SEMARNAT in error.

Fortuna's Mexican subsidiary, Cuzcatlan is working with authorities to resolve this matter. In addition, Minera Cuzcatlan has initiated legal proceedings to challenge and revoke said typographical error and to reconfirm the 12 year extension period granted by SEMARNAT in December 2021.

EXHIBIT 99.3

MANAGEMENT'S DISCUSSION AND ANALYSIS



FORTUNA
SILVER MINES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended December 31, 2021

As of March 23, 2022

Fortuna Silver Mines Inc.

Management's Discussion and Analysis

For the year ended December 31, 2021

This Management's Discussion and Analysis ("MD&A") of the financial position and results of operations for Fortuna Silver Mines Inc. (the "Company" or "Fortuna") (TSX: FVI and NYSE: FSM) should be read in conjunction with the audited consolidated financial statements of the Company for the years ended December 31, 2021 and 2020 (the "2021 Financial Statements") and the related notes thereto. The 2021 Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. For further information on the Company, reference should be made to its public filings on SEDAR at www.sedar.com and on EDGAR at www.sec.gov/edgar.

This MD&A is prepared by management and approved by the Board of Directors as of March 23, 2022. The information and discussion provided in this MD&A covers the year ended December 31, 2021, and where applicable, the subsequent period up to the date of issuance of this MD&A. Unless otherwise noted, all dollar amounts in this MD&A are expressed in United States ("US") dollars. References to "\$" or "US\$" in this MD&A are to US dollars and references to C\$ are Canadian dollars.

Fortuna Silver Mines Inc. has a number of direct and indirect subsidiaries which own and operate assets and conduct activities in different jurisdictions. The terms "Fortuna" or the "Company" are used in this MD&A for simplicity of the discussion provided herein and may include references to subsidiaries that have an affiliation with Fortuna Silver Mines Inc., without necessarily identifying the specific nature of such affiliation.

This MD&A contains forward-looking statements. Readers are cautioned as to the risks and uncertainties related to the forward-looking statements, the risks and uncertainties associated with investing in the Company's securities and the technical and scientific information under National Instrument 43-101 – *Standards for Disclosure of Mineral Projects* ("NI 43-101") concerning the Company's material properties, including information about mineral reserves and resources, which classifications differ significantly from the requirements required by the SEC as set out in the cautionary note on page 60 of this MD&A. All forward-looking statements are qualified by cautionary notes in this MD&A as well as risks and uncertainties discussed in the Company's Annual Information Form for fiscal 2020 dated March 29, 2021 and its Management Information Circular dated May 26, 2021, which are filed on SEDAR and EDGAR.

This MD&A uses certain Non-IFRS financial measures and ratios that are not defined under IFRS, including but not limited to: production cash cost per tonne; cash cost per payable ounce; all-in sustaining cash cost per payable ounce sold; all-in cash cost per payable ounce sold; free cash flow and free cash flow from ongoing operations; net cash provided by operating activities, adjusted net income; adjusted EBITDA and working capital which are used by the Company to manage and evaluate operating performance at each of the Company's mines and are widely reported in the mining industry as benchmarks for performance. Non-IFRS financial measures and non-IFRS ratios do not have a standard meaning under IFRS, and may not be comparable to similar financial measures disclosed by other issuers. Non-IFRS measures are further discussed in the "Non-IFRS Measures" section on page 34 of this MD&A.

Throughout this MD&A, the operational and financial results of the assets acquired in the acquisition of Roxgold Inc. are included from July 2, 2021 onward.

Fortuna Silver Mines Inc.

Management's Discussion and Analysis

For the year ended December 31, 2021

(in US Dollars, tabular amounts in millions, except where noted)

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Fortuna Silver Mines Inc.

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BUSINESS OVERVIEW

Fortuna is a growth focused Canadian precious metals mining company with operations and projects in Argentina, Burkina Faso, Mexico, Peru, and Côte d'Ivoire. The Company produces silver, gold and base metals and generates shared value over the long-term through efficient production, environmental protection, and social responsibility.

The Company operates the open pit Lindero gold mine ("Lindero" or the "Lindero Mine") located in northern Argentina, the underground Yaramoko gold mine ("Yaramoko" or the "Yaramoko Mine") located in south western Burkina Faso, the underground San Jose silver and gold mine ("San Jose" or the "San Jose Mine") located in southern Mexico, the underground Caylloma silver, lead, and zinc mine ("Caylloma" or the "Caylloma Mine") located in southern Peru, and is developing and constructing the open pit Séguéla gold mine ("Séguéla" or the "Séguéla Project") located in south western Côte d'Ivoire. Each of the Company's producing mines is generally considered to be a separate reportable segment, along with the Company's corporate stewardship segment.

Fortuna is a publicly traded company incorporated and domiciled in British Columbia, Canada. Its common shares are listed on the New York Stock Exchange under the trading symbol FSM and on the Toronto Stock Exchange under the trading symbol FVI.

CORPORATE DEVELOPMENTS

Roxgold Acquisition

On July 2, 2021, Fortuna completed its acquisition (the "Roxgold Acquisition") of all of the issued and outstanding common shares ("Roxgold Shares") of Roxgold Inc. ("Roxgold"). Under the terms of the Roxgold Acquisition, holders of Roxgold Shares received 0.283 of a common share of Fortuna and C\$0.001 in cash for each Roxgold Share held. Upon completion of the Roxgold Acquisition, Fortuna issued an aggregate of 106,106,225 common shares of Fortuna and CAD\$374,934 in cash and Roxgold became a wholly-owned subsidiary of Fortuna. As a result of the Roxgold Acquisition, the Company acquired the producing Yaramoko Mine in Burkina Faso, the Séguéla Project in Côte d'Ivoire, and the Boussoura exploration property in Burkina Faso. All production, operating and financial results in respect of the Yaramoko Mine included in this MD&A reflect only those results from July 2, 2021 to December 31, 2021, unless indicated otherwise. For additional details regarding the Roxgold Acquisition, see Note 6 to the 2021 Financial Statements.

As part of the Roxgold Transaction, Kate Harcourt was appointed a director of the Company and a member of the Sustainability Committee on July 2, 2021, and various changes in the executive officers were made during the second half of 2021 to reflect the expansion of the Company's operations in West Africa.

Séguéla Construction Decision

On September 29, 2021, Fortuna announced the decision to proceed with the construction of the open pit gold mine at the Séguéla project in Côte d'Ivoire. The updated total initial capital investment for the mine is estimated to be \$173.5 million, the anticipated construction schedule is approximately 20 months, with ramp-up to name plate capacity expected in the third quarter of 2023.

SGM Royalty

On October 7, 2021, the Company and the Mexican Geological Service (the "SGM") entered into a settlement agreement, pursuant to which the Company paid to the SGM the amount of \$9.6 million, plus value added tax (which is included in Other Expenses) to end any prior dispute, and agreed to pay to the SGM a three percent royalty on the billing value of minerals obtained from the concession from May 1, 2021 on an ongoing basis. The terms of the royalty are set out in a

Fortuna Silver Mines Inc.

Management's Discussion and Analysis

For the year ended December 31, 2021

(in US Dollars, tabular amounts in millions, except where noted)

royalty agreement between the parties dated March 18, 2022. The remaining terms of the settlement are confidential and the Company has not admitted any liability.

Amended Credit Facility

On November 4, 2021, the Company entered into a fourth amended and restated credit agreement (the "Amended Credit Facility") effective November 5, 2021, with a syndicate of banks led by BNP Paribas, and including The Bank of Nova Scotia, Bank of Montreal and Société Générale, which converted the Company's existing non-revolving and revolving facility into a revolving term credit facility and increased the amount of the facility from \$120.0 million to \$200.0 million, subject to certain terms and conditions. See "Capital Resources" for further information. The Amended Credit Facility has a term of four years and steps down to \$150.0 million after three years. Interest accrues on LIBOR loans under the Amended Credit Facility at LIBOR plus the applicable margin of between two and three percent, which varies according to the consolidated leverage levels of the Company. The Company repaid the outstanding Roxgold credit facility on November 5, 2021.

On December 20, 2021 the Company resolved an outstanding permit issue at the San Jose mine and received approval for the extension of its Environmental Impact Authorization ("EIA"). The extension of the EIA provided the Company with access to the full \$200.0 million of the Amended Credit Facility.

HIGHLIGHTS FOR THE YEAR ENDED DECEMBER 31, 2021

Financial

- Sales were \$599.9 million, an increase of 115% from the \$279.0 million reported in the year ended December 31, 2020 ("2020").
- Mine operating income was \$205.5 million, an increase of 86% from the \$110.2 million reported in 2020.
- Operating income was \$136.9 million, an increase of 139% from the \$57.2 million reported in 2020.
- Net income was \$59.4 million or \$0.24 per share, a 100% increase from the \$21.6 million or \$0.12 per share reported in 2020.
- Adjusted net income (refer to Non-IFRS Financial Measures) was \$100.6 million compared to \$31.8 million in 2020, representing a 216% year-over-year increase.¹
- Adjusted EBITDA¹ (refer to Non-IFRS Financial Measures) was \$280.7 million compared to \$112.6 million reported in 2020, representing a 149% year-over-year increase.¹
- Free cash flow from ongoing operations (refer to Non-IFRS Financial Measures) was \$97.0 million compared to \$78.9 million reported in 2020, representing a 23% year-over-year increase.¹
- Net cash provided by operating activities was \$147.1 million, an increase of 57% from the \$93.4 million reported in 2020.

Operating

- Gold production of 207,192 ounces, an increase of 274% from 2020
- Silver production of 7,498,701 ounces, an increase of 5% from 2020
- Lead production of 32,989,973 pounds, an increase of 11% from 2020
- Zinc production of 47,549,301 pounds, an increase of 4% from 2020

¹ Refer to "Non-IFRS Measures" section.

COVID-19

In March 2020, the World Health Organization declared COVID-19 as a pandemic. In response to the pandemic, Governments implemented measures to curb the spread of COVID-19. Government mandated measures in Argentina, Mexico, and Peru included among others, the closure of international borders, the temporary suspension of all non-essential business, including mining and the declaration of mandatory quarantine periods. These measures resulted in the temporary suspension of operations at our operations in Argentina, Mexico and Peru, which impacted our production and costs in 2020.

During 2021, there were no Government mandated suspensions of operations at any of our operations in Latin America. However, operations in Latin America were affected by waves of COVID-19 during the year, which resulted in reduced workforces and quarantine periods for those affected. The pandemic continued to cause difficulties and hardship in the communities where we operate. The Company has, however, been able to continue operations in West Africa largely unaffected since the outbreak of COVID-19.

Health protocols are in place at each mine site for control, isolation and quarantine, as necessary, and these continue to be reviewed and adjusted accordingly based on the circumstances at each location. The Company's focus is the health and safety of the workforce and on measures to prevent and manage the transmission of COVID-19 amongst the workforce and the communities in which the Company operates.

The Company's operations and financial performance are dependent on it being able to operate at each of its mines and projects. Given the fast-changing situation with respect to the COVID-19 pandemic, including further waves of the virus and the emergence of variant forms of the virus, it is difficult to predict the exact nature and extent of the impact the pandemic may have on the Company's operations and its business. Outbreaks of COVID-19 in areas where the Company operates or restrictive directives of government and public health authorities could cause delays or disruptions in the Company's supply chain, restrict access to its mine sites, restrict its ability to transport and ship gold doré and/or metal concentrates, restrict access to processing and refinery facilities, or impediments to market logistics. Suspensions of operations or curtailment of commissioning activities at the Company's mines remains a significant risk to its business and operations.

Health & Safety

In the fourth quarter of 2021, the Company recorded no fatal accidents, no lost-time injuries ("LTI") and six medical treatment injuries ("MTI"), in over 2.7 million hours worked at its four mining operations and corporate offices. For the 12-months of 2021, the LTI frequency rate ("LTIFR") was 1.57 lost time injuries per million hours worked, which is lower than the performance targeted for 2021 at 1.50. The total recordable injury frequency rate ("TRIFR"), which includes the LTIs and MTIs in 2021 was 3.36 total recordable injuries per million hours worked which is an important improvement from 2020 (TRIFR at 5.99). The Company is working to improve its prevention programs to reduce the injuries in all mine sites. The Company is in the process of implementing a Critical Controls Management Program based on the ICMM Health and Safety Critical Control Management good practice guidance, which involves training for safety leaders, identifying critical controls for incident's scenarios, creating verification tools, and preparing implementation plans on site. The Company began a bowtie analysis and developed inspections tools of the critical controls identified. The next step will be to identify additional critical controls. The Company also implemented the Risk Factor program by "Dupont" in its Latin American operations, targeting employees and contractors, with an emphasis on persuasive leadership and preventive field activities by supervisors and operators.

The ongoing COVID-19 pandemic has continued to present additional health and safety challenges. The Company took early precautionary measures at all of its operations to manage issues related to the COVID-19 pandemic with the primary goal of protecting the health, safety, and economic wellbeing of the Company's workforce and local communities. The Company continues with routine COVID-19 testing at all of its mine sites with the objective of identifying carriers early so

Fortuna Silver Mines Inc.

Management's Discussion and Analysis

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they can self-isolate before inadvertently spreading the virus to others. The Company carried out awareness campaigns to promote vaccination among the Company's employees and facilitated access to vaccines in partnership with the national health authorities. In Latin America, 97% of the total workforce has received at least one dose of a COVID-19 vaccine. 100% of the workers in Caylloma, 85% of San Jose and 88% of Lindero were fully vaccinated. In Yaramoko, at least 90% of the workers are fully vaccinated.

Environment

No environmental incidents with a significant impact or fines were recorded during the last quarter of 2021, as for the whole of 2021. However, a total of 13 minor environmental incidents have been reported internally during the three months ended December 31, 2021, for which remediative measures have been implemented as needed. Site controls by local authorities and participatory monitoring were conducted in accordance with health protocols. The energy use per tonne of processed ore intensity for the quarter was 0.19 GJ/t and the GHG Greenhouse gas ("GHG") emissions intensity per thousands of tonne of processed ore 16.29 tCO₂eq/kt, using Fortuna Carbon Footprint methodology. The volume of freshwater consumed per tonne of processed ore intensity was 0.23 m³/t for the reporting period.

On December 20, 2021, the Company announced that the Secretaría de Medio Ambiente y Recursos Naturales ("SEMARNAT") had granted a 12 year extension to the Environmental Impact Authorization (the "EIA") for the San Jose Mine. Subsequently on January 28, 2022, the Company announced that it had received a notice from SEMARNAT which advised that SEMARNAT had made a typographical error in the extension to the term of the EIA for the San Jose Mine and that the correct term is two years. CMC has initiated legal proceedings to challenge and revoke said typographical error and to reconfirm the 12 year extension granted by SEMARNAT in December 2021. There can be no assurance that the Company will be successful in its legal proceedings to challenge and revoke the notice from SEMARNAT and be able to reconfirm the 12 year extension of the EIA.

During the third quarter ended September 30, 2021, the San Jose mine began to generate clean energy through the installation of 72 solar panels with a system capacity of 30 kWh, to supply electricity to the administrative facilities for use in office equipment, lighting, and systems. This initiative contributed to the reduction of 121 tonnes of CO₂e during the fourth quarter.

At the Yaramoko mine, the annual reforestation program, part of the biodiversity management plan, included the planting of over twelve thousand trees locally, leading to a total of more than 146 thousand trees planted since 2014 in the villages near the mine site.

Community Engagement

The Company seeks to maintain good constructive relations with the communities where it operates, based on dialogue, transparency, and respect, and to be a catalyst for social development. At each of the Company's operations, it maintains open and ongoing channels of communication with the people in the communities within its direct and indirect areas of influence. The Company has established mechanisms at each operation for addressing complaints or grievances with local and other stakeholders. The Company also takes part in consultations and participatory meetings to identify and prioritize community development needs.

Since the COVID-19 pandemic, the Company has adapted its community engagement and investment programs at all of its operations. It has developed strategies to share health and safety protocols adopted by its sites with local authorities and communities. The Company has modified some of its social investment programs to take into account the "new normal" way of working with COVID-19 restrictions in place, and has collaborated to identify new ways to support both the health and economic wellbeing of the local communities.

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In Peru, the Company signed an inter-institutional cooperation agreement with the Arequipa-Caylloma Health Network to support the comprehensive vaccination plan in the district of Caylloma, committing to provide the logistics and human resources necessary to immunize the entire population over 18. In order to reach this goal, the vaccination process was complemented with three communication campaigns. On October 16, 2021, the Company signed a community support agreement with the Municipality of Caylloma, which includes a voluntary financial contribution by the Company of 2.2 million Peruvian soles per year over the four-year term of agreement, with the first payment being made in the fourth quarter of 2021. The funds will be administered by a joint committee, comprised of a representative from the community of Caylloma, a representative of the Municipality of Caylloma and a representative of the Company. The funds are to be invested in education, infrastructure and health projects within the Caylloma district. The Agreement also promotes: employment from the local workforce, increased procurement from local goods and services, and the creation of a joint participatory environmental surveillance committee.

The San Jose mine contributed funding toward medical services (doctors and paramedics), maintenance of ambulances, donated food, cleaning, and medical supplies to local health centers, and has provided access to COVID-19 testing.

In Argentina, the Company has signed a support agreement with the municipality of Tolar Grande to expand and remodel its health center, and to provide the center with oxygen, masks, medical equipment, disinfectant, food, COVID-19 tests, and an ultrasound scanner. During the third quarter of 2021, the Company purchased medicine for Tolar Grande people hospitalized in the city of Salta, and sanitizers were provided to the communities of San Antonio de los Cobres and Salar de Pocitos.

As part of the West Africa community investment program at the Yaramoko mine, the COVID-19 PCR testing equipment previously donated to Boromo Medical Centre has been accredited and commissioned. This will improve the capacity of local health services to confirm COVID-19 cases and will also allow the diagnosis of other diseases that would otherwise have required patients to travel to urban centers.

Climate Change

In alignment with the Task Force on Climate-related Financial Disclosures ("TCFD") approach and following a materiality assessment of climate-related risks and opportunities related to its operations, the Company finalized a climate strategy focusing on analyzing the risks and opportunities of climate change on the Company's business activities, integrating climate change factors into the Company's long-term strategic planning and developing short-term tactical climate change action plans.

The implementation of comprehensive and credible climate change targets and actions is an ongoing journey. The Company developed a multi-year climate change roadmap, which focuses on addressing gaps between existing practices and climate change best practices. Climate change specific actions have been planned for 2022.

Environmental, Social & Governance Reporting

The Company has conducted a detailed assessment of climate-related risks and opportunities related to its operations and is finalizing a climate strategy plan to focus on the areas that represent the greatest value to our stakeholders and business. The Company plans to develop action plans to mitigate risks and capture opportunities, enhance the integration of climate-related topics into risk management processes, set climate-related targets, and increase transparency through disclosure aligned with the Task Force on Climate-related Financial Disclosures.

The Company released its 2020 Sustainability Report on April 12, 2021 which is available on its website. The report discloses the Company's sustainability performance, and includes an assessment of its climate change risks, using the guidelines provided by the Global Reporting Initiative Standards: Core option and the Sustainability Accounting Standards

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Board Metals and Mining Standard. In addition, for the first time, the report includes disclosure to align its climate change performance with the Task Force on Climate-related Financial Disclosures.

Also, the Company reported through the Carbon Disclosure Project's Climate Change and Water Security questionnaires. The objective is to identify and tackle growing risks, and finding new opportunities for action.

After the completion of the business combination with Roxgold, the Company began consolidating sustainability measures and is developing a work plan to redefine the Company's sustainability commitments and targets.

Operating and Financial Highlights

A summary of the Company's consolidated financial and operating results for the three and twelve months ended December 31, 2021 are presented below:

Consolidated Metrics	Three months ended December 31,			Years ended December 31,		
	2021	2020	% Change	2021	2020	% Change
Selected highlights						
Silver						
Metal produced (oz)	1,980,243	1,912,737	4%	7,498,701	7,133,717	5%
Metal sold (oz)	1,976,380	1,985,783	(0)%	7,518,857	7,194,362	5%
Realized price (\$/oz)	23.39	24.43	(4)%	25.16	21.18	19%
Gold						
Metal produced (oz)	76,162	25,357	200%	207,192	55,349	274%
Metal sold (oz)	76,746	23,297	229%	202,293	53,375	279%
Realized price (\$/oz)	1,801	1,864	(3)%	1,789	1,805	(1)%
Lead						
Metal produced (000's lbs)	8,419	8,426	(0)%	32,990	29,628	11%
Metal sold (000's lbs)	7,945	8,386	(5)%	33,299	29,582	13%
Zinc						
Metal produced (000's lbs)	11,380	12,434	(8)%	47,549	45,545	4%
Metal sold (000's lbs)	11,053	12,154	(9)%	47,828	45,154	6%
Adjusted net income ¹	29.1	23.0	27%	100.6	31.8	216%
Adjusted EBITDA ¹	89.6	44.8	100%	280.7	112.6	149%
Net cash provided by operating activities	57.1	31.3	82%	147.1	93.4	57%
Free cash flow from ongoing operations ¹	30.9	34.5	(10)%	97.0	78.9	23%
Capital Expenditures ²						
Sustaining	31.6	7.4	328%	77.2	18.1	326%
Non-sustaining ³	2.6	0.6	354%	9.5	1.1	734%
Lindero construction	—	20.4	(100)%	12.8	68.9	(81)%
Séguéla construction	19.8	—	100%	34.2	—	100%
Brownfields	8.2	1.8	351%	18.9	4.9	284%

¹ Refer to Non-IFRS financial measures

² Capital expenditures are presented on a cash basis

³ Non-sustaining expenditures include greenfields exploration

Figures may not add due to rounding

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Selected Financial Information

(Expressed in \$ millions except per share information)	Three months ended December 31,			Years ended December 31,		
	2021	2020	% Change	2021	2020	2019
Selected Financial Information						
Sales	198.9	103.5	92%	599.9	279.0	257.2
Mine operating income	58.3	46.9	24%	205.5	110.2	84.6
Operating income	38.9	28.2	38%	136.9	57.2	34.2
Net income	16.6	18.6	(11)%	59.4	21.6	23.8
Earnings per share - basic	0.05	0.10	(48)%	0.24	0.12	0.15
As at				December	December	December
				31, 2021	31, 2020	31, 2019
Cash and cash equivalents				107.1	131.9	83.4
Total assets				2,021.9	1,055.3	936.1
Debt				157.5	158.6	146.5
Shareholder's equity attributable to Fortuna shareholders				1,375.1	725.8	635.4

Figures may not add due to rounding

Mine operating income for the three months ended December 31, 2021 was \$58.3 million, an increase of \$11.4 million over the same period in 2020. The increase was primarily due to:

- Higher sales at Lindero from a full quarter of operations. The Lindero mine was under construction in the fourth quarter of 2020 and poured first gold in October 2020.
- Contributions from the Yaramoko mine which was acquired in the Roxgold transaction.
- Partially offset by lower mine operating income at San Jose related to lower sales and the recognition of a \$2.1 million accrual related to a new agreement with the local communities a Caylloma.

Mine operating income for the year ended December 31, 2021 was \$205.5 million, an increase of \$95.3 million compared to the same period in 2020. The increase was primarily due to:

- The contribution of a full year of operations from the Lindero mine which was under construction during 2020.
- Contributions from a half year of production at the Yaramoko mine.
- Higher operating income at Caylloma as a result of higher volumes of metal sold and higher realized metal prices.
- Higher sales at San Jose from higher volumes of metal sold and higher silver prices.

