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TSX-V: FVI

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

**February 5, 2008: Fortuna Silver Mines Inc. (FVI: TSX-V)** is pleased to provide a progress update on the engineering and development work underway at the San Jose silver-gold deposit located in Oaxaca, Mexico. Development of the project, which is being explored and developed under a joint venture between Fortuna (76%) and Continuum Resources Ltd (24%), is moving forward at a rapid pace.

Jorge Ganoza, the President of Fortuna, commented: “We have an aggressive engineering and development program for 2008. We plan to have the project fully permitted by the end of the year with underground access in place and all of the necessary resources, such as water and power, in place or identified. Together with our joint venture partner, Continuum Resources, we are moving forward to develop San Jose into a producing silver-gold mine.”

### *Engineering Study*

AMEC has been retained to conduct a Scoping Study that will lead to a Prefeasibility Study to be concluded by year end, including an updated resource estimate, mine design work, and site selection for plant facilities, mine infrastructure and waste and tailings disposal areas. AMEC is an international project management and engineering services company with extensive global experience in the design of mining projects.

The mine at San Jose was in production at a scale of 150 tpd up until December 2006, providing a high level of confidence regarding the technical viability of the project.

### *Environmental Impact Statement (MIA)*

Clifton Associates, Ltd. has started work on the MIA and other permitting activities. The Joint Venture anticipates presenting the MIA to the Mexican environmental authorities by mid-2008 and plans to have the project fully permitted by the end of the year. Clifton Associates has extensive mining industry experience and has successfully permitted projects in Mexico for Goldcorp, Pan American Silver, Teck Cominco and Capstone Mining among others.

### *Water Source*

Water Management Consultants has been retained to conduct hydrogeologic studies to identify water sources required for the development of project.

### *Metallurgical Studies*

The Joint Venture is in the process of retaining a senior metallurgical consultant to oversee the metallurgical test work and to produce a final plant flow sheet.

### *Underground Development*

JOMARGO, a leading tunneling contractor for the mining industry in Mexico, has been retained for the development and construction of the main access ramp to the Trinidad deposit. This ramp will facilitate underground drilling, sampling, and testing of bulk mining methods being considered in the design. Two-thousand meters of ramp have been budgeted for 2008. The entrance portal of the ramp has been cemented and the ramp is advancing steadily.

### *San Jose Overview*

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 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.**

A new resource estimation incorporating 26,600 meters of drilling conducted during the 2007 exploration program is planned to be completed during the second quarter. The Fortuna-Continuum Joint Venture controls mining concessions covering approximately 47,440 hectares in the Taviche Mining District.

Surface geochemical and reconnaissance programs are being conducted throughout the district to identify and evaluate new target areas and the Joint Venture has budgeted for more than 12,000m of drilling for 2008.

### *Qualified Person*

The March 2007 resource estimate was prepared by Independent Mining Consultants, Inc. of Tucson, Arizona. Mike Hester acted as the independent Qualified Person as defined by Canadian National Instrument 43-101.

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 the technical information contained in this news release.

*Background*

Fortuna is a growth oriented, silver and base metal producer focused on mining opportunities in Latin America. Primary assets include 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](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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