

Fortuna Silver Mines Inc.

Fortuna retains communications consultant and grants options.

Vancouver, Canada, July 25, 2005: Fortuna Silver Mines Inc. (FVI) is pleased to announce that it has entered into an investor relations contract with Institutional Market Communications Inc. (“IMC”) of North Vancouver, BC. IMC’s services will include design and distribution of information packages to the public, keeping shareholders and the brokerage community up to date regarding the Company’s progress, and developing contacts in the industry who may assist with the business objectives of the Company.

In consideration thereof, Fortuna will pay IMC a monthly fee of \$7,500 for a term of 12 months, and has granted IMC an option to purchase 100,000 shares in the Company exercisable for one year at a price of \$0.80 per share. A second option to purchase 75,000 shares will be granted in six months.

In addition, Fortuna has granted incentive stock options to directors and officers of the Company to purchase up to an aggregate of 80,000 shares exercisable for five years at a price of \$0.80 per share.

Fortuna Silver Mines Inc. is an emerging silver producer focused on Latin America. The company’s core assets are the Caylloma Silver Mine in southern Peru, and the Tambor Gold Project in central Guatemala. Fortuna intends to be a 2 M oz/yr silver producer in 2006 and 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 accuracy of this release.

ON BEHALF OF THE BOARD

Peter Thiersch, President

Fortuna Silver Mines Inc.

Tel: 604-484-4085

Symbol: TSX-V:FVI