Net income for the three months ended December 31, 2021 was \$16.6 million, a decrease of \$2.0 million over the same period in 2020. The decrease was primarily due to:

- \$1.4 million in realized and \$3.0 million in unrealized losses on financial derivatives.
- An increase in costs of \$2.8 million related to higher interest expenses and costs associated with the extinguishment of the previous Fortuna and Roxgold credit facilities.
- An increase in income taxes of \$4.5 million primarily related to withholding taxes paid on an intercompany dividend in Q4 2021.
- Partially offset by a full quarter of operations at Lindero and contributions from the Yaramoko mine.

Net income for the year ended December 31, 2021 was \$59.4 million, an increase of \$37.8 million compared to the same period in 2020. The increase was primarily due to:

- A full year of operations at the Lindero mine which was under construction in 2020.
- Contributions from the Yaramoko mine which was acquired in the Roxgold transaction.
- Higher net income at Caylloma due to higher volumes of metal sold and higher realized prices.
- Partially offset by \$14.1 million in transaction costs related to the acquisition of Roxgold and \$9.6 million in costs related to settling the SGM royalty at San Jose.

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Net income for the year ended December 31, 2020 was \$21.6 million, a \$2.2 million decrease from the \$23.8 million reported in 2019. The decrease was due primarily to lower investment gains and lower deferred tax recoveries of \$7.8 million and \$11.0 million, respectively.

A discussion on sales and operating income is presented below.

FINANCIAL RESULTS

Sales

	Three months ended December 31,			Years ended December 31,		
	2021	2020	% Change	2021	2020	% Change
Provisional sales \$						
Lindero	65.9	20.3	225%	177.5	20.30	774%
Yaramoko ⁴	52.2	-	100%	101.2	-	100%
San Jose	54.9	58.0	(5)%	219.9	188.3	17%
Caylloma	24.5	22.2	10%	104.3	67.0	56%
Adjustments ¹	1.4	3.0	(53)%	(3.0)	3.4	(188)%
Total Sales \$	198.9	103.5	92%	599.9	279.0	115%
Silver						
Metal produced (oz)	1,980,243	1,912,737	4%	7,498,701	7,133,717	5%
Provisional sales (oz)	1,976,380	1,985,783	(0)%	7,518,857	7,194,362	5%
Provisional sales \$	43.1	45.0	(4)%	176.4	140.9	25%
Realized price (\$/oz) ²	23.39	24.43	(4)%	25.16	21.18	19%
Net realized price (\$/oz) ³	23.29	22.65	3%	22.24	19.58	14%
Gold						
Metal produced (oz)	76,162	25,357	200%	207,192	55,349	274%
Provisional sales (oz)	76,746	23,297	229%	202,293	53,375	279%
Provisional sales \$	136.9	41.7	228%	355.6	91.1	290%
Realized price (\$/oz) ²	1,801	1,864	(3)%	1,789	1,805	(1)%
Earnings per share - basic	1,776	1,791	(1)%	1,758	1,707	3%
Lead						
Metal produced (000's lbs)	8,419	8,426	(0)%	32,990	29,628	11%
Provisional sales (000's lbs)	7,945	8,386	(5)%	33,299	29,582	13%
Provisional sales \$	6.8	6.0	13%	27.8	19.7	41%
Realized price (\$/lb) ²	1.06	0.86	23%	1.00	0.83	20%
Net realized price (\$/lb) ³	0.85	0.72	18%	0.83	0.67	24%
Zinc						
Metal produced (000's lbs)	11,380	12,434	(8)%	47,549	45,545	4%
Provisional sales (000's lbs)	11,053	12,154	(9)%	47,828	45,154	6%
Provisional sales \$	10.7	7.7	39%	43.1	24.0	80%
Realized price (\$/lb) ²	1.51	1.18	28%	1.36	1.03	32%
Net realized price (\$/lb) ³	0.97	0.64	52%	0.90	0.53	70%

¹ Adjustments consists of mark to market, final price and assay adjustments

² Based on provisional sales before final price adjustments. Net after payable metal deductions, treatment, and refining charges

³ Treatment charges are allocated to base metals at Caylloma and to gold at San Jose

⁴ The Yaramoko Mine was acquired as part of the Transaction with Roxgold. As such comparative figures for previous quarters and years are not presented. Operating and financial results for the year ended December 31, 2021 are for the period from July 2, 2021 to December 31, 2021.

Consolidated Sales for the three months ended December 31, 2021 were \$198.9 million, a 92% increase from the \$103.5 million reported in the same period in 2020. Sales by reportable segment in the three months ended December 2021 were as follows:

- Lindero recognized adjusted sales of \$65.6 million from the sale of 36,389 ounces of gold sold. The Lindero Mine was under construction in 2020, with first gold poured in October 2020. See "Results of Operations – Lindero Mine, Argentina" for additional information.

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- Yaramoko recognized adjusted sales of \$52.2 million from the sale of 29,077 ounces of gold sold. See "Results of Operations – Yaramoko Mine, Burkina Faso" for additional information.
- San Jose recognized adjusted sales of \$56.7 million, a 6% decrease from the \$60.5 million reported in the same period in 2020. Lower sales were driven by a 6% decrease in the volume of gold ounces sold and lower realized metal prices. See "Results of Operations – San Jose Mine, Mexico" for additional information.
- Caylloma recognized adjusted sales of \$24.4 million, a 7% increase from the \$22.7 million reported in the same period in 2020. The increased sales were driven by higher lead and zinc prices offsetting lower volumes of metal sold. See "Results of Operations – Caylloma Mine, Peru" for additional information.

Consolidated sales for the twelve months ended December 31, 2021 increased 115% to \$599.9 million compared to \$279.0 million for the same period in 2020. Sales by reportable segment in the twelve months ended December 2021 were as follows:

- Lindero recognized \$179.0 million of gold doré sales from the sale of 100,177 ounces of gold as operating output improved as the mine continued its ramp up through 2021.
- As a result of acquiring the Yaramoko Mine on July 2, 2021, Yaramoko recognized \$101.3 million of gold doré sales from the sale of 56,571 ounces of gold sold during the period from the completion of the Roxgold Acquisition, from July 2, 2021 to December 31, 2021.
- Sales at San Jose increased 13% to \$216.1 million as silver and gold prices increased 18% and 1%, respectively, along with a 3% increase in the volume of silver and gold ounces sold.
- Sales at Caylloma increased 53% to \$103.5 million due primarily to an increase in the volume of metals sold and increases in the prices of lead and zinc of 20% and 32%, respectively.

Subsequent to the completion of the acquisition of Roxgold on July 2, 2021, the Company provided updated full-year consolidated silver and gold guidance of 6.8 to 7.6 million ounces and 194 to 223 thousand ounces respectively (see Fortuna news release dated July 19, 2021 "Fortuna reports production of 55,953 gold equivalent ounces for the second quarter and issued updated guidance for 2021). The Yaramoko Mine production, costs and capital expenditures during the first and second quarters of 2021 were under Roxgold prior to the closing of the Transaction on July 2, 2021.

Operating Income (Loss) and Adjusted EBITDA

	Three months ended December 31, 2021				Years ended December 31,			
	2021	% ¹	2020	% ¹	2021	% ¹	2020	% ¹
Operating income (loss)								
Lindero	16.1	25%	6.2	30%	45.2	25%	(2.8)	(14)%
Yaramoko	6.9	13%	-	0%	17.0	17%	-	0%
San Jose	20.1	35%	24.4	40%	67.5	31%	74.9	39%
Caylloma	5.1	21%	5.9	26%	32.1	31%	8.2	12%
Corporate	(9.3)		(8.3)		(24.9)		(23.1)	
Total	38.9	20%	28.2	27%	136.9	23%	57.2	21%
Adjusted EBITDA ²								
Lindero	36.1	55%	11.3	56%	93.6	52%	11.1	54%
Yaramoko	24.9	48%	-	0%	50.7	50%	-	0%
San Jose	28.6	50%	33.3	55%	114.0	53%	105.7	55%
Caylloma	8.9	36%	8.4	37%	45.5	44%	19.2	28%
Corporate	(8.9)		(8.2)		(23.1)		(23.4)	
Total	89.6	45%	44.8	43%	280.7	47%	112.6	40%

¹ As a Percentage of Sales

² Refer to Non-IFRS Financial Measures

Figures may not add due to rounding

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Operating income for the three months ended December 31, 2021 was \$38.9 million, an increase of \$10.7 million over the same period in 2020. The increase was primarily the result of:

- Higher sales at Lindero from a full quarter of operations. The Lindero mine was under construction in the fourth quarter of 2020 and poured first gold in October 2020.
- Contributions from the Yaramoko mine which was acquired in the Roxgold transaction.
- Operating income at Caylloma in the fourth quarter of 2021 remained consistent with the previous year due to the recognition of an accrual of \$2.1 million related to a new agreement signed with the local communities and higher mining costs which offset higher metal prices for the quarter.
- Lower operating income at San Jose related to lower sales.

Operating income for the year ended December 31, 2021 was \$136.9 million, an increase of \$79.7 million over 2020. The increase was primarily the result of:

- The contribution of a full year of operations from the Lindero mine which was under construction during 2020.
- Higher operating income at Caylloma as a result of higher volumes of metal sold and higher realized metal prices.
- Contributions from a half year of production at the Yaramoko mine.
- Lower operating income at San Jose primarily related to the settlement of the SGM royalty for \$9.6 million.

Adjusted EBITDA (refer to Non-IFRS Financial Measures) was \$89.6 million for the three months ended December 31, 2021, an increase of \$44.8 million over the same period in 2020. As explained above this was primarily due a full quarter of operations at Lindero and contributions from the Yaramoko mine acquired in the Roxgold transaction.

Adjusted EBITDA (refer to Non-IFRS Financial Measures) for the year ended December 31, 2021 was \$280.7 million, an increase of \$168.1 million over the same period in 2020. As explained above this was primarily due to a full year of operations at Lindero, contributions from the Yaramoko mine acquired in the Roxgold transaction and high income at Caylloma from high volumes of metal sold and realized prices.

The most comparable IFRS measure to the Non-IFRS measure adjusted EBITDA is net income. Net income for the three months ended December 31, 2021 was \$17.0 million and \$59.8 million for the year ended December 31, 2021. Refer to the discussion above.

General and Administrative ("G&A") Expenses

	Three months ended December 31,			Years ended December 31,		
	2021	2020	% Change	2021	2020	% Change
Mine G&A	6.4	3.4	88%	19.1	10.1	89%
Corporate G&A	6.6	3.7	78%	20.3	10.8	88%
Share-based payments	3.0	4.6	(35)%	4.2	12.4	(66)%
Workers' participation	0.4	0.5	(20)%	1.8	1.8	0%
Total	16.4	12.2	34%	45.4	35.1	29%

General and administrative expenses for the three months ended December 31, 2021 increased 34% to \$16.4 million compared to \$12.2 million reported in the same period in 2020, which was due primarily to an increase in Corporate G&A of \$2.9 million and an increase of \$3.0 million in Mine G&A partially offset by a decrease of \$1.9 million from lower share-based payments. The increase in Mine G&A was the result of Lindero's costs which was undergoing construction in 2020, higher San Jose costs related to the extension of the EIA, and the inclusion of Yaramoko costs from the acquisition of Roxgold. The increase in Corporate G&A in the fourth quarter of 2021 was due to the acquisition of Roxgold and associated personnel, and increased travel costs.

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General and administrative expenses for the year ended December 31, 2021 increased 29% to \$45.4 million compared to \$35.1 million reported in 2020. The increase was due primarily to an increase of \$9.0 million in Mine G&A related to Lindero's first full year of operations, higher San Jose mine G&A related to the resolution of the litigation related to the Progreso disputed royalty, costs related to the extension of the EIA, and the inclusion of Yaramoko G&A in the second half of the year. The \$9.5 million increase in Corporate G&A is related to the acquisition of Roxgold and associated personnel, and increased travel costs. Share-based payments decreased by \$8.2 million.

Foreign Exchange Loss

Foreign exchange loss for the three months ended December 31, 2021 decreased \$3.6 million to \$1.1 million compared to \$4.7 million reported in the same period in 2020. The decrease was primarily due to the collection of outstanding value added tax receivables over 2021 at Lindero which decreased the Company's exposure to the devaluation of the Argentine Peso.

Foreign exchange loss for the twelve months ended December 31, 2021 decreased \$6.1 million to \$6.1 million compared to \$12.2 million reported in the same period in 2020. The main driver was the reduction in the valued added tax receivables at Lindero to \$13.3 million as of December 31, 2021 compared \$37.2 million at the end of 2020 which decreased the Company's exposure to the devaluation of the Argentine Peso.

Income Tax Expense

Income tax expense for the three months ended December 31, 2021 was \$13.5 million or \$4.4 million higher than the \$9.1 million reported in the same period in 2020. The increase of \$4.4 million was primarily related to the payment of \$4.3 million in withholding taxes related to an intercompany dividend in Q4.

The effective tax rate ("ETR") for the three months ended December 31, 2021 was 45.0% compared to 32.9% for the same period in 2020. The increase of 12.1% is primarily related to the withholding tax item described above.

Income tax expense for the year ended December 31, 2021 was \$47.8 million or \$10.4 million higher than the \$37.4 million reported in the same period in 2020. The increase of \$10.4 million was primarily the result of:

- Mining royalty tax increased by \$3.0 million related to higher revenue in Peru and Argentina
- Payment of the withholding taxes described above
- Payment of taxes in Burkina Faso related to the operations acquired in the Roxgold transaction on July 2, 2021

The effective tax rate was 44.6% compared to 63.4% for the same period in 2020. The decrease of 18.9% in the ETR was primarily due to the impact of foreign exchange fluctuations (11.7%) on the translation of local currency denominated non-monetary assets and the impact of inflation adjustments for Mexico and Argentina (5.2%)

The Company is subject to tax in various jurisdictions, including Peru, Mexico, Argentina, Côte d'Ivoire, Burkina Faso, Australia and Canada. There are a number of factors that can significantly impact the Company's effective tax rate including the geographic distribution of income, variations in our income before income taxes, varying rates in different jurisdictions, the non-recognition of tax assets, local inflation rates, fluctuation in the value of the United States dollar and foreign currencies, changes in tax laws and the impact of specific transactions and assessments. As a result of the number of factors that can potentially impact the effective tax rate and the sensitivity of the tax provision to these factors, the effective tax rate will fluctuate, sometimes significantly. This trend is expected to continue in future periods.

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2022 GUIDANCE AND OUTLOOK

Production and Cost Guidance

The Company's production and cost guidance set out below for 2022 assumes that operations will continue during the year without any major interruptions related to COVID-19. Health protocols for control, isolation and quarantine are in place at each of our mine sites, and these are revised and modified based on the circumstances at each location.

Mine	Silver (Moz)	Gold (koz)	Lead (Mlbs)	Zinc (Mlbs)	Cash Cost ^{1,2} (US\$/t)	AISC ^{1,3,4,5} (US\$/oz Ag Eq)
SILVER						
San Jose, Mexico	5.2 - 5.8	32 - 36	-	-	67.5 - 74.6	13.7 - 16.1
Caylloma, Peru	1.0 - 1.1	1.8 - 2.0	29 - 32	41 - 45	86.6 - 95.7	17.8 - 21.1
GOLD						
Lindero, Argentina	-	115 - 127	-	-	567 - 714	900 - 1,100
Yaramoko, Burkina Faso ⁷	-	95 - 115	-	-	760 - 1,006	1,300 - 1,650
CONSOLIDATED TOTAL	6.2 - 6.9	244 - 280	29 - 32	41 - 45		

Notes:

1. Cash Cost and all-in sustaining cost (AISC) are non-IFRS financial measures. Refer to "Non-IFRS Financial Measures" section.
2. The most comparable financial measure to cash costs is cost of sales. Please see the consolidated financial statements of the Company for the year ended December 31, 2021 and the "Non-IFRS Financial Measures" section of this MD&A for a reconciliation.
3. AISC includes production cash cost, commercial and government royalties, mining tax, export duties (as applicable), worker's participation (as applicable), subsidiary G&A, sustaining capital expenditures, and Brownfields exploration and is estimated at metal prices of US\$1,700/oz Au, US\$22/oz Ag, US\$2,100/t Pb, and US\$2,700/t Zn. AISC excludes government mining royalty recognized as income tax within the scope of IAS-12.
4. The most comparable financial measure to AISC is cost of sales. Please see the consolidated financial statements of the Company for the year ended December 31, 2021 and the "Non-IFRS Financial Measures" section of this MD&A for a reconciliation.
5. Totals may not add due to rounding.
6. The following table provides the cash costs and AISC for the four operating mines for the year ended December 31, 2021 as follows:

Mine	Cash Cost ^(a) (US\$/t)	AISC ^{(a)(b)(c)} (US\$/oz Ag Eq)
SILVER		
San Jose, Mexico	75.80	14.38
Caylloma, Peru	88.41	18.94
GOLD		
Lindero, Argentina	617	1,116
Yaramoko, Burkina Faso	739	1,317
CONSOLIDATED TOTAL		

^(a) Cash Cost and AISC are non-IFRS financial measures. Refer to "Non-IFRS Financial Measures" section.

^(b) Presented on a cash basis

^(c) Silver equivalent was calculated using the realized prices for gold (US\$1,783 per ounce), silver (US\$25.80 per ounce), lead (US\$0.98 per pound) and zinc (US\$1.31 per pound) for the year ended December 31, 2021

^(d) Further details on the cash costs and AISC for the year ended December 31, 2021 are disclosed in the "Non-IFRS Financial Measures" section

^(e) The estimated increase in all in sustaining costs at Yaramoko for 2022 is due to decreased estimated gold ounce production coupled with increased operating and capital costs as mining moves to the deeper regions of the underground mine

7. The Yaramoko Mine was acquired as part of the Transaction with Roxgold. Operating and financial results for the year ended December 31, 2021 are for the period from July 2, 2021 to December 31, 2021.

Lindero Mine, Argentina

The Lindero Mine is expected to place 6.2 million tonnes of ore on the leach pad averaging 0.80 g/t Au, containing an estimated 160,000 ounces of gold. Capital investments are estimated at \$26.3 million, including \$17.7 million for sustaining capital, \$7.3 million of capitalized stripping, and \$1.3 million for Brownfields exploration programs.

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Major sustaining capital investment projects include:

- Engineering and procurement for the leach pad expansion (phase 2): \$4.4 million
- Mine fleet maintenance and acquisition: \$6.4 million
- Maintenance of crushing, SART, and ADR plants: \$1.8 million

Yaramoko Mine, Burkina Faso

At the Yaramoko Mine, the operation plans to process 516,000 tonnes of ore averaging 6.52 g/t Au. Capital investments are estimated at US\$48.4 million, including \$45.9 million for sustaining capital expenditures and \$2.5 million for Brownfields exploration programs.

Major sustaining capital investment projects include:

- Mine development extending depth at the 55 Zone: \$32.6 million
- Ventilation and refrigeration plant upgrade: \$3.8 million
- Underground pumping station: \$0.9 million

San Jose Mine, Mexico

At the San Jose Mine, the operation plans to process 1.06 million tonnes of ore averaging 176 g/t Ag and 1.09 g/t Au. Silver production and costs reflect the declining grade profile of Mineral Reserves. Capital investment is estimated at \$20.8 million, including \$13.4 million for sustaining capital expenditures and \$7.4 million for Brownfields exploration programs.

Major sustaining capital investment projects include:

- Underground fleet equipment acquisition: \$3.7 million
- Underground mine development: \$5.7 million
- Infill drilling: \$1.3 million

Caylloma Mine, Peru

At the Caylloma Mine, the operation plans to process 532,000 tonnes of ore averaging 73 g/t Ag, 2.95% Pb, and 4.23% Zn. Capital investments are estimated at \$17.7 million, including \$16.3 million for sustaining capital expenditures and \$1.4 million for Brownfields exploration programs.

Major sustaining capital investment projects include:

- Mine underground developments: \$5.7 million
- Mine backfill system: \$4.3 million
- Maintenance and energy projects: \$3.5 million

Séguéla Gold Project, Côte d'Ivoire

At the end of 2021, the Séguéla Project was 29% complete with critical path items on-track, targeting first gold pour in mid-2023 with ramp up to nameplate capacity in the third quarter of 2023. Critical path activities of "SAG Mill Procurement and Processing Plant EPC" contracts were 30% complete at year end and are advancing in line with cost and schedule. Connection to the national electrical grid is on-track for completion in the fourth quarter of 2022, ahead of commissioning activities. Likewise, the tailings storage facility and water storage dam are expected to be completed before plant commissioning and the upcoming wet season, respectively.

In 2022, the key scopes for advancement to protect the project schedule are the processing plant EPC contract and the Mining Contract. The EPC contractor, Lycopodium, mobilized to site in the first quarter of 2022. Similarly, in the second quarter of 2022, the Mining Services Contract is scheduled to be awarded and mobilization is anticipated to commence

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ahead of mining operations which is scheduled to start in the first quarter of 2023. See the section of this MD&A entitled "Projects & Exploration - Séguéla Gold Project Update".

2022 Exploration Outlook

Fortuna continues to advance its robust pipeline of Brownfield and Greenfield exploration projects in West Africa and the Americas, building on the success of the exploration programs carried out in 2021.

Brownfields Exploration

Fortuna's consolidated Brownfields exploration budget for 2022 for its four mines totals \$20.0 million, which includes 113,000 meters of exploration drilling across all types (reverse circulation, diamond core, and air core), and 1,120 meters of underground development.

San Jose Mine, Mexico

The Brownfields exploration program budget for 2022 at the San Jose Mine is \$7.4 million, which includes 26,200 meters of diamond drilling and 1,120 meters of underground development for drilling access, platforms, and services.

Séguéla Project, Côte d'Ivoire

The Brownfields exploration program budget for 2022 at the Séguéla Project is \$7.2 million, which includes 48,000 meters of exploration drilling to grow the emerging Sunbird prospect (refer to Fortuna news release dated December 9, 2021), test for further depth extensions at Koula, Ancien and Antenna, and continued generation and testing of near-mine targets.

Yaramoko Mine, Burkina Faso

The Brownfields exploration program budget for 2022 at the Yaramoko Mine is \$2.7 million, which includes 34,000 meters of exploration drilling, testing several surface geochemistry anomalies generated in 2021, in addition to expanding the 109 Zone and testing strike and depth projections of the 55 Zone.

Caylloma Mine, Peru

The Brownfields exploration program budget for 2022 at the Caylloma Mine is \$1.4 million, with the exploration focus turning to further understanding the region-wide controls on vein development and geometry, and the relationship to the formation of high-grade shoots at Animas, San Cristobal and other mineralized zones.

Lindero Mine, Argentina

The Brownfields exploration program budget for 2022 at the Lindero Mine is \$1.3 million, which includes 4,650 meters of drilling on the Arizaro target located 3.5 kilometers to the southeast of the mine where encouraging results were intersected in the 2021 programs (refer to Fortuna news release dated December 9, 2021).

Greenfields Exploration

Reconnaissance exploration and evaluation of potential new projects will continue to be actively pursued during 2022 across select jurisdictions including Mexico, West Africa, Argentina and select other jurisdictions with a budget of \$8.8 million.

