



**FORTUNA**

**SILVER MINES INC.**

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**TSX-V: FVI**

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## **FORTUNA CLOSES \$7.2 MILLION PRIVATE PLACEMENT**

September 27, 2005: Fortuna Silver Mines Inc. (TSX-V:FVI) is pleased to announce that it has closed the brokered private placement previously announced on August 3, 2005. Pacific International Securities Inc. acted as agent for this offering. The Agent exercised its over-allotment option in full, and accordingly, the Company sold 9.6 million Units at a price of \$0.75 per Unit to raise gross proceeds of \$7.2 million. Each Unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company for two years, exercisable at \$1.00 in the first year and \$1.25 in the second year.

The Company paid the Agent a cash fee equal to 7.0% of the subscription proceeds realized from the sale of the Units by the Agent. The Company also issued a total of 1,152,000 agent's options, which is equal to 12% of the number of Units sold. Each agent's option entitles the holder to purchase one common share of the Company at a price of \$0.80 for two years.

All of the above securities have a four-month hold period from the date of issuance, expiring on January 27, 2006.

A separate non-brokered private placement for an additional 4.0 million Units (gross proceeds of \$3.0 million) is anticipated to close within the next week.

Fortuna is a growth oriented, near term silver producer focused on Latin America. Our primary asset is the Caylloma Silver Mine in southern Peru, and we are aggressively pursuing additional acquisitions. For more information, please visit our website at [www.fortunasilver.com](http://www.fortunasilver.com)

*The TSX Venture Exchange has not reviewed and does not take responsibility for the accuracy of this release.*

*This news release does not constitute an offer to sell or a solicitation of an offer to sell any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.*

**ON BEHALF OF THE BOARD**

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Symbol: TSX-V:FVI