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TSX-V: FVI

Fortuna and Continuum complete acquisition of San Jose Ag-Au Project, Mexico

November 24, 2006: Fortuna Silver Mines Inc. (FVI:TSX-V “Fortuna”). Mr. Jorge Ganoza, President of Fortuna, is pleased to announce that the purchase by Fortuna and Continuum Resources Ltd. (“Continuum”) of a 100% interest in the high grade San Jose silver-gold project in Mexico has closed. A joint venture for the development of the project has now been formed, with the Company having a 76% interest and Continuum a 24% interest.

The terms of the agreement (which were set out in Fortuna’s October 5, 2006 news release) have been revised with respect to the cash portion of the purchase price. The owner of the property has included additional ground to the San Jose Project and accordingly, the cash payment has increased from US\$8.0 million to US\$9.0 million. Fortuna must also pay the 15% Mexico goods and services tax on the purchase price, which equals US\$1.35 million. This tax will be refunded to Fortuna by the Mexican government in due course.

The Company also paid to the property owner 168,417 shares of Fortuna and 1,293,750 shares of Continuum which were owned by Fortuna. The Fortuna shares have a hold period expiring on March 11, 2007.

In order to provide part of the cash payment due to the property owner, the Company has borrowed CAD\$4.6 million pursuant to a credit facility granted by Quest Capital Corp. of Vancouver, BC. The loan is secured by the Peru assets of the Company. In consideration for the loan, the Company issued 153,333 shares in its capital stock of Quest Capital Corp. These shares have a hold period until March 22, 2007.

The San Jose Project

San Jose is a high-grade silver-gold project in Oaxaca, Mexico. Fortuna’s recent drilling at the project returned a series of Bonanza style high grade intercepts outlining a mineralized shoot that remains open at depth (see Fortuna news release dated September 5th, 2006).

The deposit currently has an inferred resource of 527,283 tons grading 396 grams per tonne (g/t) silver (Ag) and 3.5 g/t gold (Au) (based on 4,845 m of drilling in 15 holes conducted by Continuum) as outlined in the April, 2006 technical report available on SEDAR. Fortuna is currently working on a revision of the resource which will include the results of the most recent drilling and which is expected to be compiled before the end of 2006.

Fortuna completed a total of 11,904m of core drilling in 37 holes using 2 rigs, between January and June of 2006. The program was designed to test the San Jose vein system over 2km strike distance, on 100m sections, to depths of 300 to 400 meters below surface.

The qualified person is Peter Thiersch, MSc, PGeo, as defined by National Instrument 43-101, responsible for the design and management of the San Jose drill program.

Corporate Activity

The Company also announces that Mr. Peter Thiersch has resigned as a director of the Company. Management and Board members appreciate the valuable contributions made by Peter over the past couple of years.

Mr. Buck Morrow has been appointed to the Board of Directors of Fortuna effective immediately. Mr. Morrow is the President of Northland Resources Inc. (TSX-V:NAU) and is a graduate Mining Engineer from the Mackay School of Mines at the University of Nevada, Reno. He has over 30 years' experience in mineral exploration, mine development, and mine operations, in North America, South America, Asia, and Europe. From 1980 to 2001, he was the President of Western States Minerals Corporation which, under his direction, discovered and brought into production some of Nevada's most significant gold deposits including Barrick's Goldstrike mine. Prior to joining Northland, Mr. Morrow worked as a consultant in gold exploration, mine development, and mine financing.

The Company has granted to Mr. Morrow an incentive stock option to purchase up to 50,000 shares exercisable for 10 years at a price of \$1.96 per share.

Background

Fortuna is a growth oriented, near term silver producer focused on mining opportunities in Latin America. Our primary assets are the Caylloma Silver Mine in southern Peru and the San Jose Silver-Gold Project in Mexico. The Company is aggressively pursuing additional acquisition opportunities. For more information, please visit our website at www.fortunasilver.com.

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

ON BEHALF OF THE BOARD

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