2022 COVID-19 Outlook

In March 2020, the World Health Organization declared COVID-19 as a pandemic. In response to the pandemic, Governments implemented measures to curb the spread of COVID-19. Government mandated measures in Argentina, Mexico, and Peru included among others, the closure of international borders, the temporary suspension of all non-essential business, including mining and the declaration of mandatory quarantine periods. These measures resulted in the temporary suspension of operations at our operations in Argentina, Mexico and Peru, which impacted our production and costs in 2020.

During 2021, there were no Government mandated suspensions of operations at any of our operations in Latin America. However, operations in Latin America were affected by waves of COVID-19 during the year, which resulted in reduced workforces and quarantine periods for those affected. The pandemic continued to cause difficulties and hardship in the communities where we operate. The Company has been able to continue operations in West Africa largely unaffected since the outbreak of COVID-19.

Health protocols are in place at each mine site for control, isolation and quarantine, as necessary, and these continue to be reviewed and adjusted accordingly based on the circumstances at each location. The Company's focus is the health and safety of the workforce and on measures to prevent and manage the transmission of COVID-19 amongst the workforce and the communities in which the Company operates.

The Company's operations and financial performance are dependent on it being able to operate at each of its mines and projects. Given the fast-changing situation with respect to the COVID-19 pandemic, including further waves of the virus and the emergence of variant forms of the virus, it is difficult to predict the exact nature and extent of the impact the pandemic may have on the Company's operations and its business. Outbreaks of COVID-19 in areas where the Company operates or restrictive directives of government and public health authorities could cause delays or disruptions in the Company's supply chain, restrict access to its mine sites, restrict its ability to transport and ship gold doré and/or metal concentrates, restrict access to processing and refinery facilities, or impediments to market logistics. Suspensions of operations or curtailment of commissioning activities at the Company's mines remains a significant risk to its business and operations.

The impacts of the COVID-19 crisis that may have an effect on the Company include: a further decrease in short-term and/or long-term demand and/or pricing for the metals that we produce; reductions in production levels; further increased costs resulting from our efforts to mitigate the impact of COVID-19; deterioration of worldwide credit and financial markets that could limit our ability to obtain external financing to fund our operations and capital expenditures and result in losses on our holdings of cash and investments due to failures of financial institutions and other parties and a higher rate of losses on our accounts receivable due to credit defaults; restrictions may impact access to our mine sites and affect our ability to transport and ship gold doré and or metal concentrates, restrict access to processing and refinery facilities; cause disruptions to our supply chain; impairments and/or write-downs of assets; and adverse impacts on our information technology systems and our internal control systems as a result of the need to increase remote work arrangements. A material adverse effect on our employees, customers, suppliers and/or logistics providers could have a material adverse effect on the Company.

The overall severity and duration of COVID-19-related adverse impacts on the Company's business will depend on future developments which cannot be predicted. Even after the COVID-19 outbreak has subsided, the Company may continue to experience material adverse impacts to its business as a result of the global economic impact, including any related recession, as well as lingering impacts on demand for our products.

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RESULTS OF OPERATIONS

Lindero Mine, Argentina

The Lindero Mine is an open pit gold mine located in Salta Province in northern Argentina. Its commercial product is gold doré. The table below shows the key metrics used to measure the operating performance of the mine: tonnes placed on the leach pad, grade, production and unit costs:

	Three months ended December 31,		Years ended December 31,	
	2021	2020	2021	2020
Mine Production				
Tonnes placed on the leach pad	1,459,513	950,000	6,453,647	1,610,000
Gold				
Grade (g/t)	1.04	1.13	0.96	1.00
Production (oz)	36,072	13,435	104,161	13,435
Metal sold (oz)	36,389	10,935	100,177	10,935
Realized price (\$/oz)	1,802	1,853	1,785	1,853
Unit Costs ²				
Cash cost (\$/oz Au) ¹	585	657	617	657
All-in sustaining cash cost (\$/oz Au) ¹	994	-	1,116	-
Capital expenditures (\$000's)				
Sustaining	7,214	1,410	27,522	1,410
Non-sustaining	233	-	323	-
Brownfields	389	-	875	-

¹ Cash cost and AISC are non-IFRS financial measures. Refer to Non-IFRS Financial Measures.

² First gold was poured at Lindero in October 2020.

Quarterly and Annual Operating and Financial Highlights

During the fourth quarter of 2021 the onsite impact of COVID-19 continued to be minimal at the Lindero Mine as the site reported 60 positive cases with no disruptions to operations. Travel restrictions were also lifted in November which led to an improvement in lead times and onsite technical assistance from foreign vendors.

In the fourth quarter of 2021, a total of 1,459,513 tonnes of ore were placed on the heap leach pad averaging 1.04 g/t gold, containing an estimated 48,900 ounces of gold. Total gold production was 36,072 ounces of gold. Gold production for 2021 totaled 104,161 ounces, comprised of 99,313 ounces in doré, 730 ounces of gold contained in precipitate/sludge and 4,118 ounces of gold-in-carbon (GIC) inventory, in the upper range of the production guidance issued on July 19, 2021.

All processing areas performed according to plan:

- 1,444,260 tonnes of ore crushed and placed on the leach pad via conveyor stacking during the fourth quarter, a 17% increase over the previous quarter.
- Conveyor stacking averaged 16,228 tonnes per day during the fourth quarter, an increase of 21% over the previous quarter; including 31 days of conveyor stacking throughput over 18,750 tonnes per day
- The SART plant reached full design capacity of 393 cubic meters per hour in December of 2021, in line with plan
- The expansion of the carbon columns at the ADR plant was successfully commissioned in the fourth quarter of 2021 and is performing according to plan

Cash cost per ounce of gold for the three and twelve months ended December 31, 2021 was \$585 and \$617 per ounce, respectively.

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All-in sustaining cash costs per gold ounce sold was \$994 during Q4 2021 and \$1,116 in 2021 in line with the Company's updated guidance.

Total sustaining capital expenditures of \$7.2 million during the quarter were primarily related to the completion of the ADR plant expansion (\$4.2 million) and capitalized striping (\$2.0 million).

Yaramoko Mine, Burkina Faso

Fortuna acquired the Yaramoko Mine on July 2, 2021 as part of the Transaction with Roxgold. The Yaramoko Mine is located in south western Burkina Faso, and began commercial production in 2016. The operation consists of two underground mines feeding ore to a traditional gold processing facility where the ore is crushed, milled and subject to carbon-in-leach extraction processes, prior to electrowinning and refining where gold is poured to doré bars.

	Three months ended December 31,		Years ended December 31,	
	2021	2020	2021	2020
Mine Production				
Tonnes milled	132,188	-	258,866	-
Gold				
Grade (g/t)	6.99	-	7.13	-
Production (oz)	28,787	-	57,538	-
Metal sold (oz)	29,077	-	56,571	-
Realized price (\$/oz)	1,796	-	1,789	-
Unit Costs				
Cash cost (\$/oz Au) ¹	754	-	739	-
All-in sustaining cash cost (\$/oz Au) ¹	1,436	-	1,317	-
Capital expenditures (\$000's)				
Sustaining	13,520	-	21,387	-
Non-sustaining	-	-	-	-
Brownfields	47	-	138	-

¹ Cash cost and AISC are non-IFRS financial measures. Refer to Non-IFRS Financial Measures.

² The Yaramoko Mine was acquired as part of the Transaction with Roxgold. As such comparative figures for previous quarters and years are not presented. Operating and financial results for the year ended December 31, 2021 are for the period from July 2, 2021 to December 31, 2021.

Quarterly and Annual Operating and Financial Highlights

The Yaramoko Mine produced 28,787 ounces of gold in the fourth quarter of 2021 with an average gold head grade of 6.99g/t; below the plan for the quarter. Total gold production for the second semester of 2021 totaled 57,538 ounces of gold which was below guidance for the period. The production shortfall was the result of lower than planned mill feed grade in the fourth quarter of 2021, caused by the delay in mining of several high-grade stopes and some localized grade variability in the 55 Zone. The unmined stopes has been resequenced into the mine plan in the first quarter of 2022.

Cash cost per gold ounce sold was \$754, which was above plan, primarily due to lower production during Q4 2021 and \$739 for the second semester of 2021 due to mine sequencing issues noted above.

All-in sustaining cash cost per gold ounce sold was \$1,436 for Q4 2021 and \$1,317 for the second semester of 2021, which were above the Company's updated guidance. Higher all-in sustaining cash costs were the result of lower ounces sold due to the mine sequencing issue described.

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Sustaining capital expenditures of \$21.5 million during the second half of the year was related primarily to underground mine development costs and construction of a ventilation raise.

San Jose Mine, Mexico

The San Jose Mine is an underground silver-gold mine located in the state of Oaxaca in southern Mexico. The following table shows the key metrics used to measure the operating performance of the mine: throughput, head grade, recovery, gold and silver production and unit costs:

	Three months ended December 31,		Years ended December 31,	
	2021	2020	2021	2020
Mine Production				
Tonnes milled	262,802	272,179	1,041,154	934,381
Average tonnes milled per day	2,920	3,024	2,964	2,647
Silver				
Grade (g/t)	219	206	209	224
Recovery (%)	93	91	92	92
Production (oz)	1,717,533	1,648,816	6,425,029	6,165,606
Metal sold (oz)	1,729,152	1,721,697	6,433,808	6,225,433
Realized price (\$/oz)	23.39	24.45	25.15	21.26
Gold				
Grade (g/t)	1.27	1.26	1.29	1.38
Recovery (%)	92	91	91	91
Production (oz)	9,929	10,095	39,406	37,805
Metal sold (oz)	9,983	10,594	39,404	38,391
Realized price (\$/oz)	1,797	1,875	1,798	1,786
Unit Costs				
Production cash cost (\$/t) ²	79.66	71.48	75.80	68.79
Production cash cost (\$/oz Ag Eq) ^{1,2}	9.35	8.75	9.30	7.63
Net smelter return (\$/t)	207.57	203.80	210.99	199.22
All-in sustaining cash cost (\$/oz Ag Eq) ^{1,2}	14.92	13.33	14.38	11.56
Capital expenditures (\$000's)				
Sustaining	5,137	4,022	14,492	10,787
Non-sustaining	518	568	2,294	942
Brownfields	2,176	1,643	8,784	4,406

¹ Production cash cost silver equivalent and All-in sustaining cash cost silver equivalent are calculated using realized metal prices for each period respectively

² Production cash cost, Production cash cost silver equivalent, and All-in sustaining cash cost silver equivalent are Non-IFRS Financial Measures, refer to Non-IFRS Financial Measures

Quarterly and Annual Operating and Financial Highlights

The San Jose Mine produced 1,717,533 ounces of silver and 9,929 ounces of gold during the three months ended December 31, 2021, which represents an 4% increase and 2% decrease over the same period in 2020. The decrease in gold production was due to lower tonnes milled.

Annual production of silver and gold totaled 6,425,029 ounces and 39,406 ounces, an increase of 4% and 4% respectively from 2020 which was in line with the updated guidance.

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The cash cost per tonne for the three months ended December 31, 2021 was \$79.66 per tonne compared to \$71.48 per tonne in the same period in 2020 primarily due to higher indirect costs. Cash cost per tonne for the full year 2021 increased to \$75.80 per tonne compared to \$68.79 per tonne for 2020 due to higher mine preparation and support and higher indirect costs.

The all-in sustaining cash cost of payable silver equivalent for the full year 2021 increased 24% to \$14.38 per ounce compared to \$11.56 for the same period in 2020. The increase was primarily as a result of additional sustaining capital expenditures and brownfields exploration costs incurred in fiscal year 2021, as production and exploration activities which were limited in 2020 due to COVID-19. All-in sustaining cash costs for the year was in line with guidance.

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Caylloma Mine, Peru

Caylloma is an underground silver, lead and zinc mine located in the Arequipa Department in southern Peru. Its commercial products are silver-lead and zinc concentrates. The table below shows the key metrics used to measure the operating performance of the mine: throughput, head grade, recovery, silver, lead and zinc production and unit costs:

	Three months ended December 31,		Years ended December 31,	
	2021	2020	2021	2020
Mine Production				
Tonnes milled	137,838	136,132	539,779	510,047
Average tonnes milled per day	1,549	1,530	1,525	1,433
Silver				
Grade (g/t)	73	73	76	72
Recovery (%)	81	82	82	82
Production (oz)	262,710	263,921	1,073,672	968,111
Metal sold (oz)	243,869	262,356	1,074,364	967,199
Realized price (\$/oz)	23.39	24.30	25.25	20.63
Gold				
Grade (g/t)	0.44	0.60	0.49	0.41
Recovery (%)	70	69	71	61
Production (oz)	1,374	1,827	6,086	4,109
Metal sold (oz)	1,297	1,768	6,140	4,049
Realized price (\$/oz)	1,798	1,865	1,792	1,861
Lead				
Grade (%)	3.20	3.16	3.16	3.00
Recovery (%)	87	89	88	88
Production (000's lbs)	8,419	8,426	32,990	29,628
Metal sold (000's lbs)	7,945	8,386	33,299	29,582
Realized price (\$/lb)	1.06	0.86	1.00	0.83
Zinc				
Grade (%)	4.25	4.69	4.56	4.61
Recovery (%)	87	88	88	88
Production (000's lbs)	11,380	12,434	47,549	45,545
Metal sold (000's lbs)	11,053	12,154	47,828	45,154
Realized price (\$/lb)	1.51	1.18	1.36	1.03
Unit Costs				
Production cash cost (\$/t) ²	97.87	81.65	88.41	77.19
Production cash cost (\$/oz Ag Eq) ^{1,2}	13.83	14.61	13.46	14.06
Net smelter return (\$/t)	186.71	163.57	192.02	131.40
All-in sustaining cash cost (\$/oz Ag Eq) ^{1,2}	20.71	18.69	18.94	17.37
Capital expenditures (\$000's)				
Sustaining	5,755	1,950	13,758	5,909
Brownfields	1,027	170	3,731	514

¹ Production cash cost silver equivalent and All-in sustaining cash cost silver equivalent are calculated using realized metal prices for each period respectively

² Production cash cost, Production cash cost silver equivalent, and All-in sustaining cash cost silver equivalent are Non-IFRS Financial Measures, refer to Non-IFRS Financial Measures

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The Caylloma Mine produced 262,710 ounces of silver, 8.4 million pounds of lead and 11.4 million pounds of zinc during the three months ended December 31, 2021, which was inline with the same period in 2020 except for zinc which was lower by 8% due to a lower head grade. Gold production totaled 1,374 ounces with an average head grade of 0.44 g/t.

Annual production of silver, lead and zinc for the fiscal year 2021 totaled 1,073,672 ounces, 33.0 million pounds of lead, and 47.5 million pounds of zinc, which represent an 11% increase in silver, 11% increase in lead, and a 4% increase in zinc production compared to 2020. Gold production for the full year 2021 totaled 6,086 ounces, which was an increase of 48% over 2020, with an average head grade of 0.49 g/t. Production for the year was in line with guidance.

The cash cost per tonne of processed ore for the three months ended December 31, 2021 increased 20% to \$97.87 compared to \$81.65 in the same period in 2020. The increase was the result of higher mining costs related to shotcrete and transportation and higher energy costs at the plant. Cash cost per tonne for the full year 2021 increased to \$88.41 per tonne compared to \$76.59 per tonne for 2020 due to higher mine preparation and support and higher indirect costs related to administration and energy.

The all-in sustaining cash cost for the three months ended December 31, 2021 increased 11% to \$20.71 per ounce compared to \$18.69 per ounce for the same period in 2020. The increase was driven by higher sustaining capital expenditures and brownfields exploration.

The all-in sustaining cash cost for the full year 2021 increased 9% to \$18.94 per ounce compared to \$17.37 per ounce in 2020 due to higher sustaining capital expenditures and brownfields exploration. The increase was primarily due to the significantly decreased capital expenditures in 2020 due to COVID-19. The Caylloma Mine finished 2021 slightly below cost guidance as a result of higher silver equivalent metal sales.

PROJECTS & EXPLORATION

Séguéla Gold Project Update

On September 29, 2021, Fortuna announced the decision to proceed with the construction of the open pit mine at the Séguéla Gold Project in Côte d'Ivoire. The updated total initial capital investment for the project is estimated to be \$173.5 million, including \$11.5 million previously approved by the Board for early works items, an anticipated construction schedule of approximately 20 months, with ramp up to name plate capacity expected in the third quarter of 2023. The development of the Séguéla Gold Project, including the milestones noted below is based on the technical report filed under NI 43-101 entitled "NI 43-101 Technical Report Séguéla Project, Feasibility Study, Worodougou Region, Cote d'Ivoire", dated May 26, 2021 with an effective April 19, 2021.

At the end of February 28, 2022, the overall project was 42% complete. The following provides an update on project activities for the fourth quarter of 2021.

Construction Highlights

- The overall project is 42% complete as of February 28, 2022
- Approximately \$66.5 million of the \$173.5 million initial capital budget accrued as of February 28, 2022
- Approximately \$129.2 million committed consisting of \$66.5 million accrued and \$62.7 million in construction and G&A commitments as of February 28, 2022
- Major equipment packages secured
- Major construction contracts executed
- Tender process and selection of the preferred mining contractor completed and contract negotiations are ongoing

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- First gold pour remains on target for mid-2023

Accommodation camp

A 156-person accommodation camp is complete and ready for occupancy. Initially, this camp will support the project's development and house the owner's and contractors' construction personnel with surplus personnel residing in the nearby town of Séguéla. The camp is approximately two kilometers from the processing plant area and is complete with kitchen and mess, recreational facilities, water and sewage treatment plants, laundry services and high-speed internet. The camp management contract has been tendered and awarded to Allterrain Services.

Processing plant

De Simone was awarded the process plant bulk earthworks contract and activities are ongoing with excavation for ground improvement in the mill/carbon-in-leach circuit, thickener and crusher areas complete. Rock backfill in these areas was completed prior to the mobilization of the engineering procurement and construction contractor on February 28, 2022.

Lycopodium was awarded the guaranteed maximum price contract for the engineering, procurement and construction of the gold processing facility. As of December 31, 2021, engineering activities were 55% complete, procurement activities 44% complete and construction activities are on-track to commence early in the second quarter of 2022. Of note, the SAG mill purchase order has been placed and remains on-track to be delivered to site in the third quarter of 2022. Detailed engineering for the SAG mill is complete and manufacturing of core components such as shell, heads and trunnions and gear and pinion has commenced.

Site Bulk Earthworks

Contracts have been awarded for the site bulk earthworks contract for the construction of the tailings storage facility (TSF), water storage dam (WSD) and sediment control structure (SCS). Bush clearing and topsoil stripping of the TSF footprint has been completed. Bush clearing of the WSD commenced in early January and is on-track to be completed by the middle of the second quarter of 2022, ahead of the upcoming wet season and will be capable of storing raw water for the commissioning, ramp-up and operation of the processing plant. Procurement of materials required for the TSF, WSD and SCS construction is underway with the TSF high density polyethylene liner already secured and expected to be delivered to site by the end of the first quarter of 2022.

Grid Connection

Contracts for the supply and installation of the 90 kV grid connection transmission line and 33 kV transmission line diversion have been awarded. Likewise, contracts for the supply and construction of the substation have been awarded. Delivery of the transmission lines tower steel started in March. Similarly, civil works for the substation also started in March. Transformers were ready to be shipped to site in March 2022. Work is on-track to provide power to the site by the end of the fourth quarter of 2022 ahead of commissioning activities at the processing plant.

Mining

Contract negotiations with a preferred bidder are ongoing, targeting contract execution and the placement of orders for long lead equipment in early April 2022.

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Cost

For the fourth quarter of 2021 the Company incurred and expended of \$31.5 million and \$10.9 million respectively and \$48.8 million and \$26.0 million since the project early works began in the third quarter of 2021. Capital expenditures are summarized in the table below.

(Expressed in millions)	Q4 2021	2021
Expended Capital Costs ¹	19.8	34.2
Working Capital Adjustment ²	11.7	14.6
Incurred Capital Costs ³	31.5	48.8

1 Cash basis. Excludes exploration costs.

2 Primarily consists of work performed not yet invoiced and increases in the accounts payable balance offset by increases in the VAT receivable balance.

3 Accrual basis.

As of December 31, 2021, \$124.5 million of the total approved budget of \$173.5 million, including \$8.9 million contingency, has been committed. Approximately \$108.0 million of total commitments to date include contracts for a guaranteed maximum price for \$87.0 million, fixed price contract for \$7.5 million and earthworks bill of quantity/schedule of rates for \$13.5 million, mitigating risk to volatile market conditions and price escalations. Remaining commitments include the onboarding of key operational personnel, pre-production mining, equipment first fills and spare parts, mobile equipment and the implementation of livelihood restoration programs.

Upcoming Milestones and Schedule

Selected upcoming milestones of the current construction schedule include:

2022 Q1

- Commence construction of the processing plant
- Commence construction of the power grid

2022 Q2

- Award mining contract
- Agree upon terms and sign Mining Convention with the State of Cote d'Ivoire
- Completion of the construction of the water storage dam

2022 Q4

- Power on high voltage substation
- Mining contractor mobilizes to site
- Completion of the construction of the tailings storage facility
- Commence pre-strip of the Antenna deposit

2023 Q1

- Processing plant practical completion

Mid 2023

- First gold pour

Sunbird Discovery at Séguéla (refer to Company News Release dated March 15, 2022)

On March 15th, 2022 the Company announced a maiden Inferred Mineral Resource estimate for the Sunbird discovery located at its Séguéla gold Project in Côte d'Ivoire. Fortuna estimates the Sunbird deposit contains an Inferred Mineral Resource of 3.4 million tonnes at an average grade of 3.16 g/t Au containing 350,000 gold ounces. The Inferred

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Mineral Resource will not materially change the existing Mineral Resource estimate at the Séguéla gold Project or impact its current construction plan.

Séguéla Exploration Update (refer to Company News Releases dated December 9, 2021 and January 26, 2022)

Exploration drilling at the Séguéla Gold Project continued to advance the Sunbird Prospect with a 13 hole, 3,059 meter program completed testing the continuity and tenor of mineralization at depth and along grade to the south. A follow-up 7-hole, 1,887 meter program was also completed along strike to the south to provide greater resolution of the extent of the high grade core previously identified. With the receipt of these results, work has commenced on the preparation of a maiden Mineral Inferred Resource for the Sunbird Prospect which is expected to be completed in the first quarter of 2022.

Boussoura Exploration Update (refer to Company News Release dated September 7, 2021)

At the Boussoura exploration project a 47-hole, 5,958-meter program has continued to advance Fofora Main infill and extension drilling has increased the confidence in the structural controls of mineralization, with several additional high-grade intervals returned. Scout drilling at the adjacent vein corridors to the west continues to highlight the regional potential, with drilling on vein corridors VC4 and VC5 intersecting extensive zones of alteration and associated quartz veining and mineralization.

Further south at Galgouli, a 12-hole, 3,419-meter program depth extension drilling on the central zone testing the structural controls and concluded in July was successful in identifying extensions to the high-grade shoots at depth. A 32-hole, 4,022-meter scout drilling program was also successful in identifying high-grade mineralization approximately 1 kilometer to the south and south-east of the central Galgouli zone, testing interpreted parallel structures and a possible regional scale cross-structure.

