



FORTUNA
SILVER MINES INC.

Suite 840-355 Burrard Street
Vancouver, BC Canada V6C 2G8
T 604 484 4085 F 604 484 4029
info@fortunasilver.com
www.fortunasilver.com

TSX-V: FVI

NOT FOR DISSEMINATION IN THE UNITED STATES OR FOR RELEASE TO U.S. NEWSWIRE SERVICES

FORTUNA ANNOUNCES A \$9.0 MILLION PRIVATE PLACEMENT

March 1, 2006: Fortuna Silver Mines Inc. (TSX.V:FVI), Mr. Jorge Ganoza, President of Fortuna is pleased to announce that the Company has entered into an agreement with a syndicate of agents co-led by Pacific International Securities Inc. and Salman Partners Inc., and including Sprott Securities Inc. (the “Agents”), to raise up to \$9,000,000 by way of a best efforts private placement. The agreement provides for the placement of up to 6,000,000 units (“Units”) priced at \$1.50 per Unit, with each Unit consisting of one common share and one half of one common share purchase warrant. Each whole warrant is exercisable into one common share for two years from the closing date at a price of \$1.85. The Company has also granted the Agents an over-allotment option exercisable at any time prior to closing for the placement of up to an additional 1,500,000 Units. Fortuna will pay the Agents a commission of 7.0% of the gross proceeds of the offering, payable in a combination of cash or Units, at the election of the Agents. In addition, the Agents will receive compensation options equal to 7.5% of the Units sold, with each option exercisable into one common share at a price of \$1.85 for 18 months from closing. Pacific International will receive a corporate finance fee of \$10,000. Closing of the private placement is anticipated to be on March 30, 2006.

The net proceeds of the placement will be used to make capital expenditures related to re-opening the Caylloma Mine in Peru, for exploration of the Company’s properties in Peru and Mexico, and for general working capital purposes.

Fortuna is a growth oriented, near term silver producer focused on Latin America. Our primary assets are the Caylloma Silver Mine in southern Peru, and the San Jose Gold-Silver Prospect in Mexico, and we are aggressively pursuing additional acquisitions. 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

“Jorge Ganoza Durant”

Jorge Ganoza Durant, President
Fortuna Silver Mines Inc.
Tel: 604-484-4085
Symbol: TSX-V:FVI

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.