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TSX-V: FVI

## Fortuna Provides Drilling Update

**January 18, 2006: Fortuna Silver Mines Inc. (TSX.V: FVI)** is pleased to report that initial underground drilling on the La Plata vein has intersected new high grade silver and gold mineralization, with a best interval of 1.35m @ 1387 gpt Ag, 16.5 gpt Au.

La Plata is just one of numerous high grade “traditional” veins which comprise the extensive silver-lead-zinc and gold mineralized system at the Company’s 100% owned Caylloma Silver Mine. The vein is located only 0.5 km south of the larger polymetallic Animas vein and within 1.5 km of the processing plant.

Reserves on La Plata and Cymoide (a parallel splay of La Plata) currently stand at 52,987 tonnes of 437 gpt Ag and 2.33 gpt Au, with additional Inferred Resources of 40,243 tonnes @ 709 gpt Ag and 2.99 gpt Au (See Technical Report filed by the Company on SEDAR June 24, 2005).

The Company is working to reopen the mine in 2006 and ongoing underground and surface drilling is designed to help upgrade existing resources, determine optimum production rates, and find new mineralization. A total of 6 holes have been drilled on La Plata and results received to date are tabulated below.

### Table of Initial Results

True width is approximately 86% of interval.

| DDH        | From            | To    | Interval m | Ag gpt | Au gpt |
|------------|-----------------|-------|------------|--------|--------|
| LPL-7M-127 | 13.60           | 14.95 | 1.35       | 1387   | 16.5   |
| LPL-8M-129 | 40.40           | 41.75 | 1.35       | 214    | 4.7    |
| LPL-8M-130 | 7.33            | 7.50  | 0.17       | 1012   | 26.8   |
| LPL-8M-130 | 20.75           | 21.55 | 0.80       | 120    | 0.47   |
| LPL-8M-131 | 17.65           | 17.98 | 0.33       | 449    | 0.84   |
| LPL-8M-132 | Results Pending |       |            |        |        |
| LPL-8M-133 | Results Pending |       |            |        |        |

Drill hole LPL-8M-129 intersected the La Plata vein 50 meters below Level 7, the lowest level of underground workings on the vein. Hole LPL-7M-127 intersected a previously unrecognized splay of the vein on Level 7. Mineralization encountered in both drill holes is outside the bounds of existing resources and reserves, and demonstrates that there is good potential to find additional mineralization with ongoing drilling.

Mr. Jorge Ganoza Durant, Vice President of Business Development, commented that “La Plata is only one of several veins that will provide high grade silver and gold values to the processing plant, while the polymetallic Animas vein will provide the bulk of production tonnage.”

All Fortuna samples are crushed, pulverized and analyzed at CIMM Analytical Labs preparation facility in Lima, Peru. Fortuna has a quality control and quality assurance procedure in place which includes the insertion of blanks, duplicates and standards on a regular basis.

### **San Jose Silver-Gold Project, Mexico**

Fortuna is also pleased to announce that a core drilling rig has been mobilized to the San Jose project in Oaxaca. The Company is working to earn a 70% interest in the high grade silver-gold project from Continuum Resources Ltd. and is obligated to spend at least \$1 million on drilling by August 2006.

The San Jose vein has returned very encouraging results from initial sampling, with underground channel sample values up to 10 g/t gold and 1,100 g/t silver over 2.3m average widths, from existing workings on the Trinidad zone (see Fortuna press release of November 16, 2005 and Continuum Resources Ltd. press release of May 10, 2005).

Fortuna has budgeted for a 10,000m drill program which will involve infill drilling on the Trinidad zone to allow preparation of a resource estimate, as well as wider spaced step outs along the 3km long vein system to identify additional mineralization.

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.

For more information, please visit our website at [www.fortunasilver.com](http://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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