QUARTERLY INFORMATION

The following table provides information for the last eight fiscal quarters up to December 31, 2021:

	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Sales	198.9	162.6	120.5	117.8	103.5	83.4	44.5	47.5
Mine operating income	58.3	47.3	48.5	51.3	46.7	42.1	13.8	7.5
Operating income (loss)	38.9	21.8	35.9	40.4	28.2	28.5	(1.3)	1.8
Net income (loss)	16.6	0.2	16.2	26.4	18.6	13.1	(5.7)	(4.5)
Basic earnings (loss) per share	0.05	—	0.09	0.14	0.10	0.07	(0.03)	(0.03)
Diluted earnings (loss) per share	0.05	—	0.09	0.14	0.09	0.07	(0.03)	(0.03)
Total assets	2,021.9	2,002.1	1,083.2	1,069.1	1,055.3	987.8	959.4	957.7
Debt	157.5	187.7	159.5	159.0	158.6	133.1	132.6	187.1

Figures may not add due to rounding

Sales increased 22% in the fourth quarter of 2021 to \$198.9 million compared to \$162.6 million in the third quarter of 2021 due primarily to higher sales at Lindero and San Jose. Sales at Lindero increased to \$65.6 million from \$41.6 million, and sales from San Jose increased to \$56.7 million from \$48.0 million. Operating income was 78% higher in the fourth quarter of 2021 due primarily to an increase in gold ounces sold at Lindero and higher metal prices and the impact of the SGM royalty settlement in the third quarter of 2021.

Sales increased 35% in the third quarter of 2021 to \$162.6 million compared to \$120.5 million in the second quarter of 2021 due primarily to the \$49.0 million of sales from Yaramoko, higher sales at Lindero, which increased to \$41.6 million from \$34.0 million, higher sales at Caylloma, which increased to \$28.1 million from \$26.0 million, offset partly by lower

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sales at San Jose, which decreased to \$48.0 million from \$59.0 million. Mine operating income decreased 2% in the third quarter of 2021 due primarily to the contributions from Yaramoko, partly offset by the payment of the settlement related to the disputed SGM royalty claim.

Sales increased 2% in the second quarter of 2021 to \$120.5 million compared to \$117.8 million in the first quarter of 2021 due to favorable price and assay adjustments of \$1.5 million compared to unfavorable adjustments of \$2.5 million during the first quarter, higher sales at San Jose, which increased to \$59.0 million from \$58.0 million, higher sales at Caylloma, which increased to \$26.0 million from \$25.4 million, offset partly by lower sales at Lindero, which decreased to \$34.0 million from \$36.9 million. Mine operating income decreased 6% in the second quarter of 2021 due primarily to San Jose, where operating income increased to \$29.0 million from \$26.6 million in the first quarter of 2021.

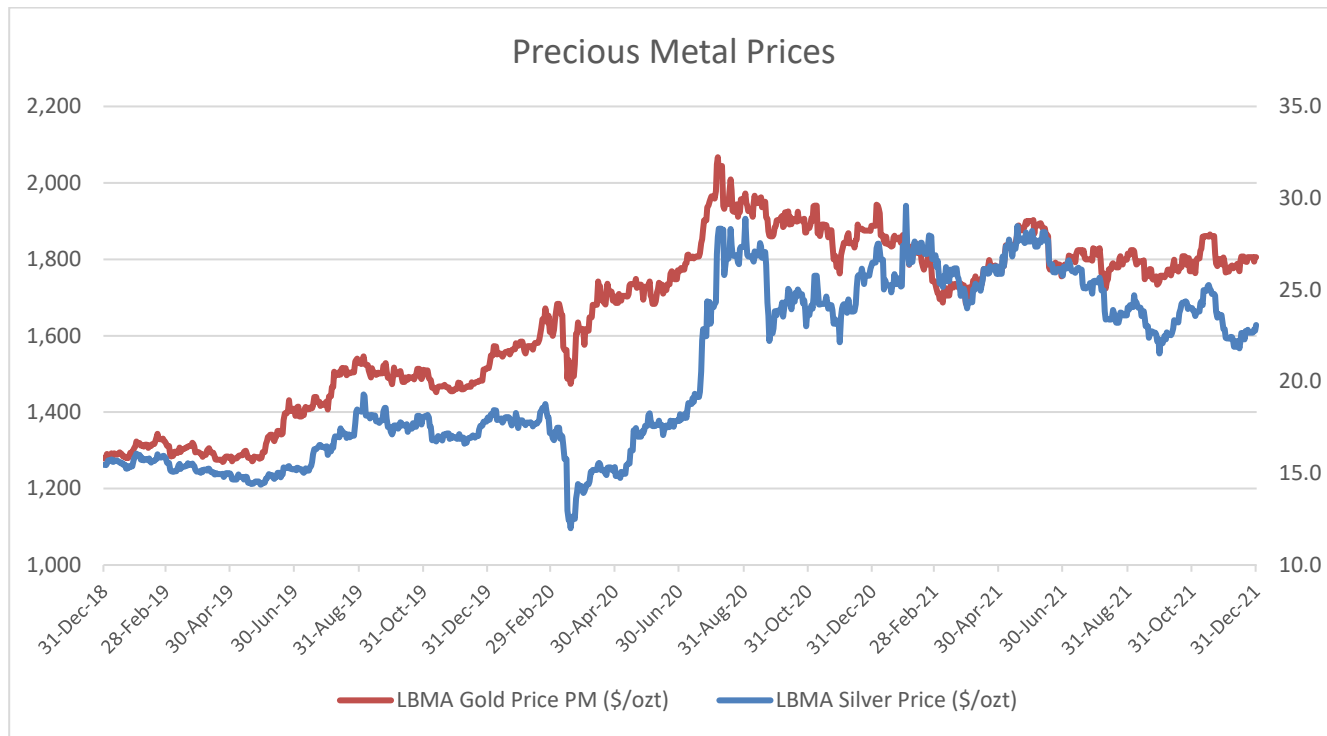
Sales increased 14% in the first quarter of 2021 to \$117.8 million compared to \$103.5 million in the fourth quarter of 2020 due primarily to higher sales at Lindero, which increased to \$36.9 million from \$20.3 million, and sales at Caylloma, which increased to \$25.4 million from \$22.2 million, offset partly by provisional pricing adjustments. Mine operating income increased 10% in the first quarter of 2021 due primarily to Lindero, which increased to \$15.2 million from \$10.2 million in the fourth quarter of 2020.

Sales increased 24% in the fourth quarter of 2020 to \$103.5 million compared to \$83.4 million in the third quarter of 2020 due primarily to the recognition of \$20.3 million of gold sales and \$10.1 million of cost of sales from commissioning activities at Lindero Mine as the Company elected to early adopt the amendments to IAS 16, *Property, Plant and Equipment – Proceeds before Intended Use*. Sales at San Jose decreased \$4.2 million to \$60.5 million quarter-over-quarter due to lower volume of silver and gold sold while sales at Caylloma increased \$3.9 million. Share-based payments increased 24% to \$4.5 million as the result of a 23% increase in the Company's share price which impacts the cash-settled share units. With construction of the Lindero Mine substantially complete, the Company ceased capitalization of interest at the end of November 2020 and expensed \$0.7 million of borrowing costs. Net income increased \$5.5 million to \$18.6 million over the prior quarter.

Sales increased 87% in the third quarter of 2020 to \$83.4 million compared to \$44.5 million in the second quarter of 2020 due to increases in the prices of silver and gold and the resumption of operations at the San Jose Mine after a 54-day temporary suspension of the mine in the second quarter. Mine operating income more than tripled to \$42.1 million despite a 21-day temporary suspension of the Caylloma mine in July. The costs incurred during the suspension of operations totaled \$0.9 million and are reported as care and maintenance costs. Income tax expense also increased \$8.8 million over the second quarter to \$15.0 million due primarily to higher pre-tax profit from the San Jose Mine, which impacted net income for the period.

Sales decreased 6% in the second quarter of 2020 to \$44.5 million compared to \$47.5 million in the first quarter of 2020. The primary reason for the decrease was the 54-day government mandated temporary suspension of the San Jose Mine as part of the Mexican Government's response to curb the spread of COVID-19 which severely curtailed silver and gold production by 34% and 31% despite higher silver and gold prices. The net loss included \$2.0 million of care and maintenance costs incurred during the 54-day suspension of the San Jose Mine and higher share-based payment expense, which were partially offset by \$2.2 million of investment gains from cross-border bond trades.

Precious Metal Prices Trends



For the year ended December 31, 2021, the sale of silver and gold ounces represents approximately 88% of the Company’s sales revenue while lead and zinc make up the remaining 12%. Therefore, the prices of silver and gold are the most dominant factors in determining the Company’s profitability and cash flow from operations. The prices of gold and silver are subject to volatile fluctuations over short periods of time and can be affected by numerous macroeconomic conditions, including supply and demand factors, value of the U.S. dollar, interest rates and global economic and political issues. The Company’s financial performance is expected to continue to be closely linked to the prices of silver and gold.

The metal price environment for silver and gold has evolved during the COVID-19 pandemic. Since the start of 2021, the gold price has decreased from a high of \$1,943 per ounce in January, to a low of \$1,684 in March. Following the start of vaccinations against COVID-19 by many of the major industrialized countries in December of 2020 and continuing into 2021, the price of gold has retreated from the previous high of \$2,067 per ounce reached in August 2020.

Since the start of 2021, the silver price has remained relatively stable, opening the year at \$26.50 per ounce, and trading within a range of \$29.60 - \$21.50 per ounce during the year.

LIQUIDITY AND CAPITAL RESOURCES

Cash and Cash Equivalents

The Company had cash and cash equivalents of \$107.1 million as at December 31, 2021, a decrease of \$24.8 million since the beginning of the year. The decrease was due primarily to \$147.1 million of net cash generated from operations, offset by \$118.5 million of net cash used in investing activities, primarily expenditures on mineral properties, plant and equipment offset by collections of long term VAT, and \$51.4 million in financing activities related to payments of lease obligations, repayment of debt, and the dividend payment to the Burkina Faso government from Yaramoko.

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The Company's investment objectives for its cash balances, in order of priority, are to preserve capital, to ensure liquidity, and to maximize returns. The Company's strategy to achieve these objectives is to invest its excess cash balance in a portfolio of primarily fixed income instruments with specified credit rating targets established by the Board of Directors of the Company. The Company does not own any asset-based commercial paper or other similar at-risk investments in its investment portfolios.

Working Capital

Working capital at December 31, 2021 decreased \$37.3 million during the year to \$114.3 million, due primarily to a \$24.8 million decrease in cash and cash equivalents, a \$68.5 million increase in trade and other payables, a \$3.5 million increase in current lease obligations, and \$1.5 million increase in current reclamation provisions, offset by a \$50.5 million increase in inventories, a \$7.3 million increase in other current assets and a \$3.2 million decrease in current income taxes payable.

Capital Resources

On November 4, 2021, the Company entered into a fourth amended and restated credit agreement (the "Amended Credit Facility") effective November 5, 2021, with a syndicate of Banks led by BNP Paribas, and including The Bank of Nova Scotia, Bank of Montreal and Société Générale, which converted the Company's prior non-revolving and revolving facilities with the Bank of Nova Scotia and BNP Paribas (the "Scotiabank Facility") into a revolving term credit facility and increased the amount of the facility from \$120.0 million to \$200.0 million, subject to the conditions described below. The facility has a term of four years and steps down to \$150.0 million after three years. Interest accrues on LIBOR loans under the facility at LIBOR plus an applicable margin of between two and three percent which varies according to the consolidated leverage levels of the Company.

On closing of the Amended Credit Facility, \$120.0 million was available for drawdown and was drawn down in full. The total Amended Credit Facility of up to \$200.0 million became available to the Company upon its receipt of the extension of the San Jose EIA on December 20, 2021.

The Company's principal operating subsidiaries in Mexico, Peru, Côte d'Ivoire and Burkina Faso, and their respective direct and indirect holding companies, have guaranteed the obligations of the Company contemplated by the Amended Credit Facility. The Company has pledged all of its assets to secure the payment of its obligations contemplated by the Amended Credit Facility and the Company's principal operating subsidiaries in Mexico and Peru, as well as the direct and indirect holding companies of the Company's principal operating subsidiaries in Mexico, Peru, Côte d'Ivoire and Burkina Faso, have pledged all of their respective assets to secure their respective guarantees of such payment, including the shares of the Company's principal operating subsidiaries in Mexico, Peru, Côte d'Ivoire and Burkina Faso. The Company's principal operating subsidiary in Burkina Faso has pledged its bank accounts to secure the obligations under its guarantee.

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The Amended Credit Facility includes covenants customary for a facility of this nature including, among other matters, reporting requirements, and positive, negative, and financial covenants set out in therein. As at December 31, 2021, the Company was in compliance with all of the covenants under the Amended Credit Facility.

Following the acquisition of Roxgold, the Company also assumed its credit facility, with an interest rate of LIBOR plus 4% maturing on December 30, 2022. The Company repaid the outstanding Roxgold credit facility in the amount of \$28.4 million on November 5, 2021.

As at	December 31, 2021	December 31, 2020	Change
Cash and cash equivalents	107.1	131.9	(24.8)
Credit facility	200.0	120.0	80.0
Total liquidity available	307.1	251.9	55.2
Amount drawn on credit facility	(120.0)	(120.0)	-
Net liquidity position	187.1	131.9	55.2

Figures may not add due to rounding

Given the ever evolving nature of the COVID-19 pandemic, it is difficult to predict the extent of the impact of the COVID-19 pandemic (or any other disease, epidemic or pandemic) on the Company and its business, which will depend on future developments, including: the duration, severity and geographic spread of the COVID-19 virus (or other communicable disease); further actions that may be taken by governmental authorities, which could include travel restrictions and the suspension of business activities, including mining; the effectiveness and timing of actions taken to contain and treat the COVID-19 virus and variants or mutations thereof, including the effectiveness and uptake of vaccines; and how quickly and to what extent normal economic conditions and operating conditions can resume. In the event of additional waves of the virus for an unexpectedly prolonged duration, or in the event that more rigorous capital controls are implemented in Argentina, the Company may be required to raise additional debt or equity. There is no assurance that the lenders will agree to such a request or that financing will be available to the Company on terms acceptable to it.

The Company does not have unlimited financial resources and there is no assurance that sufficient additional funding or financing will be available when needed by the Company or its direct and indirect subsidiaries on acceptable terms, or at all, to further explore or develop its properties or to fulfill its obligations under any applicable agreements. Fortuna is a multinational company and relies on financial institutions worldwide to fund corporate and project needs. Instability of large financial institutions may impact the ability of the Company to obtain equity or debt financings in the future and, if obtained, on terms that may not be favorable to the Company. Disruptions in the capital and credit markets as a result of uncertainty, geo-political events, changing or increased regulations of financial institutions, reduced alternatives or failures of significant financial institutions could adversely affect the Company's access to the liquidity needed for the business in the longer term.

The Company may incur substantial debt from time to time to finance working capital, capital expenditures, investments or acquisitions or for other purposes. If the Company does so, the risks related to the Company's indebtedness could intensify, including: (i) increased difficulty in satisfying existing debt obligations (ii) limitations on the ability to obtain additional financings, or imposed requirements to make non-strategic divestures (iii) impose hedging requirements (iv) imposed restrictions on the Company's cash flows, for debt repayments or capital expenditures (v) increased vulnerability to general adverse economic and industry conditions (vi) interest rate risk exposure as borrowings may be at variable rates of interest (vii) decreased flexibility in planning for and reacting to changes in the mining industry (viii) reduced competitiveness versus less leveraged competitors, and (ix) increased cost of borrowings.

Subject to the various risks and uncertainties, as explained in the Risks and Uncertainties section, management believes the Company's mining operations will generate sufficient cash flows and the Company has sufficient available credit lines and cash on hand to fund planned capital and exploration programs.

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The Company has contingencies and capital commitments as described in Note 32 "Contingencies and Capital Commitments" in the Company's 2021 Financial Statements. From time to time, the Company may also be involved in legal proceedings that arise in the ordinary course of its business.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements or commitments that are expected to have a current or future effect on the financial condition, results of operations, liquidity, capital expenditures, or capital resources that are material to investors.

FINANCIAL INSTRUMENTS

The Company does not utilize complex financial instruments in hedging foreign exchange or interest exposure. Any hedging activity requires approval of the Company's Board of Directors. The Company will not hold or issue derivative instruments for speculative or trading purposes.

Provisional priced trade receivables of \$23.3 million, an interest rate swap (notional amount of \$40.0 million), forward sales, and forward foreign exchange contracts liability totaling \$3.1 million, and a forward fuel contract asset of \$1.6 million are the Company's only level 2 fair valued instruments and no level 3 instruments are held.

Provisionally priced trade receivables are valued using forward London Metal Exchange prices until final prices are settled at a future date. The interest rate swap, forward sales, and forward foreign exchange contracts liabilities are valued based on the present value of the estimated contractual cash flows. Estimates of future cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. These are discounted using a yield curve, and adjusted for credit risk of the Company or the counterparty.

Refer to the Risks and Uncertainties section of this MD&A for a discussion on credit risk, metal price risk, currency risk, and interest rate risk related to these financial instruments. See note 4 (section r) and Note 30 of the 2021 Financial Statements for a discussion of the Company's use of financial instruments, including a description of liquidity risks associated with such instruments.

SHARE POSITION & OUTSTANDING OPTIONS & EQUITY BASED SHARE UNITS

The Company has 291,879,557 common shares outstanding as at March 23, 2022. In addition, there were 4,012,306 outstanding equity-settled share-based awards as follows:

Incentive stock options	1,141,293
Restricted share units	1,368,692
Performance share units	<u>1,502,321</u>
Total	<u>4,012,306</u>

936,911 share-settled performance units issued by the Company in 2021 are subject to a multiplier ranging from 50% to 200% depending on the achievement level of certain performance targets.

As at December 31, 2021 the Company has \$46.0 million of Debentures that are convertible at the holder's option into common shares in the capital of the Company at a conversion price of \$5.00 per share, representing a conversion rate of 200 Common Shares per \$1,000 principal amount of Debentures, subject to adjustment in certain circumstances. Subject to certain exceptions in connection with a change of control of the Company, the Debentures cannot be redeemed by the Company prior to October 31, 2022. Between November 1, 2022 and prior to October 31, 2023, the Debentures may be redeemed in whole or in part from time to time at the Company's option at a price equal to their principal amount plus

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accrued and unpaid interest, provided that the volume weighted average trading price of the Common Shares on the NYSE for the 20 consecutive trading days ending on the fifth trading day preceding the date on which the notice of the redemption is given is at least 125% of the Conversion Price. On and after October 31, 2023, the Debentures may be redeemed in whole or in part from time to time at the Company's option at a price equal to their principal amount plus accrued and unpaid interest regardless of the trading price of the Common Shares. The Debentures mature on October 31, 2024 and bear interest at a rate of 4.65% per annum, payable semi-annually in arrears on the last business day of April and October, commencing on April 30, 2020. During October 2021, 12,000 Common Shares were issued for a debenture in the aggregate principal amount of \$60 thousand (sixty thousand dollars).

Subject to applicable securities laws and regulatory approval and provided that no event of default has occurred and is continuing, the Company may, at its option, elect to satisfy its obligation to pay the principal amount of the Debentures and accrued and unpaid interest on the redemption date and the maturity date, in whole or in part, through the issuance of Common Shares, by issuing and delivering that number of Common Shares, obtained by dividing the principal amount of the Debentures and all accrued and unpaid interest thereon by 95% of the current market price (as defined in the Debenture Indenture) on such redemption date or maturity date, as applicable.

RELATED PARTY TRANSACTIONS

The Company has entered into the following related party transactions during the years ended December 31, 2021 and 2020:

(a) Purchase of Goods and Services

During the years ended December 31, 2021, and 2020, the Company was charged \$5 thousand (2020: \$157 thousand) for general and administrative services pursuant to a shared services agreement with Gold Group Management Inc., a company of which Simon Ridgway, the Company's former Chairman, is a director. Effective February 2, 2021, Mr. Ridgway resigned as director and Chairman of the Board, and costs associated with the shared services agreement with Gold Group Management Inc. are no longer reported as related party transactions.

As at December 31, 2021, the Company had \$nil outstanding balances payable to Gold Group Management Inc. (December 31, 2020 - \$9 thousand). Amounts due to related parties are due on demand and are unsecured.

(b) Key Management Personnel

During the year ended December 31, 2021 and 2020, the Company was charged for consulting services by Mario Sztolender, a director of the Company and by Mill Street Services Ltd., a company of which Simon Ridgway, the Company's former Chairman, is a director. Effective February 2, 2021, Mr. Ridgway resigned as director and Chairman of the Board, and costs associated incurred with Mill Street Services Ltd. are no longer reported as related party transactions. Such amounts, along with other amounts paid to key management personnel were as follows:

(Expressed in \$ thousands)	Three months ended December 31,		Years ended December 31,	
	2021	2020	2021	2020
Salaries and benefits	1,609	1,869	7,639	4,266
Directors fees	222	176	658	707
Consulting fees	24	34	78	134
Share-based payments	2,052	3,944	2,565	11,115
	3,907	6,023	10,940	16,222

NON-IFRS FINANCIAL MEASURES

The Company has disclosed certain financial measures and ratios in this MD&A which are not defined under IFRS and are not disclosed in the 2021 Financial Statements, including but not limited to: cash cost per ounce of gold; all-in sustaining cash cost per ounce of gold sold; all-in cash cost per ounce of gold sold; total production cash cost per tonne; cash cost per payable ounce of silver equivalent; all-in sustaining cash cost per payable ounce of silver equivalent sold; all-in cash cost per payable ounce of silver equivalent sold; free cash flow and free cashflow from ongoing operations; adjusted net income; adjusted EBITDA and working capital.

These non-IFRS financial measures and non-IFRS ratios are widely reported in the mining industry as benchmarks for performance and are used by Management to monitor and evaluate the Company's operating performance and ability to generate cash. The Company believes that, in addition to financial measures and ratios prepared in accordance with IFRS, certain investors use these non-IFRS financial measures and ratios to evaluate the Company's performance. However, the measures do not have a standardized meaning under IFRS and may not be comparable to similar financial measures disclosed by other companies. Accordingly, non-IFRS financial measures and non-IFRS ratios should not be considered in isolation or as a substitute for measures and ratios of the Company's performance prepared in accordance with IFRS. The Company has calculated these measures consistently for all periods presented.

Equivalent Ounces Sold

At our San Jose and Caylloma mines, production and sales of other metals are treated as a silver equivalent in determining a combined precious metal production or sales unit, commonly referred to as silver equivalent ounces. Silver equivalent ounces are calculated by converting other metal production to its silver equivalent using relative metal/silver metal prices at realized prices and adding the converted metal production expressed in silver ounces to the ounces of silver production.

The Lindero and Yaramoko mines do not make use of an equivalent ounce sold measure as all material production is gold.

Cash Cost, All-in Sustaining Cost and All-in Cash Cost

In this MD&A, the Company has disclosed certain cash cost, AISC and all-in cash cost figures on a per unit basis, each of which constitutes a non-IFRS measure.

Cash cost is a non-IFRS measure that is an industry-standard method of comparing certain costs on a per unit basis. Cash costs include all direct and indirect operating cash costs related directly to the physical activities of producing metals, including mining and processing costs, third-party refining and treatment charges, on-site general and administrative expenses, applicable production taxes and royalties which are not based on sales or taxable income calculations, net of by-product credits, but are exclusive of the impact of non-cash items that are included as part of the cost of sales that is calculated in the consolidated Income Statement including depreciation and depletion, reclamation, capital, development and exploration costs.

