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SILVER MINES INC.

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TSX-V: FVI

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FORTUNA CLOSES \$19 MILLION PRIVATE PLACEMENT

March 24, 2006: Fortuna Silver Mines Inc. (TSX-V:FVI): Mr. Jorge Ganoza, President of Fortuna is pleased to announce that it has closed the brokered private placement previously announced on March 2, 2006. The offering was co-led by Pacific International Securities Inc. and Salman Partners Inc. and included Sprott Securities Inc. (the “Agents”). The Agents exercised the over-allotment option in full, and accordingly, the Company issued 12.7 million units (the “Units”) at a price of \$1.50 per Unit to raise gross proceeds of \$19.05 million. Each Unit consists of one common share and one-half of a common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company for two years at a price of \$1.85.

As consideration for acting as agent, the Company paid the Agents a commission equal to 7.0% of the subscription proceeds realized from the sale of the Units. The commission was comprised of \$192,794 and 760,261 Units. In addition, the Company issued a total of 952,275 agent options, which is equal to 7.5% of the number of Units sold. Each agent option entitles the holder to purchase one common share of the Company at a price of \$1.85 for a period of eighteen months following closing.

All securities issued pursuant to this financing have a four-month hold period expiring on July 24, 2006.

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

The Company is also pleased to announce that Mr. Simon Ridgway, a director of the Company, has been appointed as Chairman of the Board.

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 Silver-Gold Project in Mexico, and we are aggressively pursuing additional acquisitions. For more information, please visit our website at www.fortunasilver.com.

ON BEHALF OF THE BOARD

Jorge Ganoza Durant, President

Fortuna Silver Mines Inc.

Tel: 604-484-4085

Symbol: TSX-V:FVI

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

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