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TSX-V: FVI

Fortuna starts commercial production at Caylloma Silver Mine, Peru

October 11, 2006: Fortuna Silver Mines Inc. (TSX-V:FVI), Mr. Jorge Ganoza, President of the Company, is pleased to announce that commercial production has begun at the Company's 100% owned Caylloma Ag-Zn-Pb mine in Peru.

Ore is currently being processed at a rate of 500 tonnes per day (tpd). The first revenue from sales of Ag-Pb and Zn concentrates is expected for late October of this year. An increase in mill throughput to 700 tpd is expected in May 2007.

Mr. Ganoza commented: "With commercial production achieved at the Caylloma mine, Fortuna has reached a new milestone in its development into a leading mid-tier mining company. I would like to thank the whole Fortuna team for their hard work in bringing the Caylloma mine –our first producing asset- back into commercial production."

Background

Fortuna is a growth oriented, silver producing company 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. The Company is aggressively pursuing additional acquisition opportunities. 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

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