



Fortuna to raise up to \$9.0-million

Vancouver, Canada, August 3rd, 2005: Fortuna Silver Mines Inc. (FVI) is pleased to announce arrangement of brokered and non brokered private placements to raise a total of up to \$9.0 million, by the issuance of up to 12 million units at a price of \$0.75 per unit. Each unit will consist of one common share and one transferable warrant exercisable into one common share of the Company for two year at a price of \$1.00 in the first year and \$1.25 in the second year. The offering is subject to all necessary regulatory approvals.

The brokered placement will be for 8.0 million units and the non-brokered portion will be for 4.0 million units. The brokered placement will be on a “best efforts” basis through Pacific International Securities Inc. (the “Agent”). The Agent has also been granted an over-allotment option (“greenshoe”) for an additional 1.6 million units which, if exercised prior to closing, will provide the Company with additional gross proceeds of \$1.2 million.

The Agent will receive a commission of 7% of the proceeds of the brokered portion of the offering. The same commission will be paid to the Agent in connection with any units issued or sold through the exercise of the greenshoe option. The Agent may elect to receive the commission in cash or in units at a deemed price equal to the unit offering price.

Fortuna will also issue broker’s warrants to the Agent equal to 12% of the total number of units sold in the brokered portion of the placement, including those sold via the greenshoe option. The broker’s warrants will be exercisable for two years at a price of \$0.80 per share.

The net proceeds of the placement will be used to make payments related to the acquisition of the Caylloma Mine in Peru, for exploration and development of the property, and for general working capital purposes.

Fortuna Silver Mines Inc. is an emerging silver producer focused on Latin America. The Company’s main asset is the Caylloma Silver Mine in southern Peru. 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.

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. This release is not intended for dissemination in the U.S. or to U.S. news wire services.

ON BEHALF OF THE BOARD

Peter Thiersch, President

Fortuna Silver Mines Inc.

Tel: 604-484-4085

Symbol: TSX-V:FVI