



Fortuna drills 7.95 meters with 9.37 g/t Au and 487 g/t Ag at San Jose, Mexico

January 16, 2008: Fortuna Silver Mines Inc. (FVI: TSX-V) is pleased to announce additional drill results from the 2007 drill program at the San Jose silver-gold deposit located in Oaxaca, Mexico. The San Jose Project is being explored and developed under a joint venture between Fortuna (76%) and Continuum Resources Ltd (24%).

Assay results have been received and accepted for 5 drill holes located in the Trinidad Zone and for 6 drill holes located in the San Ignacio Zone (southern extension of the San Jose vein system). Highlights of the current results in the Trinidad and San Ignacio Zones include:

- Drill hole SJO-084 cut multiple mineralized zones within the San Jose vein system including:
 - 3.07 g/t Au and 446 g/t Ag (603 g/t Ag eq.) over 5.23m from 490.92m in the Paloma Vein, and
 - 9.37 g/t Au and 487 g/t Ag (965 g/t Ag eq.) over 7.95m from 503.35m in the Bonanza Vein

(The mineralized intercepts extend from 460m to 525m below the current surface and are open-to-depth.)

- Drill hole SJO-090 cut the vein system in the northern portion of the San Ignacio zone returning 2.13 g/t Au and 276 g/t Ag (385 g/t Ag eq) over 1.0m from 167.37m

Assay results from the 5 drill holes in the Trinidad Zone are summarized below. Length-weighted assay averages have been calculated for the mineralized intervals using a lower cut-off of 100 g/t Ag-equivalent. True widths of the mineralized veins are estimated at approximately 75 to 90% of the drill intervals. An updated longitudinal section showing the location of the drill holes will be posted shortly on Fortuna's website at www.fortunasilver.com.

Hole No.	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)	Ag eq (g/t)
SJO-082	567.61	570.60	2.99	0.70	134	170
SJO-083	224.40	225.40	1.00	0.52	112	139
SJO-084	490.92	496.15	5.23	3.07	446	603
SJO-084	503.35	511.30	7.95	9.37	487	965
Including	506.52	506.82	0.30	164.0	5660	14024
SJO-084	517.64	518.77	1.13	1.13	258	316
SJO-084	578.90	583.60	4.70	0.40	110	130
SJO-085	388.90	390.35	1.45	1.49	199	275
SJO-092			No significant mineralized intervals			

*Silver equivalency estimates were derived using a silver-to-gold ratio of 51:1. Metallurgical recoveries and net smelter returns are assumed to be 100% for purposes of estimating silver equivalency.

Twenty-three drill holes totaling 8910.2m were completed in the 2007 drill program to test an 800 meter long interval of the San Ignacio Zone, the southern extension of the San Jose vein system. To-date, assay results have been received and accepted for 6 drill holes and are summarized below. Length-weighted assay averages have been calculated for the mineralized intervals using a lower cut-off of 100 g/t Ag-equivalent.

Hole No.	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)	Ag eq (g/t)
SJO-090	167.37	168.37	1.00	2.13	276	385
SJO-095			No significant mineralized intervals			
SJO-099	140.40	142.00	1.60	1.15	49	108
SJO-100			No significant mineralized intervals			
SJO-103	68.65	70.45	1.80	1.26	194	258
SJO-103	76.83	78.23	1.40	0.72	113	150
SJO-104			No significant mineralized intervals			

Assay Delays

Final assay results remain pending for 9 drill holes in the Trinidad Zone and 17 drill holes in the San Ignacio Zone. Due to increased industry activity, assay turn-around times at ALS Chemex have increased dramatically since September of 2007 and currently are greater than two months. In addition, a significant number of samples have been sent for re-assay due to failure to pass Fortuna's internal QA/QC criteria, resulting in further delays in obtaining final assay results.

Background

The San Jose deposit is a low sulfidation epithermal system located within the Taviche Mining District in southern Oaxaca and is characterized by mineralized multiphase quartz-carbonate-sulfide veins, hydrothermal breccias and stockwork veining within a sequence of Tertiary andesitic volcanic and volcanoclastic rocks. Using a cut-off grade of 150 g/t Ag equivalent, 43-101 compliant indicated and inferred mineral resources for the Trinidad zone at San Jose are currently estimated at (see Fortuna News Release dated March 12, 2007):

Indicated Mineral Resources: 1.47 million tonnes grading 262.6 g/t Ag + 2.19 g/t Au containing 17.7 million Ag equivalent oz

Inferred Mineral Resources: 3.9 million tonnes grading 260.6 g/t Ag + 2.57 g/t Au containing 49.1 million Ag equivalent oz.

The Fortuna-Continuum joint venture controls mining concessions covering approximately 47,500 hectares in the Taviche Mining District. Detailed geologic interpretation and modeling of the Trinidad deposit are being carried out and will lead to an updated resource estimate currently projected for completion in the 2nd quarter of 2008. The joint venture is advancing with various engineering studies including preliminary design work, metallurgical testing and initiation of an Environmental Impact Study. Underground development of the main access ramp to the Trinidad Zone began in the 4th quarter of 2007.

Quality Assurance & Quality Control

Following detailed geological and geotechnical logging, drill core samples are split on-site by diamond saw. One half of the core is submitted to the ALS Chemex sample preparation facility in Guadalajara, Mexico. The remaining half core is retained on-site for verification and reference purposes. Following preparation, sample pulps are sent to ALS Chemex in Vancouver where they are assayed for gold and

silver by standard fire assay methods using a gravimetric finish. Multi-element analyses are also completed for each sample by ICP methods. The QA-QC program at San Jose includes the blind insertion of certified reference standards for silver and gold at a frequency of approximately 1 per 15 normal samples and the insertion of assay blanks at a frequency of approximately 1 per 15 normal samples. All sample results reported in this news release correspond to HQ- or NQ-diameter core.

Qualified Person

Mr. Gregory Smith, P.Geo., is the Company's Qualified Person as defined by National Instrument 43-101 and is responsible for the accuracy of this news release.

Background

Fortuna is a growth oriented, silver and base metal 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. 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

Jorge Ganoza, President
Fortuna Silver Mines Inc.
Tel: 604-484-4085
Symbol: TSX-V:FVI