The most directly comparable financial measure to cash cost that is defined in IFRS and disclosed in the Company's 2021 Financial Statements is cost of sales. Unit based cash cost ratios contained in this MD&A include:

- cash cost per ounce of gold sold;
- total production cash cost per tonne; and
- cash cost per payable ounce of silver equivalent.

All-in sustaining cost is a non-IFRS measure that includes total production cash costs incurred at the applicable mining operation but excludes mining royalty recognized as income tax within the scope of IAS-12, as well as non-sustaining capital expenditures. Sustaining capital expenditures, corporate selling, general and administrative expenses, and brownfield exploration expenditures are added to the cash cost. AISC is estimated at realized metal prices. The most

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directly comparable financial measure to AISC that is defined in IFRS and disclosed in the Company's 2021 Financial Statements is cost of sales. Unit based AISC ratios contained in this MD&A include:

- All-in sustaining cash cost per ounce of gold sold; and
- All-in sustaining cash cost per ounce of payable silver equivalent sold.

In 2020 the Company reported silver AISC on a payable silver equivalent ounce produced basis. In 2021 the Company changed the reporting of this measure to a silver equivalent ounce sold basis.

All-in cash cost is a non-IFRS measures that is calculated consistently with AISC but is inclusive of non-sustaining capital expenditures. The most directly comparable financial measure to AISC that is defined in IFRS and disclosed in the Company's 2021 Financial Statements is cost of sales. Unit based AISC ratios contained in this MD&A include:

- all-in cash cost per ounce of gold sold; and
- all-in cash cost per payable ounce of silver equivalent sold.

In 2020 the Company reported silver AISC on a payable silver equivalent ounce produced basis. In 2021 the Company changed the reporting of this measure to a silver equivalent ounce sold basis. The change was to better align with the World Gold Council standard on all-in sustaining costs.

The Company, in conjunction with an initiative undertaken within the gold mining industry, has adopted AISC and all-in sustaining cost measures based on guidance published by World Gold Council ("WGC"). The Company conforms its AISC and all-in cash cost definitions to that set out in the guidance and the Company has presented the cash cost figures on a sold ounce basis for all periods presented and excluded royalties that are under the scope of IAS 12 – Income Taxes, with the change from the previously presented figures being applied retrospectively to prior periods.

Management believes that cash cost and AISC measures provide useful information regarding the Company's ability to generate operating earnings and cash flows from its mining operations, and uses such measures to monitor the performance of the Company's mining operations. In addition, the Company believes that each measure provides useful information to investors in comparing, on a mine-by-mine basis, our operations relative performance on a period-by-period basis, against our competitors operations.

To facilitate a better understanding of these measures as calculated by the Company, descriptions and reconciliations are provided here.

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Cash Cost per Ounce of Gold Sold

The following tables presents a reconciliation of cash cost per ounce of gold sold to the cost of sales in the 2021 Financial Statements for the three and twelve months ended December 31, 2021 and 2020:

Lindero Mine (Expressed in \$'000's, except unit costs)	Three months ended December 31,		Years ended December 31,	
	2021	2020	2021	2020
Cost of sales	46,915	-	122,889	-
Changes in doré inventory	353	-	2,066	-
Inventory adjustment	(1,072)	-	(2,815)	-
Export duties	(4,891)	-	(13,410)	-
Depletion and depreciation	(19,154)	-	(43,665)	-
By product credits	(77)	-	(260)	-
Production cash cost	22,074	-	64,805	-
Changes in doré inventory	(353)	-	(2,066)	-
Realized gain in diesel hedge	(438)	-	(963)	-
Cash cost applicable per gold ounce sold	A	21,283	-	61,776
Ounces of gold sold	B	36,375	-	100,137
Cash cost per ounce of gold sold (\$/oz)	=A/B	585	-	617

Yaramoko Mine (Expressed in \$'000's, except unit costs)	Three months ended December 31,		Years ended December 31,	
	2021	2020	2021	2020
Cost of sales	42,381	-	80,812	-
Changes in doré inventory	719	-	1,542	-
Inventory adjustment	(4,153)	-	(4,153)	-
Export duties	(3,018)	-	(5,993)	-
Depletion and depreciation	(13,235)	-	(28,974)	-
By product credits	(195)	-	(134)	-
Production cash cost	22,499	-	43,100	-
Changes in doré inventory	(719)	-	(1,542)	-
Refining charges	133	-	271	-
Cash cost applicable per gold ounce sold	A	21,913	-	41,829
Ounces of gold sold	B	29,077	-	56,571
Cash cost per ounce of gold sold (\$/oz)	=A/B	754	-	739

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All-in Sustaining Cash Cost and All-in Cash Cost per Ounce of Gold Sold

The following tables shows a breakdown of the all-in sustaining cash cost per ounce of gold sold and all-in cash cost per ounce of gold sold for the three and twelve months ended December 31, 2021:

Lindero Mine (Expressed in \$'000's, except unit costs)	Three months ended		Years ended	
	December 31,	2020	December 31,	2020
Cash cost applicable	21,283	-	61,776	-
Export duties and mining taxes	4,891	-	13,410	-
General and administrative expenses (operations)	1,640	-	5,643	-
Adjusted operating cash cost	27,814	-	80,829	-
Sustaining leases	752	-	2,548	-
Sustaining capital expenditures ¹	7,214	-	27,522	-
Brownfields exploration expenditures ¹	389	-	875	-
All-in sustaining cash cost	36,169	-	111,774	-
Non-sustaining capital expenditures ¹	233	-	323	-
All-in cash cost	36,402	-	112,097	-
Ounces of gold sold	36,375	-	100,137	-
All-in sustaining cash cost per ounce of gold sold	994	-	1,116	-
All-in cash cost per ounce of gold sold	1,001	-	1,119	-

¹ Presented on a cash basis

Yaramoko Mine (Expressed in \$'000's, except unit costs)	Three months ended		Years ended	
	December 31,	2020	December 31,	2020
Cash cost applicable	21,913	-	41,829	-
Inventory net realizable value adjustment	1,285	-	1,285	-
Export duties and mining taxes	3,018	-	5,993	-
General and administrative expenses (operations)	514	-	953	-
Adjusted operating cash cost	26,730	-	50,060	-
Sustaining leases	1,467	-	2,934	-
Sustaining capital expenditures ¹	13,520	-	21,387	-
Brownfields exploration expenditures ¹	47	-	138	-
All-in sustaining cash cost	41,764	-	74,519	-
All-in cash cost	41,764	-	74,519	-
Ounces of gold sold	29,077	-	56,571	-
All-in sustaining cash cost per ounce of gold sold	1,436	-	1,317	-
All-in cash cost per ounce of gold sold	1,436	-	1,317	-

¹ Presented on a cash basis² Adjustment related to current stockpile

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Production Cash Cost per Tonne and Cash Cost per Payable Ounce of Silver Equivalent Sold for the Three and Twelve Months Ended December 31, 2021 and 2020

The following tables present a reconciliation of production cash cost per tonne and cash cost per payable ounce of silver equivalent sold to the cost of sales in the 2021 Financial Statements for the three and twelve months ended December 31, 2021 and 2020:

San Jose Mine (Expressed in \$'000's, except unit costs)	Three months ended December 31,		Years ended December 31,		
	2021	2020	2021	2020	
Cost of sales	32,705	31,027	122,756	104,315	
Changes in concentrate inventory	(118)	(1,477)	163	(1,200)	
Depletion and depreciation in concentrate inventory	11	967	32	380	
Inventory adjustment	(52)	16	(6)	18	
Royalties and mining taxes	(1,587)	(1,411)	(5,955)	(4,289)	
Workers participation	(1,236)	(1,501)	(5,809)	(6,560)	
Depletion and depreciation	(8,789)	(8,165)	(32,257)	(28,387)	
Cash cost	A	20,934	19,456	78,924	64,277
Total processed ore (tonnes)	B	262,802	272,179	1,041,154	934,382
Production cash cost per tonne (\$/t)	=A/B	79.66	71.48	75.80	68.79
Cash cost	A	20,934	19,456	78,924	64,277
Changes in concentrate inventory		118	1,477	(163)	1,200
Depletion and depreciation in concentrate inventory		(11)	(967)	(32)	(380)
Inventory adjustment		52	(16)	6	(18)
Treatment charges		190	303	(251)	406
Refining charges		1,157	976	4,318	3,530
Cash cost applicable per payable ounce sold	C	22,440	21,229	82,802	69,015
Payable ounces of silver equivalent sold ¹	D	2,400,989	2,425,395	8,902,680	9,044,605
Cash cost per ounce of payable silver equivalent sold ² (\$/oz)	=C/D	9.35	8.75	9.30	7.63
Mining cost per tonne		37.90	36.67	38.74	35.43
Milling cost per tonne		16.56	16.02	16.68	16.31
Indirect cost per tonne		16.84	11.56	13.72	9.69
Community relations cost per tonne		5.15	0.87	4.79	0.97
Distribution cost per tonne		3.20	6.36	1.88	6.39
Production cash cost per tonne (\$/t)		79.66	71.48	75.80	68.79

¹ Silver equivalent sold for Q4 2021 is calculated using a silver to gold ratio of 76.8:1 (Q4 2020: 76.7:1) and for Year 2021 is calculated using a silver to gold ratio of 71.5:1 (Year 2020: 84.0:1)

² Silver equivalent is calculated using the realized prices for gold and silver. Refer to Financial Results – Sales and Realized Prices

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Caylloma Mine (Expressed in \$'000's, except unit costs)	Three months ended December 31,		Years ended December 31,		
	2021	2020	2021	2020	
Cost of sales	18,585	15,475	67,917	54,357	
Changes in concentrate inventory	939	318	297	345	
Depletion and depreciation in concentrate inventory	165	(229)	61	(2)	
Inventory adjustment	(61)	(13)	(61)	(13)	
Royalties and mining taxes	(188)	(133)	(345)	(523)	
Provision for community support	(2,125)	-	(2,125)	101	
Workers participation	(214)	(488)	(1,838)	(899)	
Depletion and depreciation	(3,607)	(3,815)	(16,182)	(13,994)	
Cash cost	A	13,494	11,115	47,724	39,372
Total processed ore (tonnes)	B	137,838	136,132	539,779	510,048
Production cash cost per tonne (\$/t)	=A/B	97.89	81.65	88.41	77.19
Cash cost	A	13,494	11,115	47,724	39,372
Changes in concentrate inventory		(939)	(318)	(297)	(345)
Depletion and depreciation in concentrate inventory		(165)	229	(61)	2
Inventory adjustment		61	13	61	13
Treatment charges		4,629	5,357	15,754	19,334
Refining charges		378	410	1,670	1,493
Cash cost applicable per payable ounce sold	C	17,458	16,806	64,851	59,869
Payable ounces of silver equivalent sold ¹	D	1,261,967	1,150,047	4,819,365	4,258,979
Cash cost per ounce of payable silver equivalent sold ² (\$/oz)	=C/D	13.83	14.61	13.46	14.06
Mining cost per tonne		42.02	34.89	34.71	33.85
Milling cost per tonne		16.27	15.62	15.34	14.39
Indirect cost per tonne		29.45	23.21	29.49	21.62
Community relations cost per tonne		7.96	1.57	7.77	0.78
Distribution cost per tonne		2.18	6.36	1.10	6.55
Production cash cost per tonne (\$/t)		97.87	81.65	88.41	77.19

¹ Silver equivalent sold for Q4 2021 is calculated using a silver to gold ratio of 76.9:1 (Q4 2020: 76.8:1), silver to lead ratio of 1:22.2 pounds (Q4 2020: 1:28.2), and silver to zinc ratio of 1:15.4 pounds (Q4 2020: 1:20.6). Year 2021 is calculated using a silver to gold ratio of 70.9:1 (Year 2020: 90.2:1), silver to lead ratio of 1:25.3 pounds (Year 2020: 1:24.9), and silver to zinc ratio of 1:18.6 pounds (Year 2020: 1:20.0)

² Silver equivalent is calculated using the realized prices for gold, silver, lead, and zinc. Refer to Financial Results - Sales and Realized Prices

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All-in Sustaining Cash Cost and All-in Cash Cost per Payable Ounce of Silver Equivalent Sold

The following tables show a breakdown of the all-in sustaining cash cost per silver equivalent ounce payable for the three and twelve months ended December 31, 2021 and 2020:

San Jose Mine (Expressed in \$'000's, except unit costs)	Three months ended December 31,		Years ended December 31,	
	2021	2020	2021	2020
Cash cost applicable	22,440	21,229	82,802	69,015
Royalties and mining taxes	1,587	1,411	5,955	4,289
Workers' participation	1,545	1,876	7,261	8,200
General and administrative expenses (operations)	2,779	2,086	8,111	6,027
Adjusted operating cash cost	28,351	26,602	104,129	87,531
Care and maintenance costs (impact of COVID-19)	-	-	-	1,568
Sustaining leases	161	63	608	251
Sustaining capital expenditures ³	5,137	4,022	14,492	10,787
Brownfields exploration expenditures ³	2,176	1,643	8,784	4,406
All-in sustaining cash cost	35,825	32,330	128,013	104,543
Non-sustaining capital expenditures ³	518	568	2,294	942
All-in cash cost	36,343	32,898	130,307	105,485
Payable ounces of silver equivalent sold ¹	2,400,989	2,425,395	8,902,680	9,044,605
All-in sustaining cash cost per ounce of payable silver equivalent sold ²	14.92	13.33	14.38	11.56
All-in cash cost per ounce of payable silver equivalent sold ²	15.14	13.56	14.64	11.66

¹ Silver equivalent sold for Q4 2021 is calculated using a silver to gold ratio of 76.8:1 (Q4 2020: 76.7:1) and for Year 2021 is calculated using a silver to gold ratio of 71.5:1 (Year 2020: 84.0:1)

² Silver equivalent is calculated using the realized prices for gold and silver. Refer to Financial Results - Sales and Realized Prices

³ Presented on a cash basis

Caylloma Mine (Expressed in \$'000's, except unit costs)	Three months ended December 31,		Years ended December 31,	
	2021	2020	2021	2020
Cash cost applicable	17,458	16,806	64,851	59,869
Royalties and mining taxes	188	133	345	523
Workers' participation	244	559	2,129	1,036
General and administrative expenses (operations)	786	1,182	3,625	3,520
Adjusted operating cash cost	18,676	18,680	70,950	64,948
Sustaining leases	681	696	2,851	2,626
Sustaining capital expenditures ³	5,755	1,950	13,758	5,909
Brownfields exploration expenditures ³	1,027	170	3,731	514
All-in sustaining cash cost	26,139	21,496	91,290	73,997
All-in cash cost	26,139	21,496	91,290	73,997
Payable ounces of silver equivalent sold ¹	1,261,967	1,150,047	4,819,365	4,258,979
All-in sustaining cash cost per ounce of payable silver equivalent sold ²	20.71	18.69	18.94	17.37
All-in cash cost per ounce of payable silver equivalent sold ²	20.71	18.69	18.94	17.37

¹ Silver equivalent sold for Q4 2021 is calculated using a silver to gold ratio of 76.9:1 (Q4 2020: 76.8:1), silver to lead ratio of 1:22.2 pounds (Q4 2020: 1:28.2), and silver to zinc ratio of 1:15.4 pounds (Q4 2020: 1:20.6). Year 2021 is calculated using a silver to gold ratio of 70.9:1 (Year 2020: 90.2:1), silver to lead ratio of 1:25.3 pounds (Year 2020: 1:24.9), and silver to zinc ratio of 1:18.6 pounds (Year 2020: 1:20.0)

² Silver equivalent is calculated using the realized prices for gold, silver, lead, and zinc. Refer to Financial Results - Sales and Realized Prices

³ Presented on a cash basis

Free Cash Flow from Ongoing Operations

The Company uses the non-IFRS financial measure of "free cash flow from ongoing operations" to supplement information in its consolidated financial statements.

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Free cash flow from ongoing operations is defined as net cash provided by operating activities, including Lindero commissioning, less sustaining capital expenditures and current income tax expense and adding back income taxes paid, changes in long-term receivable sustaining capital expenditures, one time transaction costs, payments of lease liabilities and other non-recurring items.

This non-IFRS measure is used by the Company and investors to measure the cash flow available to fund the Company's growth through investments and capital expenditures. These performance measures are intended to provide additional information only and do not have standardized definitions under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These non-IFRS measures are not necessarily indicative of operating profits or cash flow from operations as determined under IFRS.

The following table presents a reconciliation of free cash flow from ongoing operations to net cash provided by operating activities, the most directly comparable IFRS measure, for the three and twelve months ended December 31, 2021 and 2020:

	Three months ended December 31,		Years ended December 31,	
	2021	2020	2021	2020
Net cash provided by operating activities	57.1	31.3	147.1	93.4
<i>Adjustments</i>				
Roxgold transaction costs	-	-	27.9	-
Change in long term receivables and assets	0.0	0.9	0.0	(0.1)
Additions to mineral properties, plant and equipment	(35.3)	(9.2)	(90.7)	(23.0)
Impact of adoption in IAS 16 and Production costs	-	21.9	-	21.9
Current income tax expense	(16.5)	(13.3)	(51.7)	(38.8)
Income taxes paid	19.1	5.6	62.7	28.2
Other adjustments	6.4	(2.7)	1.6	(2.7)
Free cash flow from ongoing operations	30.9	34.5	97.0	78.9

Figures may not add due to rounding

Adjusted Net Income

The Company uses the non-IFRS measure of "adjusted net income" to supplement information in its consolidated financial statements.

Adjusted net income excludes the after-tax impact of specific items that are significant, which the Company believes are not reflective of the Company's underlying performance for the reporting period, such as foreign exchange gains (losses) related to the construction of the Lindero Mine, gains and losses and other one-time costs related to acquisitions, impairment charges (reversals), and certain non-recurring items. Although some of the items are recurring, such as; loss on disposal of assets and non-hedge derivative gains and losses, the Company believes that they are not reflective of the underlying operating performance of its current business and are not necessarily indicative of future operating results.

Management believes that in addition to conventional measures prepared in accordance with IFRS, the Company and certain investors and analysts use this information and information obtained from conventional IFRS measures to evaluate the Company's performance. However, adjusted net income does not have any standardized meaning under IFRS and may not be comparable to similar measures presented by other companies.

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The following table presents a reconciliation of the adjusted net income from net income, the most directly comparable IFRS measure, for the three and twelve months ended December 31, 2021 and 2020:

	Three months ended December 31,		Years ended December 31,	
	2021	2020	2021	2020
Net income	16.6	18.6	59.4	21.6
<i>Adjustments, net of tax:</i>				
Community support provision and accruals ¹	1.3	0.2	1.4	0.2
Foreign exchange loss, Lindero Mine ²	0.3	3.2	4.1	11.8
Share of loss from associates	-	-	-	0.1
Investment income	-	-	-	(3.3)
Roxgold transaction costs	-	-	14.1	-
SGM Royalty settlement	1.0	-	9.8	-
Inventory adjustment	4.6	-	6.3	-
Accretion on right of use assets	1.0	-	2.2	-
Other non-cash/non-recurring items	4.3	1.0	3.3	1.4
Adjusted net income	29.1	23.0	100.6	31.8

¹ Amounts are recorded in Cost of sales

² Amounts are recorded in General and Administration

Figures may not add due to rounding

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Adjusted EBITDA

Adjusted EBITDA is a non-IFRS measure which is calculated as net income before interest, taxes, depreciation, and amortization, adjusted to exclude specific items that are significant, but not reflective of the Company's underlying operations, such as foreign exchange gains (losses) related to the construction of the Lindero Mine, gains and losses and other one-time costs related to acquisitions, impairment charges (reversals), unrealized gains (losses) on derivatives and certain non-recurring items, included in "Other expenses" on the Consolidated Income Statement. Other companies may calculate Adjusted EBITDA differently.

Management believes that adjusted EBITDA provides valuable information as an indicator of the Company's ability to generate operating cash flow to fund working capital needs, service debt obligations and fund capital expenditures. Adjusted EBITDA is also a common metric that provides additional information used by investors and analysts for valuation purposes based on an observed or inferred relationship between adjusted EBITDA and market value. Adjusted EBITDA is not meant to be a substitute for other subtotals or totals presented in accordance with IFRS measures, but that rather should be evaluated in conjunction with IFRS measures.

The following table presents a reconciliation of Adjusted EBITDA from net income, the most directly comparable IFRS measure, for the three and twelve months ended December 31, 2021 and 2020:

	Three months ended December 31,		Years ended December 31,	
	2021	2020	2021	2020
Net income	16.6	18.6	59.4	21.6
<i>Adjustments:</i>				
Community support provision and accruals	2.1	(0.4)	1.9	(0.4)
Inventory adjustment	5.3	-	7.0	-
Foreign exchange loss, Lindero Mine	0.3	3.2	4.1	11.8
Foreign exchange loss, Séguéla Project	0.2	-	0.2	-
Net finance items	3.7	0.2	12.3	1.2
Depreciation, depletion, and amortization	44.8	13.9	122.3	45.7
Income taxes	13.5	9.1	47.7	37.4
Share of loss from associates	-	-	-	0.1
Investment income	-	-	-	(3.3)
Roxgold transaction costs	-	-	14.1	-
SGM Royalty settlement	-	-	9.6	-
Other non-cash/non-recurring items	3.1	0.2	2.1	(1.5)
Adjusted EBITDA	89.6	44.8	280.7	112.6

Figures may not add due to rounding

Qualified Person

Eric Chapman, P.Geo (APEGBC #36328) is the Senior Vice-President of Technical Services for the Company and is the Company's Qualified Person (as defined by National Instrument 43-101-*Standards of Disclosure for Mineral Projects*). Mr. Chapman has reviewed and approved the scientific and technical information contained in this MD&A and has verified the underlying data except as noted below.

Paul Criddle, FAusIMM, Chief Operating Officer - West Africa for the Company is a Qualified Person as defined by National Instrument 43-101-*Standards of Disclosure for Mineral Projects*, has reviewed and approved the scientific and technical information pertaining to the Séguéla Project contained in this MD&A and has verified the underlying data.

Paul Weedon, Senior Vice President of Exploration for the Company, is a Qualified Person as defined by National Instruments 43-101-*Standards of Disclosure for Mineral Projects*, being a member of the Australian Institute for

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Geoscientists (Membership #6001). Mr. Weedon has reviewed and approved the scientific and technical information pertaining to exploration results contained in this MD&A. Mr. Weedon has verified the data disclosed, and the sampling, analytical, and test data underlying the information or opinions contained herein by reviewing geochemical and geological databases and reviewing diamond drill core. There were no limitations to the verification process.

Other Information, Risks and Uncertainties

For further information regarding the Company's operational risks, please refer to the section entitled "Description of the Business - Risk Factors" in the Company's most recent Annual Information Form that is available at www.sedar.com and www.sec.gov/edgar.shtml.

AMENDMENTS TO ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED

In 2020, the IASB published Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16) ("Phase 2 amendments") to address the financial reporting impacts of replacing one benchmark interest rate with an alternative rate and became effective January 1, 2021. The adoption of these amounts did not have a significant effect on the Company's 2021 Financial Statements.

