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TSX-V: FVI

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FORTUNA INCREASES PRIVATE PLACEMENT TO \$34.2 MILLION

December 12, 2006: Fortuna Silver Mines Inc. (TSX.V:FVI) - Mr. Jorge Ganoza, President of Fortuna Silver Mines Inc., is pleased to announce that the Company has agreed to increase the size of its previously announced brokered private placement. Fortuna will now issue up to 18,000,000 units ("Units") priced at \$1.90 per Unit, for gross proceeds of up to \$34,200,000, inclusive of any over-allotment option. The other terms of the private placement are the same as announced on December 11, 2006. The offering is being co-led by Pacific International Securities Inc. and Sprott Securities Inc. and includes Salman Partners Inc. as co-agent.

Fortuna is a growth-oriented silver producer focused on mining opportunities in Latin America. Our primary assets are the Caylloma Silver Mine in southern Peru and the San Jose Silver-Gold Project in Mexico. Fortuna is 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
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