



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

Fortuna starts 20,000m drill program at Caylloma

August 30, 2005: Fortuna Silver Mines Inc. (TSX-V:FVI) is pleased to announce that an extensive definition drilling program has commenced at the Company's 100% owned Caylloma Silver Mine in southern Peru.

The drill program will focus initially on the silver-lead-zinc Animas vein, which is known to be 3800m long and up to 20m wide. At least 70 holes will be drilled from existing underground workings to test the extent of a wider mineralized envelope, indicated by previous work, which surrounds a higher grade core.

Previous resource modeling focused solely on a 1.2m wide high grade silver band, within a wider silver-lead-zinc envelope which was not considered in the existing NI 43-101 compliant resource estimate (7 million ounces silver in reserves plus 14 million ounces silver in resources). Historical data indicates that this wider mineralized envelope could be 3-7m wide, with values in the range of 2-7 opt silver, 3-8% lead and 7-12% zinc.

Fortuna President Peter Thiersch says that "the plan is to drill holes of no more than 20-25m, from the center of the vein outward, to test the extent of mineralization across the entire vein width. We are very excited about the potential of the Animas vein, and this style of short hole underground drilling will be a highly effective and relatively low cost method of building ounces on the project."

The infill drilling program is designed to increase economic tonnage on the Animas vein and determine optimum production rates. Exploration drilling from surface is also planned to test other high priority targets on the property. A budget of up to US\$2 million has been approved for 2005-2006.

Fortuna management is convinced that significant additional silver-lead-zinc resources exist across much greater widths on the Animas vein than previously considered, and that this could allow for mechanization of underground operations which would lead to both increased production rates and reduced costs.

Corporate Update

Fortuna is also pleased to announce the appointment of Jorge R. Ganoza Aicardi, B.Sc. Eng. as Vice-President, Operations of the Company. Mr. Ganoza Aicardi is a mining engineer with 30 years' experience in exploration and mine development in Latin America, including managing the start-up of three mid size underground mines in Peru and Panama.

Qualified Person

Mr. Peter Thiersch, M.Sc. P.Geo., President of Fortuna, is the Qualified Person for the Company, as defined by National Instrument 43-101, and is responsible for the accuracy of this press release. The historical data mentioned above has not been verified by a qualified person and is therefore not NI 43-101 compliant.

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

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

ON BEHALF OF THE BOARD

Peter Thiersch, President
Fortuna Silver Mines Inc.
Tel: 604-484-4085
Symbol: TSX-V:FVI