RISKS AND UNCERTAINTIES

The Company is exposed to many risks in conducting its business, including but not limited to metal price risk as the Company derives its revenue from the sale of silver, gold, lead and zinc; credit risk in the normal course of business; foreign exchange risk as the Company reports its financial statements in U.S. dollars whereas the Company operates in jurisdictions that conducts its business in other currencies; the inherent risks of uncertainties in estimating mineral reserves and mineral resources; the risks related to the construction of an open pit gold mine at the Séguéla Gold Project and the anticipated timing of production at the mine; operational risks related to the spread of the COVID-19 pandemic; political risks, exchange rate and capital controls risk, environmental risks; risks related to the ability of the Company to obtain permits for its operations, including the reconfirmation of the 12 year extension of the EIA at the San Jose mine; and risks related to its relations with employees. These and other risks are described below and in the Company's audited consolidated financial statements for 2021, its Annual Information Form which is available on SEDAR at www.sedar.com, and its Form 40-F filed with the SEC. Readers are encouraged to refer to these documents for a more detailed description of some of the risks and uncertainties inherent to the Company's business. Subsequent to the filing of the Annual Information Form, the Company completed the business combination of Roxgold on July 2, 2021. While many of the risks and uncertainties in the Company's Annual Information Form also apply to Roxgold's business, additional material risks and uncertainties specific to Roxgold's business are set out below under the sub-heading "Risks Associated with the Roxgold Transaction".

Foreign Jurisdiction Risk

As at the date of the MD&A, the Company currently conducts its operations in Argentina, Burkina Faso, Côte d'Ivoire, Mexico, and Peru. All these jurisdictions are potentially subject to a number of political and economic risks, including those described in the following section. The Company is unable to determine the impact of these risks or its future financial position or results of operations and the Company's exploration, development, and production activities may be substantially affected by factors outside of the Company's control. These potential factors include but are not limited to royalty and tax increases or claims by governmental bodies, expropriation or nationalization, lack of an independent judiciary, foreign exchange controls, capital and currency controls, import and export regulations, cancellation or renegotiation of contracts, and environmental and permitting regulations. The Company has no political risk insurance coverage against these risks

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The majority of the Company's production and revenue to December 31, 2021 was derived from its operations in Argentina, Mexico, Burkina Faso and Peru. As the Company's business is carried on in a number of developing countries, it is exposed to a number of risks and uncertainties, including the following: expropriation or nationalization without adequate compensation especially in Argentina which has a history of expropriation where the Company operates the Lindero Mine; changing political and fiscal regime, including the military coup in Burkina Faso in January 2022, and economic and regulatory instability; unanticipated changes to royalty and tax regulations; unreliable and undeveloped infrastructure, labour unrest, and labour scarcity; difficulty procuring key equipment and components for equipment; import and export regulation and restrictions; the imposition of capital controls which may affect the repatriation of funds; high rates of inflation; extreme fluctuations in foreign exchange rates and the imposition of currency controls; inability to obtain fair dispute resolution or judicial determination because of bias, corruption or abuse of power; difficulties enforcing judgments; difficulties understanding and complying with regulatory and legal framework with respect to ownership and maintenance of mineral properties, mines and mining operations, local opposition to mine development projects, which include the potential for violence, property damage and frivolous or vexatious claims; terrorism and hostage taking; military repression and increased likelihood of international conflicts or aggression; increased public health concerns. Certain of these risks and uncertainties are prevalent in the jurisdictions where the Company operates.

There can be no assurance that these measures will not be extended or that more restrictive measures will be put in place in the countries in which the Company operates, which may result in the suspension of operations or construction at the Company's mines on a short or long-term basis.

Peru has recently undergone a period of heightened political instability. A general presidential election was held on April 11, 2021 which resulted in a run-off election on June 6, 2021 between the top two candidates. Pedro Castillo was declared President elect on July 19, 2021 and took office on July 28, 2021. The risk exists that the new government could make changes to the constitution or government policies that alter laws regulating the mining industry. A change in government policy or the modification of existing laws and regulations that affect the Company's operations could have a material adverse impact on the Caylloma mine.

Following instability in recent years in several West African countries, the prevailing security environment in these countries has deteriorated due to the presence of various militant secessionist and Islamist paramilitary groups, as well as a result of the January 2022 military coup in Burkina Faso. While the Company has implemented additional measures in response to ensure the security of its various assets, personnel and contractors, and continues to cooperate with regional governments, their security forces and applicable third parties, there can be no assurance that these measures will be successful.

Estimating Mineral Resources and Mineral Reserves

There is a degree of uncertainty attributable to the estimation of Mineral Resources, Mineral Reserves, and expected mineral grades. Until mineral deposits are actually mined and processed, Mineral Resources and Mineral Reserves must be considered as estimates only. Any such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices.

Mineral Resources and Mineral Reserves may require revision based on actual production experience. Market fluctuations in the price of metals, as well as increased production costs and reduced metallurgical recovery rates, may render certain Mineral Reserves uneconomic and may ultimately result in a restatement of Mineral Resources and/or Mineral Reserves. Short-term operating factors relating to the Mineral Resources and Mineral Reserves, such as the need for sequential development of ore bodies, may adversely affect the Company's profitability in any accounting period. Estimates of operating costs are based on assumptions including those relating to inflation and currency exchange, which may prove incorrect. Estimates of mineralization can be imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable. In addition, the grade and/or

quantity of precious metals ultimately recovered may differ from that indicated by drilling results. There can be no assurance that precious metals recovered in small scale tests will be duplicated in large scale tests under onsite conditions or in production scale. Amendments to mine plans and production profiles may be required as the amount of Mineral Resources changes or upon receipt of further information during the implementation phase of the project. Extended declines in market prices for gold, silver and other metals may render portions of the Company's mineralization uneconomic and result in reduced reported mineralization. Any material reduction in estimates of mineralization, or in the Company's ability to develop its properties and extract and sell such minerals, could have a material adverse effect on the Company's results of operations or financial condition.

Mining Operations

The capital costs required by the Company's projects may be significantly higher than anticipated. Capital and operating costs, production and economic returns, and other estimates contained in the Company's current technical reports, may differ significantly from those provided for in future studies and estimates and from management guidance, and there can be no assurance that the Company's actual capital and operating costs will not be higher than currently anticipated. In addition, delays to construction and exploration schedules may negatively impact the net present value and internal rates of return of the Company's mineral properties as set forth in the applicable technical report. Similarly, there can be no assurance that historical rates of production, grades of ore processed, rates of recoveries or mining cash costs will not experience fluctuations or differ significantly from current levels over the course of the mining operations. In addition, there can be no assurance that the Company will be able to continue to extend the production from its current operations through exploration and drilling programs.

Uncertainties related to new mining operations

Without limiting the generality of the foregoing, Fortuna is in the process of the development and construction of an open pit mine at the Séguéla Project. Any such development or expansion project which is progressed to commercial operations will face a number of risks inherent in new mining operations.

The successful completion of the Company's development and expansion projects requires the construction and operation of mines, processing plants and related infrastructure. As a result, the Company is and will continue to be subject to all of the risks associated with establishing new mining operations, including:

- the timing and cost, which can be considerable, of the construction of mining and processing facilities;
- the availability and cost of skilled labour, mining equipment and principal supplies needed for operations;
- the availability and cost of appropriate smelting and refining arrangements;
- the need to maintain necessary environmental and other governmental approvals and permits;
- the availability of funds to finance construction and development activities;
- potential opposition from governments, non-governmental organizations, environmental groups, local groups or other stakeholders, which may delay or prevent development activities; and
- potential increases in construction and operating costs due to changes in the cost of labour, fuel, power, materials and supplies.

It is not unusual in the mining industry for new mining operations to experience unexpected difficulties during the start-up phase or the initial production phase, resulting in production suspensions, delays and requiring more capital than anticipated. It is also common in new mining operations to experience unexpected problems, delays and costs during mine development and ramp-up to full production capacity. Such factors can add to the costs of the mine development, production and operations and/or impair production and mining activities, thereby affecting the Company's cashflows and profitability. Any unexpected complications and delays in the completion and successful functioning of these operational elements may result in additional costs being incurred by the Company beyond those already incurred and budgeted.

There can be no assurance that current or future development and expansion plans in respect of the Yaramoko Mine and the Séguéla Project will be successful or completed on time or on budget.

Environmental Uncertainties

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. These laws address emissions into the air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, antiquities and endangered species, and reclamation of lands disturbed by mining operations. The Company's operations generate chemical and metals depositions in the form of tailings. The Company's ability to obtain, maintain and renew permits and approvals, and to successfully develop and operate mines may be adversely affected by real or perceived impacts associated with the Company's activities or of other mining companies that affect the environment, human health and safety. Environmental hazards may exist on the Company's properties which are unknown to the Company at present and were caused by previous or existing owners or operators of the properties, for which the Company could be held liable.

Environmental legislation is evolving in a manner which is imposing stricter standards and enforcement, increased fines and penalties for non-compliance, in addition to more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. Compliance with environmental laws and regulations may require significant capital outlays on behalf of the Company and may cause material changes or delays in the Company's intended activities. Failure to comply with applicable environmental laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities, causing operations to cease or be curtailed. Such enforcement actions may include the imposition of corrective measures requiring capital expenditure, installation of new equipment or remedial action. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

The activities of the Company require licences and permits from various governmental authorities. The Company currently has been granted the requisite licences and permits to enable it to carry on its existing business and operations. On December 20, 2021, the Company announced that SEMARNAT had granted a 12 year extension to the EIA for the San Jose Mine. Subsequently on January 28, 2022, the Company announced that it had received a notice from SEMARNAT which advised that SEMARNAT had made a typographical error in the extension to the term of the EIA for the San Jose Mine and that the correct term is two years. CMC is working with authorities to resolve this matter and has initiated legal proceedings to challenge the asserted typographical error and reconfirm the 12-year extension period for the San Jose EIA granted by SEMARNAT. The results of the legal challenge cannot be predicted with certainty due to the uncertainty inherent in litigation, including the difficulty of predicting decisions and the timing required to render decisions. The process of challenging the asserted typographical error could, as a result, take away from the time and effort of the Company's management and could force the Company to pay substantial legal fees or penalties. Further, there can be no assurances that the resolutions of any such matters will not have a material adverse effect on the Company's business, financial condition and results of operations.

In addition, there can be no assurance that the Company will be able to obtain all the necessary licences and permits which may be required to carry out exploration, development and mining operations for its projects in the future. The Company might find itself in situations where the state of compliance with regulation and permits can be subject to interpretation and challenge from authorities that could carry risk of fines or temporary stoppage.

Diseases, epidemics and pandemics (including the COVID-19 pandemic) may adversely impact the Company's operations, financial condition and share price.

The outbreak of the COVID-19 virus was declared a global pandemic by the World Health Organization in March 2020 and resulted in a widespread global health crisis. The international response to the spread of the COVID-19 virus has led to

significant restrictions on travel, temporary business closures, mandatory quarantines, global stock market volatility, operating and supply chain delays and disruptions, and a general reduction in consumer activity. Although a number of restrictions are in the process of being removed, the possibility of a resurgence of the COVID-19 virus, spread of new variants or mutations thereof, or outbreak of other communicable disease in areas in which Fortuna operates may result in the re-imposition of certain of the foregoing restrictions and/or may result in further restrictions.

The Company's business and operations have been and may continue to be materially affected by the COVID-19 pandemic (or any other disease, epidemic or pandemic), including ongoing uncertainty as to the extent and duration of the pandemic. During the year ended December 31, 2021, our operations in Latin America were impacted by the spread of the COVID-19 virus, including variants and mutations thereof which resulted in a reduced workforce at times and quarantine periods for those affected.

Even though the Company has and continues to implement business continuity measures to mitigate and reduce any potential impacts of the COVID-19 pandemic, future outbreaks of the COVID-19 virus (or any other disease, epidemic or pandemic) in the countries in which the Company operates could materially and adversely affect the domestic labour supply, the Company's ability to maintain a skilled workforce and the operations of the Company's suppliers, any of which would have an effect on the Company's financial condition. In particular, the materialization of one or more such risks could have a material adverse impact on the Company's producing mines or construction and development activities at the Séguéla Project, the continued operation of the Company's mines and exploration projects, and the Company's ability to transport and sell concentrates and doré.

Given the ever evolving nature of the COVID-19 pandemic, it is difficult to predict the extent of the impact of the COVID-19 pandemic (or any other disease, epidemic or pandemic) on the Company and its business, which will depend on future developments, including: the duration, severity and geographic spread of the COVID-19 virus (or other communicable disease); further actions that may be taken by governmental authorities, which could include travel restrictions and the suspension of business activities, including mining; the effectiveness and timing of actions taken to contain and treat the COVID-19 virus and variants or mutations thereof, including the effectiveness and uptake of vaccines; and how quickly and to what extent normal economic conditions and operating conditions can resume.

In addition, the COVID-19 pandemic has and may continue to heighten many of the other risks described in this AIF, including: volatility in commodity prices (including gold, silver, lead and zinc); volatility in the stock markets on which the Company's Common Shares and Debentures are listed; and in the price of the Company's securities, any of which could impact the Company's ability to raise capital or refinance the Company's debt obligations in the future, which may have a material adverse effect on the business, operations and financial condition of Company. Additionally, inflationary pressures relating to global financial support measures taken in response to the COVID-19 pandemic, as well as the impact of current supply chain challenges related to the COVID-19 pandemic, are and may continue to have both direct and indirect impacts on the Company's operating costs, which could have a material impact on the Company's financial condition and results of operations.

The Company remains focused on ensuring the health and safety of the workforce and in continuing measures to prevent and manage transmission of COVID-19 amongst the workforce and the wider community, however there can be no assurance that such measures will continue to be successful.

Risks Associated with the Integration of the Company and Roxgold

The completion of the business combination of Roxgold is expected to result in among other benefits, a combination of quality assets resulting in increased gold production; a complementary and diversified portfolio of assets in West Africa and the Americas; multiple brownfields and greenfields options across the Americas and West Africa, and a low-cost platform of precious metals production and growth. The ability of the Company to realize the benefits of the acquisition will depend in part on successfully consolidating functions and integrating operations, procedures and personnel in a

timely and efficient manner, as well as the Company's ability to realize the anticipated growth opportunities and synergies from integrating Roxgold's business. This integration will require the dedication of management effort, time and resources which may divert management's focus and resources from other strategic opportunities available to the Company, and from operational matters during this process.

In addition, the integration process could result in the disruption of existing relationships with suppliers, employees, customers and other constituencies of Fortuna and Roxgold. There can be no assurance that management will be able to integrate the operations of each of the businesses successfully or achieve any of the synergies or other benefits that are anticipated to result from the acquisition. It is possible that the integration process could result in the loss of key employees, the disruption of the respective ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect the ability of management to maintain relationships with customers, suppliers, employees or to achieve the anticipated benefits of the acquisition. Any inability of management to successfully integrate the operations could have a material adverse effect on the Company's business, financial condition and results of operations.

Risks of Operating in West Africa

Certain of our operations are currently conducted in West Africa, with the Yaramoko Mine in Burkina Faso and the Séguéla Project in Côte d'Ivoire, and as such as is common in other mining jurisdictions, the Company's operations are exposed to various political, economic, and other risks and uncertainties. The Company is subject to risks associated with operating in West Africa with its Yaramoko Mine in Burkina Faso and the Séguéla Project in Côte d'Ivoire. These risks and uncertainties include but are not limited to: civil and ethnic unrest, war (including in neighbouring countries), terrorist actions, hostage taking or detainment of personnel, military repression, criminal activity, nationalization, invalidation of governmental orders, failure to enforce existing laws, labour disputes, corruption, sovereign risk, political instability, the failure of foreign parties, courts or governments to honour or enforce contractual relations or uphold property rights, changing government regulations with respect to mining (including royalties, environmental requirements, labour, taxation, land tenure, foreign investments, income repatriation and capital recovery), fluctuations in currency exchange and inflation rates, import and export restrictions, the expropriation of property interests, as well as by laws and policies of Canada affecting foreign trade, investment and taxation.

Following instability in recent years in several West African countries, the prevailing security environment in these countries has deteriorated due to the presence of various militant secessionist and Islamist paramilitary groups, as well as a result of the January 2022 military coupe in Burkina Faso. While the Company has implemented additional measures in response to ensure the security of its various assets, personnel and contractors, and continues to cooperate with regional governments, their security forces and applicable third parties, there can be no assurance that these measures will be successful. Any failure to maintain the security of its assets, personnel and contractors may have a material adverse effect on Company's business, prospects, financial condition and results of operations. To date, neither our employees nor our operations have been impacted by the security situation in Burkina Faso.

As African governments continue to struggle with deficits and depressed economies, the strength of commodity prices has resulted in the gold mining sector being targeted as a source of revenue. Governments are continually assessing the terms for a mining company to exploit resources in their country.

Operations may also be impacted to varying degrees by the lack of certainty with respect to foreign legal systems, which may not be immune from the influence of political pressure, corruption, or other factors that are inconsistent with the rule of law. Businesses can become involved in lengthy court cases over simple issues when rulings are not clearly defined, and the poor drafting of laws and excessive delays in the legal process for resolving issues or disputes compound such problems.

Any of the above events could delay or prevent the Company from operating, developing, or exploring its properties even if economic quantities of minerals are found and could have a material adverse impact upon the Company's operations.

Safety and Security

The Company's Yaramoko Mine is located in Burkina Faso and the advanced exploration Séguéla Gold Project is located in Côte d'Ivoire. Following instability in recent years in several West African countries, the prevailing security environment in these countries has deteriorated due to the presence of various militant secessionist and Islamist paramilitary groups. While additional measures have been implemented in response to ensure the security of its various assets, personnel and contractors, and the Company continues to cooperate with regional governments, their security forces and third parties, there can be no assurance that these measures will be successful. Any failure to maintain the security of its assets, personnel and contractors may have a material adverse effect on the Company's business, prospects, financial condition, and results of operations. To date, neither employees nor operations have been impacted by the security situation in Burkina Faso.

While there is no reason to believe that the Company's employees or operations will be targeted by criminal and/or terrorist activities in the countries in which we operate, risks associated with conducting business in the region, along with the increased perception that such incidents are likely to occur, may disrupt the Company's operations, limit its ability to hire and keep qualified personnel, and impair its access to sources of capital or insurance on terms and at rates that are commercially viable. Furthermore, although the Company has developed procedures regarding the mitigation of such risks, due to the unpredictable nature of criminal and/or terrorist activities, there is no assurance that its efforts will be able to effectively mitigate such risks and safeguard the Company's personnel and assets.

Political Risk in Burkina Faso

Following instability in recent years in several West African countries, the prevailing security environment in these countries has deteriorated due to the presence of various militant secessionist and Islamist paramilitary groups, as well as a result of the January 2022 military coupe in Burkina Faso. While the Company has implemented additional measures in response to ensure the security of its various assets, personnel and contractors, and continues to cooperate with regional governments, their security forces and applicable third parties, there can be no assurance that these measures will be successful. Any failure to maintain the security of its assets, personnel and contractors may have a material adverse effect on Company's business, prospects, financial condition and results of operations. To date, neither our employees nor our operations have been impacted by the security situation in Burkina Faso.

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. All of our trade receivables from concentrate sales are held with large international metals trading companies.

The Company's cash and cash equivalents and short-term investments are held through large financial institutions. These investments mature at various dates within one year.

The Company's maximum exposure to credit risk as at December 31, 2021 and 2020 is as follows

As at	December 31, 2021	December 31, 2020
Cash and cash equivalents	107.1	131.9
Derivative assets	1.6	-
Trade and other receivables	76.5	76.6
Income tax receivable	1.7	-
Other non-current receivables	5.9	6.4
	192.8	214.9

Figures may not add due to rounding

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The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk. We limit our exposure to counterparty credit risk on cash and term deposits by only dealing with financial institutions with high credit ratings and through our investment policy of purchasing only instruments with a high credit rating. Almost all of our concentrate is sold to large well-known concentrate buyers.

Metal Price Risk

The Company derives its revenue from the sale of silver, gold, lead, and zinc. The Company's sales are directly dependent on metal prices, and metal prices have historically shown significant volatility that is beyond the Company's control.

The following table illustrates the sensitivity to a +/-10% change in metal prices on the Company's outstanding trade receivables as at December 31, 2021:

Metal	Change	Effect on Sales
Silver	+/- 10%	1.2
Gold	+/- 10%	0.6
Lead	+/- 10%	0.3
Zinc	+/- 10%	0.3

From time to time, the Company mitigates the price risk associated with its base metal production by entering into forward sale and collar contracts for some of its forecasted base metal production and non-metal commodities.

During December 2020, the Company entered into the following contracts:

- zero-cost collars for 12,300 tonnes of zinc with a floor price of \$2,600 per tonne and a cap of \$2,900 per tonne, maturing monthly from January 1, 2021 to December 31, 2021;
- zero-cost collars for 720,000 gallons of heating oil with a floor price of \$1.40 per gallon and a cap of \$1.6150 per gallon, maturing monthly from January 1, 2021 to December 31, 2021;
- zero-cost collars for 1,680,000 gallons of jet fuel with a floor price of \$1.30 per gallon and a cap of \$1.4775 per gallon, maturing monthly from January 1, 2021 to December 31, 2021;
- forward swaps for 720,000 gallons of heating oil with a price of \$1.52 per gallon, maturing monthly from January 1, 2022 to December 31, 2022; and
- forward swaps for 1,680,000 gallons of jet fuel with a price of \$1.438 per gallon, maturing monthly from January 1, 2022 to December 31, 2022.

On February 11, 2021, the Company entered into a zero-cost collars for 6,237 tonnes of lead with a floor price of \$2,000 per tonne and a cap of \$2,125 per tonne, maturing monthly beginning on February 1, 2021 to December 31, 2022.

During October 2021, the Company entered into the following contracts:

- zero-cost collar for 1,200 tonnes of zinc with a floor price of \$3,200 per tonne and a cap of \$3,500 per tonne, maturing from January 1, 2022 to March 31, 2022;
- zero-cost collar for 1,200 tonnes of zinc with a floor price of \$3,200 per tonne and a cap of \$3,400 per tonne, maturing from April 1, 2022 to June 30, 2022;
- zero-cost collar for 1,200 tonnes of zinc with a floor price of \$3,200 per tonne and a cap of \$3,290 per tonne, maturing from July 1, 2022 to September 30, 2022;
- zero-cost collar for 1,200 tonnes of zinc with a floor price of \$3,100 per tonne and a cap of \$3,225 per tonne, maturing from October 1, 2022 to December 31, 2022;
- forward-swap for 1,200 tonnes of zinc with a price of \$3,300 per tonne, maturing quarterly from January 1, 2022 to March 31, 2022;

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- forward-swap for 1,200 tonnes of zinc with a price of \$3,256 per tonne, maturing quarterly from April 1, 2022 to June 30, 2022;
- forward-swap for 1,200 tonnes of zinc with a price of \$3,256 per tonne, maturing quarterly from July 1, 2022 to September 30, 2022; and
- forward-swap for 1,200 tonnes of zinc with a price of \$3,175 per tonne, maturing quarterly from October 1, 2022 to December 31, 2022.

The zinc, lead, and fuel contracts are derivative financial instruments and are not accounted for as designated hedges. They were initially recognized at fair value on the date on which the related derivative contracts were entered into and are subsequently re-measured to estimated fair value. Any gains or losses arising from changes in the fair value of the derivatives are credited or charged to profit or loss.

Currency Risk

The Company is exposed to fluctuations in foreign exchange rates as a portion of our expenses are incurred in Canadian dollars, Peruvian soles, Argentine pesos, Mexican pesos, Euro, Australian dollar, and West African CFA francs. A significant change in the foreign exchange rates between the United States dollar relative to the other currencies could have a material effect on the Company's profit or loss, financial position, or cash flows.

