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TSX-V: FVI

Fortuna on track for silver production in third quarter 2006

March 31, 2006: Fortuna Silver Mines Inc. (TSX.V:FVI). Mr. Jorge Ganoza Durant, the President of Fortuna, is pleased to report the Company is on track to produce the first silver at its 100% owned Caylloma mine in Peru, with milling of ore expected to start by the third quarter of 2006.

The Company continues to make steady progress with mine commissioning and commercial silver production is expected to begin during the third quarter of this year. Mechanical crews initiated work on upgrading the 700 tonne per day processing plant in the first week of March, and the new primary jaw crusher has arrived on site. Also during March, the Company received its Certificate for Mining Operations from the Peruvian government, and awarded the mine production and development contract to Canchanya Ingenieros S.R.L., (“Canchanya”) a Peruvian mine contracting firm. Canchanya are currently operating in several underground mines, and are the sole contractor for the Ares mine, one of the largest underground gold-silver operations in the country.

Production for the first year of operations is projected to be 1.9-million ounces of silver

Mr. Jorge Ganoza Durant, President of the Company commented “We are moving on track to achieve the corporate goals we set forth for the Company last year. We are now established in Peru and Mexico with solid projects, and my management team anticipates that we will become a silver producer this year. We are very pleased with how Caylloma is advancing towards production; our team in Peru is doing an excellent job.”

Further information on the Caylloma project can be found in the NI43-101 report titled “Technical Report, Caylloma Project, Arequipa, Peru”, prepared by Chlumsky, Armbrust and Meyer, LLC, dated April 22, 2005 and filed on www.sedar.com.

Corporate Activity

The Company also announces that it has granted incentive stock options to its directors and officers to purchase up to an aggregate of 500,000 shares exercisable for ten years at a price of \$2.29 per share.

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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