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TSX-V: FVI

## Fortuna discovers extension to Animas Vein at Caylloma Mine, Peru

**May 21, 2008: Fortuna Silver Mines Inc. (FVI: TSX-V)** is pleased to announce the discovery of Ag-Pb-Zn mineralization, with local high grade gold values, in the Nancy area in the east-central portion of the Caylloma District, Arequipa, Peru. Nancy is an extension of the Animas Vein and is approximately 2 kilometers on-strike to the northeast from the Animas Central area where the bulk of mine production is currently sourced.

Drilling to-date has demonstrated the presence of high grade mineralization over a strike length of approximately 250m and for 300m down-dip. Highlights of the current results include:

- Hole NANS000308: 113 g/t Ag, 92 g/t Au, 3.8% Pb and 3.1% Zn over 2.3m from 161.5m (est. true thickness of 2.3m)
- Hole NANS000508: 99 g/t Ag, 0.13 g/t Au, 6.2% Pb and 4.1% Zn over 15.5m from 92.8m (est. true thickness of 15.0m)
- Hole NANS001007: 189 g/t Ag, 0.44 g/t Au, 10.0% Pb and 12.1% Zn over 7.7m from 96.3m (est. true thickness of 7.7m)
- Hole NANS000207: 166 g/t Ag, 3.49 g/t Au, 0.6 % Pb and 0.3% Zn over 4.1m from 64.4m (est. true thickness of 3.2m)

Fortuna operates the 100% owned Caylloma Ag-Pb-Zn Mine at a nominal rate of 900 tpd. Production in 2007 totaled 250,900 tonnes of ore resulting in the sale of Pb and Zn concentrates containing 486,465 ounces of silver, 6300 tonnes zinc and 3771 tonnes lead.

Eleven drill holes totaling 2,534.5m have been completed in the Nancy area. Assay results from the Nancy drill holes are summarized in the table below. Length-weighted assay averages have been calculated for the mineralized intervals over a meter using a lower cut-off NSR value of \$45. Estimated true widths of the mineralized intercepts are indicated in the table in addition to the drill intercept intervals.

HOLE_ID	From (m)	To (m)	Drill Interval (m)	Est. True Width (m)	Ag g/t	Au g/t	Pb %	Zn %	Cu %
NANS000106	37.70	41.10	3.40	2.45	181	0.38	0.6	0.8	0.13
NANS000106	55.10	59.60	4.50	3.25	176	1.34	3.5	0.4	0.14
NANS000207 <sup>1</sup>	64.40	68.50	4.10	3.15	166	3.48	0.6	0.3	0.07
NANS000308 <sup>2</sup>	161.50	163.80	2.30	2.30	113	92.00	3.8	3.1	0.07
NANS000408	161.40	164.20	2.80	2.80	22	0.34	1.0	4.1	0.03
NANS000508 <sup>3</sup>	92.80	108.30	15.50	15.02	99	0.13	6.2	4.1	0.59
NANS000608	136.15	136.70	0.55	0.55	16	0.56	0.6	3.5	0.03

NANS001007	96.30	104.00	7.70	7.69	189	0.44	10.0	12.1	0.75
NANS001207	67.00	69.00	2.00	2.00	136	0.44	0.3	0.1	0.20
NANS001507A	95.20	96.40	1.20	1.10	310	0.17	9.9	16.9	0.71
NANS001507A	105.50	106.60	1.10	1.01	73	0.73	0.9	5.8	0.61
NANS001807	170.30	172.50	2.20	0.60	74	0.27	3.3	9.8	0.28

<sup>1</sup>No core recovery 61.80-64.40 and 65.20-66.20m; <sup>2</sup>No core recovery 162.5-163.00m; <sup>3</sup>No core recovery 103.3-104.3m

Mineralization in the Nancy area is of the intermediate-sulfidation epithermal type and is characterized by the presence of manganese-rich silicates, quartz, calcite and metallic sulfides containing lead, zinc and silver. Gold is locally present in high concentrations as indicated by the intercept in drill hole NANS000308 (2.30m at 113 g/t Ag, 92 g/t Au, 3.80% Pb and 3.04% Zn). Drilling to-date has demonstrated the presence of high grade mineralization over a strike length of approximately 250m and for 300m in a down-dip direction. Induced polarization geophysics indicates that the zone may extend a further 500m to the northeast. Drilling is ongoing to test the extensions of the mineralized zone along strike to the northeast and southwest as well as down-dip to the southeast.

Mr. Jorge Ganoza, President and CEO commented “The discovery of Nancy, a new zone of mineralization on the Animas vein, located two kilometers along strike from our current production area, helps put into perspective the economic potential of this major structure, which has been traced and mapped on surface for four kilometers. We are encouraged by this discovery and look forward to continued exploration success in this historic mining camp.”

#### *Background*

The silver and base metal-rich Caylloma District is located in the highly productive Tertiary volcanic belt of southern Peru. Classic epithermal-style mineralization is hosted by mid-Tertiary andesitic volcanic and volcanoclastic rocks overlying a Jurassic-age sedimentary basement. The Caylloma Mine was purchased by Fortuna Silver in 2005 and returned to production in October of 2006. Exploration activities are focused on the discovery of high-grade silver and polymetallic mineralization within the district. Fortuna holds exploration and mining rights to concessions covering approximately 13,800 hectares in the Caylloma District.

#### *Quality Assurance and Quality Control*

Following detailed geological and geotechnical logging, drill core samples are split length-wise by diamond sawing. One-half of the core is submitted to the ALS Chemex sample preparation and analytical facility in Lima, Peru. The remaining half core is retained on-site for verification and reference purposes. Following preparation, the samples are assayed for gold and silver by standard fire assay methods and for base metals by atomic absorption methods utilizing an aqua regia digestion. Multi-element analyses are also completed for each sample by ICP methods. The QA-QC program at Caylloma includes the blind insertion of certified reference standards at a frequency of approximately 1 per 15 normal samples and the insertion of blank materials at a frequency of approximately 1 per 20 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 the technical information in this news release.

*Fortuna Silver*

Fortuna is a growth oriented, silver and base metal producer focused on mining opportunities in Latin America. Principal 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.*

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