During October 2021, the Company entered into a forward contract for \$18.5 million Euros with a fixed rate of 1.173 maturing monthly from January 31, 2022 to April 28, 2023, related to the construction of Séguéla.

The following table summarizes the sensitivity to a +/-10% change in foreign currency exchange rates on the Company's foreign currency exposure as at December 31, 2021:

Currency of foreign denominated items	Change	Effect
Mexican pesos	+/- 10%	1.5
Peruvian soles	+/- 10%	0.2
Argentine pesos	+/- 10%	0.2
Canadian dollars	+/- 10%	0.1
West African CFA franc	+/- 10%	2.6
Australian Dollar	+/- 10%	0.1
Euro	+/- 10%	0.1

Due to the volatility of the exchange rate for Argentine peso, the Company is applying additional measures in cash management to minimize potential losses arising from the conversion of funds. As discussed below in the capital management section, the Company is required to convert the equivalent value into Argentine peso from the export sale of all gold doré from the Lindero Mine. In addition, the Company would be required to obtain the prior consent of the Argentine Central Bank for the payment of cash dividends and distributions of profits out of Argentina.

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The following tables summarizes the Company's exposure to currency risk through the following assets and liabilities denominated in foreign currencies:

As at December 31, 2021 <i>(In millions of local currency)</i>	West						
	Canadian dollars	Peruvian soles	Mexican pesos	Argentine pesos	African CFA Franc	Australian Dollars	Euro
Cash and cash equivalents	1.7	5.5	18.1	4.3	11,494.9	-	-
Marketable securities	0.5	-	-	-	-	-	-
Restricted cash	-	-	-	-	1,167.0	-	-
Trade and VAT receivables	0.7	2.1	174.2	1,526.5	13,433.4	-	-
Income tax receivable	-	20.7	-	-	-	-	-
VAT - long term receivable	-	-	70.5	-	-	-	-
Trade and other payables	(3.8)	(17.5)	(400.7)	(1,174.0)	(10,094.2)	(0.9)	(1.4)
Provisions, current	-	(4.4)	(13.5)	(95.4)	-	-	-
Income tax payable	-	-	(87.9)	-	-	-	-
Other liabilities	-	-	(6.2)	-	-	-	-
Provisions, non current	-	-	(87.3)	-	-	-	-
Total foreign currency exposure	(0.9)	6.4	(332.8)	261.4	16,001.1	(0.9)	(1.4)
US\$ equivalent of foreign currency exposure	(0.8)	1.7	(16.8)	2.7	28.5	(0.8)	(1.2)

Figures may not add due to rounding

As at December 31, 2020 <i>(In millions of local currency)</i>	West						
	Canadian dollars	Peruvian soles	Mexican pesos	Argentine pesos	African CFA Franc	Australian Dollars	Euro
Cash and cash equivalents	1.4	9.7	3.1	2.3	-	-	-
Marketable securities	1.3	-	-	-	-	-	-
Trade and VAT receivables	0.1	3.6	108.6	3,281.8	-	-	-
Income tax receivable	-	6.9	-	-	-	-	-
VAT - long term receivable	-	-	67.5	-	-	-	-
Trade and other payables	(17.8)	(28.0)	(311.7)	(764.3)	-	-	-
Provisions, current	(0.1)	0.1	(4.9)	(77.5)	-	-	-
Income tax payable	-	(0.3)	(297.1)	-	-	-	-
Other liabilities	(0.2)	-	(5.2)	-	-	-	-
Provisions, non current	-	(0.8)	(67.1)	-	-	-	-
Total foreign currency exposure	(15.3)	(8.8)	(506.8)	2,442.3	-	-	-
US\$ equivalent of foreign currency exposure	(12.0)	(2.4)	(25.4)	29.1	-	-	-

Figures may not add due to rounding

Liquidity Risk

Liquidity risk is the risk that we will not be able to meet our financial obligations as they come due. We manage our liquidity risk by continually monitoring forecasted and actual cash flows. We have in place a planning and budgeting process to help determine the funds required to support our normal operating requirements and our development plans. We aim to maintain sufficient liquidity to meet our short term business requirements, taking into account our anticipated cash flows from operations, our holdings of cash and cash equivalents, and our committed and anticipated liabilities.

The Company manages its liquidity risk by continuously monitoring forecasted and actual cashflows. A rigorous reporting, planning, and budgeting process are in place to help facilitate forecasting funding requirements, to support operations on an ongoing basis and with expansion plans, if any. See also Liquidity and Capital Resources.

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As at December 31, 2021, the Company expects the following maturities of its financial liabilities, lease obligations, and other contractual commitments, excluding payments relating to interest:

	Expected payments due by year as at December 31, 2021				Total
	Less than 1 year	1 - 3 years	4 - 5 years	After 5 years	
Trade and other payables	133.8	-	-	-	133.8
Debt	-	46.0	120.0	-	166.0
Income taxes payable	20.6	-	-	-	20.6
Lease obligations	12.3	11.3	2.1	16.0	41.7
Other liabilities	-	3.3	-	-	3.3
Capital commitments, Séguéla	66.5	5.2	-	-	71.7
Closure and reclamation provisions	1.9	5.6	24.0	24.7	56.2
Total	235.1	71.4	146.1	40.7	493.3

Figures may not add due to rounding

Capital Management

The Company's objective when managing its capital is to maintain its ability to continue as a going concern while at the same time maximizing the growth of its business and providing returns to its shareholders. The Company manages its capital structure and makes adjustments based on changes to its economic environment and the risk characteristics of the Company's assets.

Effective December 23, 2019, changes to Argentina's tax laws proposed by the new Argentine Government were implemented. The changes ratified and extended legislation which was to expire on December 31, 2019 and allow the Argentine Central Bank to regulate funds coming into and flowing out of Argentina in order to maintain stability and support the economic recovery of the country. The Argentine Government has not set an expiry date for these restrictions, and they currently remain in place. These capital controls together with additional temporary controls enacted on May 29, 2020, have the effect of: requiring exporters to convert the equivalent value of foreign currency received from the export into Argentine Pesos; requiring the prior consent of the Argentine Central Bank to the payment of cash dividends and distributions of currency out of Argentina; requiring Argentine companies to convert foreign currency loans received from abroad into Argentine Pesos; and restricting the sale of Argentine Pesos for foreign currency.

The Argentine Central Bank has also issued a temporary measure in effect until June 30, 2022, which requires the consent of the Central Bank to the repayment of certain types of intercompany loans. There can be no assurance that the temporary measure will not be extended.

The Company's capital requirement is effectively managed based on the Company having a thorough reporting, planning, and forecasting process to help identify the funds required to ensure the Company is able to meet its operating and growth objectives.

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The Company's capital structure consists of equity comprising of share capital, reserves, and retained earnings as well as debt consisting of credit facilities and convertible debentures, lease obligations less cash and cash equivalents.

As at	December 31, 2021	December 31, 2020
Equity	1,375.1	725.8
Debt	157.5	158.6
Lease obligations	29.4	19.5
Less: cash and cash equivalents	(107.1)	(131.9)
	1,454.9	772.0

Figures may not add due to rounding

As discussed above, the Company operates in Argentina where the new Argentine government has ratified and extended legislation to allow the Argentine Central Bank to regulate funds coming into and flowing out of Argentina. Other than the restrictions related to these capital controls and complying with the debt covenants under the credit facilities, the Company is not subject to any externally imposed capital requirements. As at December 31, 2021, the Company was in compliance with its debt covenants. See also Liquidity and Capital Resources.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Currently, our interest rate exposure mainly relates to interest earned on our cash and cash equivalents balances, interest paid on its LIBOR-based debt, and the mark-to-market value of derivative instruments which depend on interest rates.

Key Personnel

The Company is dependent on a number of key management and employee personnel. The Company's ability to manage its exploration, development, construction, and operating activities, and hence its success, will depend in large part on the ability to retain current personnel and attract and retain new personnel, including management, technical, and unskilled employees. The loss of the services of one or more key management personnel, as well as a prolonged labor disruption, could have a material adverse effect on the Company's ability to successfully manage and expand its affairs.

Claims and Legal Proceedings

The Company is subject to various claims and legal proceedings covering a wide range of matters that arise in the normal course of business. The Company may be subject to claims by local communities, indigenous groups, or private land owners relating to land and mineral rights and such claimants may seek sizable monetary damages or seek the return of surface or mineral rights that may be valuable to the Company which may significantly impact operations and profitability, if lost. These matters are subject to various uncertainties and it is possible that some of these matters may be resolved with an unfavorable outcome to the Company. The Company does carry liability insurance coverage, but such coverage does not cover all risks to which the Company may be exposed to.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Many of the amounts included in the consolidated financial statements require management to make estimates, assumptions, and judgements. These estimates, assumptions, and judgements are continuously evaluated and are based on management's experience and knowledge of the relevant facts and circumstances. Areas where critical accounting estimates and assumptions have the most significant effect on the amounts recognized in the consolidated financial statements include:

Mineral Reserves and Resources and the Life of Mine Plan

The Company estimates its mineral reserves and mineral resources in accordance with the requirements of National Instrument 43-101 Standards of Disclosure for Mineral Projects published by the Canadian Securities Administrators. Estimates of the quantities of the mineral reserves and mineral resources form the basis for the Company's life of mine plans, which are used for the calculation of depletion expense under the units of production method, impairment tests, and forecasting the timing of the payments related to the environmental rehabilitation provision.

Significant estimation is involved in determining the reserves and resources included within the Company's life of mine plans. Changes in forecast prices of commodities, exchange rates, production costs, or metallurgical recovery rates may result in the Company's life of mine plan being revised and such changes could impact depletion rates, asset carrying values and our environmental rehabilitation provision. As at December 31, 2021, the Company used the following long-term prices for our reserve and resource estimations: gold \$1,600/oz for all mines except Séguéla which used \$1,500/oz, silver \$21/oz, lead \$2,000/t and zinc \$2,500/t.

In addition to the estimates above, estimation is involved in determining the percentage of mineral resources ultimately expected to be converted to mineral reserves and hence included in the Company's life of mine plans. The Company's life of mine plans include a portion of inferred mineral resources as the Company believes this provides a better estimate of the expected life of mine for certain types of deposits, in particular for vein type structures. The percentage of inferred resources of the total tonnage included in the life of mine plans is based on site specific geological, technical, and economic considerations. Estimation of future conversion of resources is inherently uncertain and involves judgment and actual outcomes may vary from these judgments and estimates and such changes could have a material impact on the financial results. Some of the key judgments of the estimation process include geological continuity, stationarity in the grades within defined domains, reasonable geotechnical and metallurgical conditions, treatment of outlier (extreme) values, cut-off grade determination and the establishment of geostatistical and search parameters. Revisions to these estimates are accounted for prospectively in the period in which the change in estimate arises.

Valuation of Mineral Properties and Exploration Properties

The Company carries its mineral properties at cost less accumulated depletion and any accumulated provision for impairment. The costs of each property and related capitalized expenditures are depleted over the economic life of the property on a units-of-production basis. Costs are charged to the consolidated statement of income (loss) when a property is abandoned or when there is an impairment.

The Company undertakes a review of the carrying values of mining properties and related expenditures whenever events or changes in circumstances indicate that their carrying values may exceed their estimated net recoverable amounts determined by reference to estimated future operating results and discounted net cash flows. Where previous impairment has been recorded the Company analyzes any impairment reversal indicators. An impairment loss is recognized when the carrying value of those assets is not recoverable. In undertaking this review, management of the Company is required to make significant estimates of, amongst other things, future production and sales volumes, metal prices, foreign exchange rates, mineral resource and reserve quantities, future operating and capital costs to the end of the mine's life, and reclamation costs. These estimates are subject to various risks and uncertainties which may ultimately have an effect on the expected recoverability of the carrying values of the mining properties and related expenditures.

The Company, from time to time, acquires exploration and development properties. When properties are acquired, the Company must determine the fair value attributable to each of the properties. When the Company conducts exploration on a mineral property and the results from the exploration do not support the carrying value, the property is written down to its new fair value which could have a material effect on the consolidated statement of financial position and the consolidated income statement.

Deferred stripping costs

In determining whether stripping costs incurred during the production phase of a mining property relate to mineral reserves that will be mined in a future period and therefore should be capitalized, the Company makes estimates of the proportion of stripping activity which relates to extracting ore in the current period versus the proportion which relates to obtaining access to ore reserves which will be mined in the future.

Inventory

Finished goods, work-in-process, heap leach ore, and stockpile ore are valued at the lower of the average production costs or net realizable value. The assumptions used in the valuation of work-in process inventories include estimates of gold contained in the ore stacked on leach pads, assumptions of the amount of gold stacked that is expected to be recovered from the leach pads, the amount of gold in the mill circuits and assumption of the gold price expected to be realized when the gold is recovered. If these estimates or assumptions prove to be inaccurate, the Company could be required to write-down the recorded value of its work-in-process inventories, which would reduce the Company's earnings and working capital.

Reclamation and Other Closure Provisions

The Company has obligations for reclamation and other closure activities related to its mining properties. The future obligations for mine closure activities are estimated by the Company using mine closure plans or other similar studies which outline the requirements that will be carried out to meet the obligations. Because the obligations are dependent on the laws and regulations of the countries in which the mines operate, the requirements could change as a result of amendments in the laws and regulations relating to environmental protection and other legislation affecting resource companies. As the estimate of the obligations is based on future expectations, a number of estimates and assumptions are made by management in the determination of closure provisions.

Revenue Recognition

Revenue from the sale of concentrate to customer is recognized when the customer obtains control of the concentrate. A provisional invoice is issued to the customer based on the monthly average metal prices on the expected date of final settlement at which time the final sale prices will be fixed. Variations between the prices at initial recognition and final settlement may occur due to changes in the market metal prices and result in an embedded derivative in the accounts receivable. The embedded derivative is recorded at fair value each period until final settlement occurs with changes in the fair value classified as revenue. For changes in metal quantities upon receipt of new information and assays, the provisional sale quantities are adjusted.

Contingencies

Contingencies can be either possible assets or possible liabilities arising from past events which, by their nature, will only be resolved when one or more future events not within our control occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings or regulatory or government actions that may negatively impact our business or operations, the Company with assistance from its legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims or actions.

A liability is recognized in the consolidated financial statements when the outcome of the legal proceedings is probable, and the estimated settlement amount can be estimated reliably. Contingent assets are not recognized in the consolidated financial statements until virtually certain.

Fair Value Estimates in the Acquisition of Roxgold

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. These provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. The measurement period ends as soon as the Company receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable and shall not exceed one year from the acquisition date.

CRITICAL ACCOUNTING JUDGEMENTS IN APPLYING THE ENTITY'S ACCOUNTING POLICIES

Judgements that have the most significant effect on the amounts recognized in the Company's consolidated financial statements are as follows:

Income Taxes

Deferred tax assets and liabilities are determined based on differences between the financial statement carrying values of assets and liabilities and their respective income tax bases ("temporary differences") and losses carried forward. The determination of the ability of the Company to utilize tax loss carry-forwards to offset deferred tax liabilities requires management to exercise judgment and make certain assumptions about the future performance of the Company.

Management is required to assess whether it is "probable" that the Company will benefit from these prior losses and other deferred tax assets. Changes in economic conditions, metal prices and other factors could result in revisions to the estimates of the benefits to be realized or the timing of utilization of the losses.

Assessment of Impairment and Reversal of Impairment Indicators

Management applies significant judgment in assessing whether indicators of impairment or reversal of impairment exist for an asset or a group of assets which could result in a testing for impairment. Internal and external factors such as significant changes in the use of the asset, commodity prices, life of mines, tax laws or regulations in the countries that our mines operate in and interest rates are used by management in determining whether there are any indicators of impairment or reversal of previous impairments.

As of December 31, 2021, the company determined there were indicators of impairment at the Lindero Mine due to a decrease in operating performance relative to management's expectations. In determining the recoverable amounts of the Company's mining interests, the Company makes estimates of the discounted future after-tax cash flows expected to be derived from the Company's mining properties, costs to sell the mining properties and the appropriate discount rate. The projected cash flows are significantly affected by changes in assumptions related to metal selling prices, changes in the amount of recoverable reserves, resources, and exploration potential, production cost estimates, future capital expenditures, discount rates and exchange rates. The Company performed a test of impairment using a discount rate of 6.25% and long-term gold and copper prices of \$1,650/oz and \$9,356/tonne. As a result, management estimated the recoverable amount of the Lindero Mine as at December 31, 2021, determined on a fair value less cost of disposal basis, and concluded no impairment charge was required. However, adverse changes in any of these assumptions in future periods may result in an impairment.

Functional Currency

The functional currency for the Company and its subsidiaries is the currency of the primary economic environment in which each operates. The determination of functional currency may require certain judgments to determine the primary

economic environment. The Company reconsiders the functional currency used when there is a change in the events and conditions which determined the primary economic environment.

Leases

Significant judgments made by management in the accounting for leases primarily included whether the lease conveys the right to use a specific asset, whether the Company obtains substantially all of the economic benefits from the use of the asset, whether the Company has the right to direct the use of the asset, evaluating the appropriate discount rate to use to discount the lease liability for each lease or groups of assets, and to determine the lease term where a contract includes renewal options. Significant judgments over these factors would affect the present value of the lease liabilities, as well as the associated amount of the right-of-use ("ROU") asset.

Value-added tax ("VAT") receivable

Timing of collection of VAT receivables is uncertain as VAT refund procedures require a significant amount of information and follow-up. The Company assesses the recoverability of the amounts receivable at each reporting date and the expected timing of the recovery, which are impacted by several factors, including the status of discussions with the tax authorities, and current interpretation of relevant VAT legislation and regulation. Changes in these judgements can materially affect the amount recognized as VAT receivable and could result in an increase in other expenses recognized in profit or loss and the presentation of current and non-current VAT receivable.

CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures have been designed to provide reasonable assurance that all material information related to the Company is identified and communicated to management on a timely basis. Management of the Company, under the supervision of the President and Chief Executive Officer and the Chief Financial Officer, is responsible for the design and operation of disclosure controls and procedures in accordance with the requirements of National Instrument 52-109 of the Canadian Securities Administrators ("National Instrument 52-109") and as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the U.S. Exchange Act).

Management's Report on Internal Control over Financial Reporting

The Company's internal control over financial reporting ("ICFR") is designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external reporting purposes in accordance with IFRS as issued by the International Accounting Standards Board. However, due to its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements and fraud.

Management assesses the effectiveness of the Company's internal control over financial reporting using the Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organization of the Treadway Commission ("COSO"). Management conducted an evaluation of the effectiveness of ICFR and concluded that it was effective as at December 31, 2021.

Except for the controls over purchase price adjustments related to the acquisition, the company has limited the scope of its ICFR and disclosure controls and procedures to exclude the controls and policies and procedures of Roxgold as allowed by the United States Securities and Exchange Commission and Canadian Securities Administrators. The assets and revenues of Roxgold represent 50% (inclusive of the purchase price adjustments) and 17%, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2021.

Changes in Internal Control over Financial Reporting

During the year ended December 31, 2021, the Company implemented internal controls over financial reporting in relation to the accounting for and fair value of the business combination with Roxgold.

There have been no other changes in the Company's internal control over financial reporting during the year ended December 31, 2021 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS

This MD&A and any documents incorporated by reference into this MD&A contain forward-looking statements which constitute forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and Section 21E of the United States Securities Exchange Act of 1934, as amended, and forward-looking information within the meaning of applicable Canadian securities legislation (collectively, "Forward-looking Statements"). All statements included herein, other than statements of historical fact, are Forward-looking Statements and are subject to a variety of known and unknown risks and uncertainties which could cause actual events or results to differ materially from those reflected in the Forward-Looking Statements. The Forward-looking Statements in this MD&A include, without limitation, statements relating to:

- mineral "reserves" and "resources" as they involve the implied assessment, based on estimates and assumptions that the reserves and resources described exist in the quantities predicted or estimated and can be profitably produced in the future;
- production rates and forecasted production for 2022 at the Company's properties;
- cash cost estimates;
- forecasted cash costs and all-in sustaining costs estimates at the Company's mines;
- timing for delivery of materials and equipment for the Company's properties;
- the sufficiency of the Company's cash position and its ability to raise equity capital or access debt facilities;
- the Company's planned Greenfields exploration programs including related activities and the costs and timing thereof;
- the Company's planned capital expenditures and brownfields exploration at each of the Company's mines;
- the Company's construction of the open pit gold mine and processing plant at the Séguéla Project (as defined herein), and the estimated initial capital investment for the construction of the mine, the duration of the construction schedule and the timing for the ramp up to name plate capacity;
- the ability to successfully integrate the acquisition of Roxgold into the operations of the Company, and risks that the anticipated benefits of the Roxgold acquisition will not be realized or fully realized;
- undisclosed risks and liabilities relating to the acquisition of Roxgold and the loss of key employees related to same;
- the Company's ability to manage challenges presented by COVID-19 and the impact of COVID-19 on the Company's business and operations, and financial condition, including the Company's ability to operate or to continue operating at its sites;
- the effectiveness of the preventative measures and safety protocols put in place by the Company to curb the spread of COVID-19;
- maturities of the Company's financial liabilities, finance leases and other contractual commitments;
- expiry dates of bank letters of guarantee;
- the effectiveness and impact of, and Fortuna's commitment to, the Sustainability Framework and related disclosure, ESG policies and targets and other operational and governance policies;
- complying with anti-corruption laws and internal controls;
- litigation matters;

- estimated mine closure costs and timing; and
- the Company's plans and expectations for its material properties and future exploration, development and operating activities including, without limitation, capital expenditure and production estimates, exploration activities and budgets, forecasts and schedule estimates, as well as their impact on the results of operations or financial condition of the Company.

Often, but not always, these Forward-looking Statements can be identified by the use of words such as "anticipates", "believes", "plans", "estimates", "expects", "forecasts", "scheduled", "targets", "possible", "strategy", "potential", "intends", "advance", "goal", "objective", "projects", "budget", "calculates" or statements that events, "will", "may", "could" or "should" occur or be achieved and similar expressions, including negative variations.

The forward-looking statements in this MD&A also include financial outlooks and other forward-looking metrics relating to Fortuna and its business, including references to financial and business prospects and future results of operations, including production, and cost guidance and anticipated future financial performance. Such information, which may be considered future oriented financial information or financial outlooks within the meaning of applicable Canadian securities legislation (collectively, "FOFI"), has been approved by management of the Company and is based on assumptions which management believes were reasonable on the date such FOFI was prepared, having regard to the industry, business, financial conditions, plans and prospects of Fortuna and its business and properties. These projections are provided to describe the prospective performance of the Company's business. Nevertheless, readers are cautioned that such information is highly subjective and should not be relied on as necessarily indicative of future results and that actual results may differ significantly from such projections. FOFI constitutes forward-looking statements and is subject to the same assumptions, uncertainties, risk factors and qualifications as set forth below.

