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TSX - V : FVI

Fortuna discovers second mineralized shoot at San Jose Project, Mexico: drills 868 g/t Ag, 8.5 g/t Au over 1.8 meters.

December 7, 2006: Fortuna Silver Mines Inc. (FVI:TSX-V). Mr. Jorge Ganoza, President of Fortuna, is pleased to report that drilling at the 76 per cent owned San Jose project in Mexico has discovered a second high-grade mineralized shoot, known as the San Ignacio zone. San Ignacio is a zone of high-grade silver-gold mineralization located five hundred meters south and along strike from the Trinidad zone. Highlights from the recent drilling at San Ignacio include:

Drill Hole	San Jose Project – San Ignacio Zone Highlights					
	From	To	Interval	Au g/t	Ag g/t	Ag eq. oz/t*
SJO-023	77.95	90.70	12.75	2.33	182	10.0
SJO-024	57.10	58.10	1.00	7.66	1265	54.2
SJO-026	58.55	59.80	1.25	2.52	225	11.7
	131.46	134.46	3.00	3.42	244	13.9
SJO-027	82.50	84.30	1.80	8.46	868	42.9
	157.60	158.80	1.20	3.38	395	18.7
SJO-029	178.70	180.20	1.50	1.91	319	13.6
SJO-036	50.15	51.17	1.02	6.3	112	14.8

* Silver equivalents are based on a silver to gold ratio of 55:1, using metal prices of US\$ 550/oz. gold and US\$ 10/oz. silver. Metallurgical recoveries and net smelter returns are assumed to be 100%.

To date, the San Ignacio zone has been drill tested over a strike length of roughly 600m and to a maximum depth of 150m vertically below surface. The San Ignacio mineralization is open to depth and along strike to the north and south. A full table of results from this year's drilling and a drill collar plan will be available on the Company's website at www.fortunasilver.com.

The Trinidad zone hosts an inferred mineral resource of 527,283 tonnes at 396 g/t Ag + 3.5 g/t Au, based on previous drilling conducted in 2005. This resource estimate is compliant with NI 43-101 guidelines and the technical report is available on the Company's website at www.fortunasilver.com. Fortuna is working to produce a new resource estimate for Trinidad for release in early January 2007 that will incorporate the results of all the drilling conducted during 2006. The San Ignacio drill results are not incorporated in the existing Trinidad resource.

The San Jose deposit was mined for high-grade silver-gold ore by the former owner at a rate of 100 tonnes per day up until mid-November 2006. Mining was suspended when Fortuna and Continuum Resources acquired the project. All underground workings and production stopes are accessible. Fortuna plans to start development of the project in the first quarter of 2007 to access the high-grade resources identified in the underground workings and by the recent drilling in the Trinidad zone. The Company anticipates that in the short term, production will come from mining of vein extensions and from recovery

of high-grade pillars from existing mine levels 2 through 6. The Company is also evaluating the possibility of using nearby processing facilities to treat the mineral production from San Jose.

Mr. Jorge Ganoza, President of the Company, commented: “San Jose has become a key project for Fortuna. With its persistent high grades, broad mineralized widths, excellent ground conditions and favorable metallurgy, it has the potential to rapidly increase Fortuna’s production profile during 2007. We intend to fast-track San Jose to production.”

The 2006 drill program, conducted from February through June 2006, included 11,904m of drilling in 37 diamond core holes in the San Ignacio and Trinidad zones of the San Jose Project. Results for the initial 24 drill holes on the Trinidad zone were released on September 5, 2006. This news release is available on the Company’s web site at www.fortunasilver.com.

Highlights of the 2005 and 2006 drilling on the Trinidad zone include (these results were previously published in Fortuna News Release dated September 5, 2006):

Drill Hole	San Jose Project - Trinidad Zone Highlights					
	From (m)	To (m)	Interval (m)	Au g/t	Ag g/t**	Ag eq. oz/t*
SJO-001	199.97	201.18	1.21	6.22	1775	68.1
	217.55	220.25	2.70	3.49	763	30.8
	251.00	255.34	4.34	2.29	332	14.7
SJO-002	214.60	217.40	2.80	1.41	348	13.8
	222.86	240.00	17.14	2.94	365	16.9
SJO-003	279.55	287.00	7.45	6.57	637	32.1
	294.90	308.95	14.05	7.36	703	35.6
	345.35	349.40	4.05	2.76	313	14.9
SJO-009	367.40	373.20	5.80	2.65	306	14.5
SJO-010	321.00	325.90	4.90	2.80	582	23.7
SJO-011	210.00	213.05	3.05	2.16	410	17.0
	214.55	217.35	2.80	1.76	349	14.7
SJO-014	262.00	265.45	3.45	2.38	589	23.3
SJO-015	236.25	247.00	10.75	2.02	217	10.5
SJO-018	240.92	257.62	16.70	6.17	525	27.8
SJO-020	368.90	373.93	5.03	8.70	1464	62.4
SJO-021	246.50	255.00	8.50	2.96	522	22.0
SJO-022	387.63	390.00	2.37	2.55	568	22.8
	414.17	415.97	1.80	3.61	394	19.1
SJO-039	42.75	47.65	4.90	5.90	843	37.5
SJO-046	371.00	373.30	2.30	5.64	869	37.9
	401.66	404.59	2.93	1.20	272	10.9
	414.60	424.82	10.22	5.33	347	20.6

	480.31	488.02	7.71	3.72	373	18.6
SJO-051	328.50	352.41	23.91	2.00	245	11.4
	424.20	440.16	15.96	14.65	1483	73.6

**Silver equivalents are based on a silver to gold ratio of 55:1, using metal prices of US\$ 550/oz. gold and US\$ 10/oz. silver. Metallurgical recoveries and net smelter returns are assumed to be 100%.*

***Mineralized intervals were calculated based on a minimum 3 opt silver equivalent cut-off.*

All 2006 drill samples were analyzed for silver and gold using fire assay methods with a gravimetric finish and for 31 elements using ICP techniques by ALS Chemex of North Vancouver BC. Core samples were logged and halved on site at San Jose, air freighted to Chemex's sample preparation facility in Guadalajara, Mexico for preparation, and then forwarded to Chemex's North Vancouver laboratory for assaying. A comprehensive QA-QC program was conducted using blanks and standards to ensure accuracy in the sampling and assaying program.

Qualified Person: Mr. Peter Thiersch, M.Sc. P.Geo., exploration consultant, is the Qualified Person for Fortuna, as defined by National Instrument 43-101, and was responsible for the design and management of the San Jose drill program.

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

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