Forward-looking Statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any results, performance or achievements expressed or implied by the Forward-looking Statements. Such uncertainties and factors include, among others:

- operational risks relating to mining and mineral processing;
- uncertainty relating to Mineral Resource and Mineral Reserve estimates;
- uncertainty relating to capital and operating costs, production schedules and economic returns;
- uncertainty relating to new mining operations and development projects such as the Lindero Mine and the Séguéla Gold Project, including the possibility that actual capital and operating costs and economic returns will differ significantly from those estimated for such projects prior to production;
- uncertainty relating to the costs of the construction, the financing of construction and timing for the completion of the Séguéla Project;
- risks relating to the Company's ability to replace its Mineral Reserves;
- risks associated with mineral exploration and project development;
- uncertainty relating to the repatriation of funds as a result of currency controls;
- environmental matters including maintaining, obtaining or renewing environmental permits and potential liability claims;
- uncertainty relating to nature and climate conditions;
- risks associated with political instability and changes to the regulations governing the Company's business operations;
- changes in national and local government legislation, taxation, controls, regulations and political or economic developments in countries in which the Company does or may carry on business;
- risks associated with war, hostilities or other conflicts, such as the Ukrainian – Russian conflict, and the impact it may have on global economic activity;

Fortuna Silver Mines Inc.

Management's Discussion and Analysis

For the year ended December 31, 2021

(in US Dollars, tabular amounts in millions, except where noted)

- risks relating to the termination of the Company's mining concessions in certain circumstances;
- risks related to International Labor Organization ("ILO") Convention 169 compliance;
- developing and maintaining good relationships with local communities and stakeholders;
- risks associated with losing control of public perception as a result of social media and other web-based applications;
- potential opposition to the Company's exploration, development and operational activities;
- risks related to the Company's ability to obtain adequate financing for planned exploration and development activities;
- substantial reliance on the Lindero Mine, the Yaramoko Mine and the San Jose Mine for revenues;
- property title matters;
- risks relating to the integration of businesses and assets acquired by the Company;
- impairments;
- risks associated with climate change legislation;
- reliance on key personnel;
- uncertainty relating to potential conflicts of interest involving the Company's directors and officers;
- risks associated with the Company's reliance on local counsel and advisors and the experience of its management and board of directors in foreign jurisdictions;
- adequacy of insurance coverage;
- operational safety and security risks;
- risks related to the Company's compliance with the United States Sarbanes-Oxley Act;
- risks related to the foreign corrupt practices regulations and anti-bribery laws;
- legal proceedings and potential legal proceedings;
- uncertainties relating to general economic conditions;
- risks relating to a global pandemic, which until contained could continue to cause a slowdown in global economic growth and impact the Company's business, operations, financial condition and share price;
- the duration of the COVID-19 pandemic and the impact of COVID-19 on the Company's business, operations and financial condition, including the Company's ability operate or continue to operate at its sites in light of government restrictions, and possible future suspensions of operations at the mine sites related to COVID-19;
- the Company's ability to manage the various challenges (both anticipated and not) presented by COVID-19 to its business, operations and financial condition;
- competition;
- fluctuations in metal prices;
- risks associated with entering into commodity forward and option contracts for base metals production;
- fluctuations in currency exchange rates;
- failure to meet covenants under its Credit Facilities, or an event of default which may reduce the Company's liquidity and adversely affect its business;
- tax audits and reassessments;
- risks relating to hedging;
- uncertainty relating to concentrate treatment charges and transportation costs;
- sufficiency of monies allotted by the Company for land reclamation;
- risks associated with dependence upon information technology systems, which are subject to disruption, damage, failure and risks with implementation and integration;
- risks associated with climate change legislation;
- our ability to manage physical and transition risks related to climate change and successfully adapt our business strategy to a low carbon global economy;

- our plan to release climate-related goals in 2022 and the anticipated nature and effect of climate related risks;
- risks related to the volatility of the trading price of the Company's common shares and the Company's Debentures (as defined herein);
- dilution from further equity or convertible debenture financings; and
- risks related to future insufficient liquidity resulting from a decline in the price of the Common Shares or Debentures;
- uncertainty relating to the Company's ability to pay dividends in the future;
- risks relating to the market for the Company's securities;
- risks relating to the Debentures of the Company; and
- uncertainty relating to the enforcement of U.S. judgments against the Company.

as well as those factors referred to in the "Risks and Uncertainties" section in this MD&A and in the "Risk Factors" section in our Annual Information Form filed with the Canadian Securities Administrators and available at www.sedar.com and filed with the U.S. Securities and Exchange Commission as part of the Company's Form 40-F and available at www.sec.gov/edgar.shtml. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in Forward-looking Statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended.

Forward-looking Statements contained in this MD&A are based on the assumptions, beliefs, expectations and opinions of management, including but not limited to:

- all required third party contractual, regulatory and governmental approvals will be obtained and maintained for the exploration, development, construction and production of its properties;
- the ability to successfully integrate the operations of Roxgold into the operations of the Company;
- there being no significant disruptions affecting operations, whether relating to labour, supply, power, damage to equipment or other matter;
- the world-wide economic and social impact of COVID-19 is managed, and the duration and extent of the coronavirus pandemic is minimized or not long-term;
- there being no material and negative impact to the various contractors, suppliers and subcontractors at the Company's mine sites as a result of the Ukrainian – Russian conflict, COVID-19 or otherwise that would impair their ability to provide goods and services;
- permitting, construction, development, expansion, and production continuing on a basis consistent with the Company's current expectations;
- expected trends and specific assumptions regarding metal prices and currency exchange rates;
- prices for and availability of fuel, electricity, parts and equipment and other key supplies remaining consistent with current levels;
- production forecasts meeting expectations;
- management's expectation that any investigations, claims, and legal, labor and tax proceedings arising in the ordinary course of business will not have a material effect on the results of operations or financial condition of the Company; and
- the accuracy of the Company's current mineral resource and reserve estimates.

These Forward-looking Statements are made as of the date of this MD&A. There can be no assurance that Forward-looking Statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers are cautioned not to place undue reliance on Forward-looking Statements. Except as required by law, the Company does not assume the obligation to revise or update these forward looking-statements after the date of this document or to revise them to reflect the occurrence of future unanticipated events.

CAUTIONARY NOTE TO UNITED STATES INVESTORS CONCERNING ESTIMATES OF RESERVES AND RESOURCES

The Company is a Canadian “foreign private issuer” as defined in Rule 3b-4 under the United States Securities Exchange Act of 1934, as amended, and is permitted to prepare the technical information contained herein in accordance with the requirements of the securities laws in effect in Canada, which differ from the requirements of the securities laws currently in effect in the United States.

Technical disclosure regarding the Company's properties included herein was prepared in accordance with National Instrument 43-101 — Standards of Disclosure for Mineral Projects (“NI 43-101”). NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. NI 43-101 differs significantly from the disclosure requirements of the Securities and Exchange Commission (the “SEC”) generally applicable to U.S. companies. Accordingly, information contained herein is not comparable to similar information made public by U.S. companies reporting pursuant to SEC disclosure requirements.

EXHIBIT 99.4



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Canada

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CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors
Fortuna Silver Mines Inc.

We consent to the use of:

- our report dated March 23, 2022 on the consolidated financial statements of Fortuna Silver Mines Inc. (the "Entity") which comprise the consolidated statements of financial position as at December 31, 2021 and December 31, 2020, the related consolidated statements of income, comprehensive income, cash flows, and changes in equity for each of the years then ended, and the related notes (collectively the "consolidated financial statements"), and
- our report dated March 23, 2022 on the effectiveness of the Entity's internal control over financial reporting as of December 31, 2021

each of which is included in the Annual Report on Form 40-F of the Entity for the fiscal year ended December 31, 2021.

We also consent to the incorporation by reference of such reports in the Registration Statement (No. 333-237897) on Form F-10 of the Entity.

/s/ KPMG LLP

Chartered Professional Accountants

March 31, 2022
Vancouver, Canada

EXHIBIT 99.5

CONSENT OF ERIC CHAPMAN

CONSENT OF AUTHOR / EXPERT

I hereby consent to:

1. the use of my name, Eric Chapman, and reference to my name, the technical report entitled “Fortuna Silver Mines Inc.: Caylloma Mine, Caylloma District, Peru” dated effective March 8, 2019 (the “**Caylloma Report**”), evaluating the Caylloma Mine of Fortuna Silver Mines Inc. (the “**Company**”), the technical report entitled “Fortuna Silver Mines Inc.: San Jose Mine, Oaxaca, Mexico” dated effective February 22, 2019 (the “**San Jose Report**”), evaluating the San Jose Mine of the Company, and the technical report entitled “Fortuna Silver Mines Inc.: Lindero Property, Salta Province, Argentina” dated effective October 31, 2017, evaluating the Lindero Property of the Company (together with the Caylloma Report and the San Jose Report, the “**Reports**”), and the information contained in the Reports described or incorporated by reference in the Company’s Annual Report on Form 40-F for the year ended December 31, 2021 filed with the United States Securities and Exchange Commission;
2. the use of my name, Eric Chapman, and reference to my name, and the technical information relating to the updated Mineral Reserve and Mineral Resource estimates for the Caylloma Mine, the San Jose Mine and the Lindero Mine contained under the heading “General Development of the Business – Three-Year History and Recent Developments” in the Annual Information Form of the Company for the year ended December 31, 2021 included in the Company’s Annual Report on Form 40-F for the year ended December 31, 2021 filed with the United States Securities and Exchange Commission; and
3. the use of my name, Eric Chapman, and reference to my name, and the technical information contained in the Annual Information Form of the Company for the year ended December 31, 2021 included in the Company’s Annual Report on Form 40-F for the year ended December 31, 2021 filed with the United States Securities and Exchange Commission.

Dated: March 31, 2022

“Eric Chapman”

Eric Chapman, P.Geo.

EXHIBIT 99.6

CONSENT OF AMRI SINUHAJI

CONSENT OF AUTHOR / EXPERT

I hereby consent to:

1. the use of my name, Amri Sinuhaji, and reference to my name, the technical report entitled “Fortuna Silver Mines Inc.: Caylloma Mine, Caylloma District, Peru” dated effective March 8, 2019 (the “**Caylloma Report**”), evaluating the Caylloma Mine of Fortuna Silver Mines Inc. (the “**Company**”), and the technical report entitled “Fortuna Silver Mines Inc.: San Jose Mine, Oaxaca, Mexico” dated effective February 22, 2019, evaluating the San Jose Mine of the Company (together with the Caylloma Report, the “**Reports**”), and the information contained in the Reports described or incorporated by reference in the Company’s Annual Report on Form 40-F for the year ended December 31, 2021 filed with the United States Securities and Exchange Commission; and
2. the use of my name, Amri Sinuhaji, and reference to my name, and the technical information relating to the updated Mineral Reserve and Mineral Resource estimates for the Caylloma Mine, the San Jose Mine and the Lindero Mine contained under the heading “General Development of the Business – Three-Year History and Recent Developments” in the Annual Information Form of the Company for the year ended December 31, 2021 included in the Company’s Annual Report on Form 40-F for the year ended December 31, 2021 filed with the United States Securities and Exchange Commission.

Dated: March 31, 2022

“Amri Sinuhaji”

Amri Sinuhaji, P.Eng.

EXHIBIT 99.7

CONSENT OF MATTHEW COBB

CONSENT OF AUTHOR / EXPERT

I hereby consent to:

1. the use of my name, Matthew Cobb, and reference to my name and the technical report entitled “Fortuna Silver Mines Inc: Yaramoko Gold Mine, Burkina Faso Technical Report” dated effective December 31, 2021, evaluating the Yaramoko Mine of the Company (the “**Yaramoko Report**”), and the information contained in the Yaramoko Report described or incorporated by reference in the Company’s Annual Report on Form 40-F for the year ended December 31, 2021 filed with the United States Securities and Exchange Commission;
2. the use of my name, Matthew Cobb, and reference to my name, and the technical information relating to the updated Mineral Resource estimate for the Yaramoko Mine and the Séguéla Project contained under the heading “General Development of the Business – Three-Year History and Recent Developments” in the Annual Information Form of the Company for the year ended December 31, 2021 included in the Company’s Annual Report on Form 40-F for the year ended December 31, 2021 filed with the United States Securities and Exchange Commission; and
3. the use of my name, Matthew Cobb, and reference to my name, and the technical information relating to a maiden Mineral Resource estimate for the Sunbird discovery at the Séguéla Project contained under the heading “Material Properties – Séguéla Project, Côte d’Ivoire” in the Annual Information Form of the Company for the year ended December 31, 2021 included in the Company’s Annual Report on Form 40-F for the year ended December 31, 2021 filed with the United States Securities and Exchange Commission.

Dated: March 31, 2022

“Matthew Cobb”

Matthew Cobb, MAIG

EXHIBIT 99.8

CONSENT OF PAUL CRIDDLE

CONSENT OF AUTHOR / EXPERT

I hereby consent to the use of my name, Paul Criddle, and reference to my name and the technical report entitled “Fortuna Silver Mines Inc: Yaramoko Gold Mine, Burkina Faso Technical Report” dated effective December 31, 2021, evaluating the Yaramoko Mine of the Company (the “**Yaramoko Report**”), and the technical report entitled “Séguéla Project, Feasibility Study, Worodougou Region, Cote d’Ivoire”, dated effective May 26, 2021, which details the results of a feasibility study on the Company’s Séguéla gold Project (together with the Yaramoko Report, the “**Reports**”) and the information contained in the Reports described or incorporated by reference in the Company’s Annual Report on Form 40-F for the year ended December 31, 2021 filed with the United States Securities and Exchange Commission.

Dated: March 31, 2022

“Paul Criddle”

Paul Criddle, FAusIMM

EXHIBIT 99.9

CONSENT OF PAUL WEEDON

CONSENT OF AUTHOR / EXPERT

I hereby consent to the use of my name, Paul Weedon, and reference to my name and the technical report entitled “Fortuna Silver Mines Inc: Yaramoko Gold Mine, Burkina Faso Technical Report” dated effective December 31, 2021, evaluating the Yaramoko Mine of the Company (the “**Yaramoko Report**”), and the technical report entitled “Séguéla Project, Feasibility Study, Worodougou Region, Cote d’Ivoire”, dated effective May 26, 2021, which details the results of a feasibility study on the Company’s Séguéla gold Project (together with the Yaramoko Report, the “**Reports**”) and the information contained in the Reports described or incorporated by reference in the Company’s Annual Report on Form 40-F for the year ended December 31, 2021 filed with the United States Securities and Exchange Commission.

Dated: March 31, 2022

“Paul Weedon”

Paul Weedon, MAIG

EXHIBIT 99.10

CONSENT OF CRAIG RICHARDS

CONSENT OF AUTHOR / EXPERT

I hereby consent to:

1. the use of my name, Craig Richards, and reference to my name and the technical report entitled “Fortuna Silver Mines Inc: Yaramoko Gold Mine, Burkina Faso Technical Report” dated effective December 31, 2021, evaluating the Yaramoko Mine of the Company (the “**Yaramoko Report**”), and the information contained in the Yaramoko Report described or incorporated by reference in the Company’s Annual Report on Form 40-F for the year ended December 31, 2021 filed with the United States Securities and Exchange Commission; and
2. the use of my name, Craig Richards, and reference to my name, and the technical information relating to the updated Mineral Reserve estimate for the Yaramoko Mine contained under the heading “General Development of the Business – Three-Year History and Recent Developments” in the Annual Information Form of the Company for the year ended December 31, 2021 included in the Company’s Annual Report on Form 40-F for the year ended December 31, 2021 filed with the United States Securities and Exchange Commission.

Dated: March 31, 2022

“Craig Richards”

Craig Richards, P.Eng.

EXHIBIT 99.11

CONSENT OF HANS ANDERSEN

CONSENT OF AUTHOR / EXPERT

I hereby consent to the use of my name, Hans Andersen, and reference to my name and the technical report entitled “Séguéla Project, Feasibility Study, Worodougou Region, Cote d’Ivoire”, dated effective May 26, 2021, which details the results of a feasibility study on the Company’s Séguéla gold Project (the “**Séguéla Report**”), and the information contained in the Séguéla Report described or incorporated by reference in the Company’s Annual Report on Form 40-F for the year ended December 31, 2021 filed with the United States Securities and Exchange Commission.

Dated: March 31, 2022

“Hans Andersen”

Hans Andersen, MAIG (#5746)

EXHIBIT 99.12

CONSENT OF GEOFF BAILEY

CONSENT OF AUTHOR / EXPERT

I hereby consent to the use of my name, Geoff Bailey, and reference to my name and the technical report entitled “Séguéla Project, Feasibility Study, Worodougou Region, Cote d’Ivoire”, dated effective May 26, 2021, which details the results of a feasibility study on the Company’s Séguéla gold Project (the “**Séguéla Report**”), and the information contained in the Séguéla Report described or incorporated by reference in the Company’s Annual Report on Form 40-F for the year ended December 31, 2021 filed with the United States Securities and Exchange Commission.

Dated: March 31, 2022

“Geoff Bailey”

Geoff Bailey

FIEAust, CPEng, NPER-3, RE PQ

EXHIBIT 99.13

CONSENT OF SHANE MCLEAY

CONSENT OF AUTHOR / EXPERT

I hereby consent to:

1. the use of my name, Shane McLeay, and reference to my name and the technical report entitled “Séguéla Project, Feasibility Study, Worodougou Region, Cote d’Ivoire”, dated effective May 26, 2021, which details the results of a feasibility study on the Company’s Séguéla gold Project (the “**Séguéla Report**”), and the information contained in the Séguéla Report described or incorporated by reference in the Company’s Annual Report on Form 40-F for the year ended December 31, 2021 filed with the United States Securities and Exchange Commission; and
2. the use of my name, Shane McLeay, and reference to my name, and the technical information relating to the updated Mineral Reserve estimate for the Séguéla gold Project contained under the heading “General Development of the Business – Three-Year History and Recent Developments” in the Annual Information Form of the Company for the year ended December 31, 2021 included in the Company’s Annual Report on Form 40-F for the year ended December 31, 2021 filed with the United States Securities and Exchange Commission.

Dated: March 31, 2022

“Shane McLeay”

Shane McLeay, FAusIMM (#222752)

EXHIBIT 99.14

CONSENT OF DAVID J.T. MORGAN

CONSENT OF AUTHOR / EXPERT

I hereby consent to the use of my name, David J.T. Morgan, and reference to my name and the technical report entitled "Séguéla Project, Feasibility Study, Worodougou Region, Cote d'Ivoire", dated effective May 26, 2021, which details the results of a feasibility study on the Company's Séguéla gold Project (the "**Séguéla Report**"), and the information contained in the Séguéla Report described or incorporated by reference in the Company's Annual Report on Form 40-F for the year ended December 31, 2021 filed with the United States Securities and Exchange Commission.

Dated: March 31, 2022

"David J.T. Morgan"

David J.T. Morgan, MSC, MIEAust, CPEng (#974219)

EXHIBIT 99.15

CONSENT OF LYCOPODIUM MINERALS CANADA LTD.

CONSENT OF AUTHOR / EXPERT

I, Sohail Samdani, an authorized signatory of Lycopodium Minerals Canada Ltd. (the "Firm") and a Qualified Person as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects, hereby consent to the use of the Firm's name in connection with references to the Firm's involvement in the preparation of the technical report entitled "Séguéla Project, Feasibility Study, Worodougou Region, Cote d'Ivoire", dated effective May 26, 2021, which details the results of a feasibility study on the Company's Séguéla gold Project (the "**Séguéla Report**"), and the information contained in the Séguéla Report described or incorporated by reference in the Company's Annual Report on Form 40-F for the year ended December 31, 2021 filed with the United States Securities and Exchange Commission.

Dated: March 31, 2022

Lycopodium Minerals Canada Ltd.

Per: "*Sohail Samdani*"

Sohail Samdani, PEng

EXHIBIT 99.16

CONSENT OF GEOFF ALLARD

CONSENT OF AUTHOR / EXPERT

I hereby consent to the use of my name, Geoff Allard, and reference to my name and the technical report entitled “Fortuna Silver Mines Inc.: Lindero Property, Salta Province, Argentina” dated effective October 31, 2017, evaluating the Lindero Property of the Company (the “**Lindero Report**”), and the information contained in the Lindero Report described or incorporated by reference in the Company’s Annual Report on Form 40-F for the year ended December 31, 2021 filed with the United States Securities and Exchange Commission.

Dated: March 31, 2022

“Geoff Allard”

Geoff Allard, PE

EXHIBIT 99.17

CONSENT OF EDWIN GUTIERREZ

CONSENT OF AUTHOR / EXPERT

I hereby consent to the use of my name, Edwin Gutierrez, and reference to my name, the technical report entitled “Fortuna Silver Mines Inc.: Lindero Property, Salta Province, Argentina” dated effective October 31, 2017, evaluating the Lindero Property of the Company (the “**Lindero Report**”), and the information contained in the Lindero Report described or incorporated by reference in the Company’s Annual Report on Form 40-F for the year ended December 31, 2021 filed with the United States Securities and Exchange Commission.

Dated: March 31, 2022

“Edwin Gutierrez”

Edwin Gutierrez,

Registered Member of the Society for Mining, Metallurgy and Exploration, Inc.

EXHIBIT 99.18

CONSENT OF DENYS PARRA MURRUGARRA

CONSENT OF AUTHOR / EXPERT

I hereby consent to the use of my name, Denys Parra Murrugarra, and reference to my name and the technical report entitled "Fortuna Silver Mines Inc.: Lindero Property, Salta Province, Argentina" dated effective October 31, 2017, evaluating the Lindero Property of the Company (the "**Lindero Report**"), and the information contained in the Lindero Report described or incorporated by reference in the Company's Annual Report on Form 40-F for the year ended December 31, 2021 filed with the United States Securities and Exchange Commission.

Dated: March 31, 2022

"Denys Parra Murrugarra"

Denys Parra Murrugarra,
Registered Member of the Society for Mining, Metallurgy and Exploration, Inc.

EXHIBIT 99.19

**CERTIFICATION PURSUANT TO RULE 13a-14 OR 15d-14 OF THE SECURITIES
EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Jorge Ganoza Durant, certify that:

1. I have reviewed this annual report on Form 40-F of Fortuna Silver Mines Inc. (the “issuer”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;
4. The issuer’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the issuer’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the issuer’s internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer’s internal control over financial reporting; and
5. The issuer’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer’s auditors and the audit committee of the issuer’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer’s internal control over financial reporting.

Dated: March 31, 2022

“Jorge Ganoza Durant”

Name: Jorge Ganoza Durant
Title: President, Chief Executive Officer & Director
(principal executive officer)

EXHIBIT 99.20

**CERTIFICATION PURSUANT TO RULE 13a-14 OR 15d-14 OF THE SECURITIES
EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Luis Ganoza Durant, certify that:

1. I have reviewed this annual report on Form 40-F of Fortuna Silver Mines Inc. (the “issuer”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;
4. The issuer’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the issuer’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the issuer’s internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer’s internal control over financial reporting; and
5. The issuer’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer’s auditors and the audit committee of the issuer’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer’s internal control over financial reporting.

Dated: March 31, 2022

“Luis Ganoza Durant”
Name: Luis Ganoza Durant
Title: Chief Financial Officer
(principal financial officer)

EXHIBIT 99.21

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the annual report of Fortuna Silver Mines Inc. (the "**Company**") on Form 40-F for the fiscal year ended December 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "**Report**"), I, Jorge Ganoza Durant, President, Chief Executive Officer & Director of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 31, 2022

"Jorge Ganoza Durant"

Name: Jorge Ganoza Durant

Title: President, Chief Executive Officer & Director
(principal executive officer)

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

EXHIBIT 99.22

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the annual report of Fortuna Silver Mines Inc. (the "**Company**") on Form 40-F for the fiscal year ended December 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "**Report**"), I, Luis Ganoza Durant, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 31, 2022

"Luis Ganoza Durant"

Name: Luis Ganoza Durant
Title: Chief Financial Officer
(principal financial officer)

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.