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Fortuna develops Soledad Vein, Caylloma Mine, Peru; Cuts high grades including 52,224 g/t Ag + 105 g/t Au over 0.55 meters

September 23, 2008: Fortuna Silver Mines Inc. (TSX-V: FVI / Lima Exchange: FVI) is pleased to report that underground exploration and development on the Soledad and Silvia veins at its Caylloma Mine located in southern Peru has confirmed high-grade silver mineralization.

- Systematic channel sampling at 2m intervals along the strike of the Soledad vein returned grades averaging 2,259 g/t Ag, 3.76 g/t Au, 0.94% Pb, 1.47% Zn and 0.20% Cu over the initial 62m of the drift, with an average mineralized vein width of 0.70m.
- Locally, Bonanza style grades have been encountered during systematic channel sampling with grades ranging up to 52,224 g/t Ag and 104.76 g/t Au over a vein width of 0.55m.

Vertical continuity of the mineralization is currently being evaluated through the development of a chimney extending upward along the vein structure. A plan showing the underground workings and the channel sample locations has been posted on Fortuna's website at www.fortunasilvermines.com.

The high-grade silver mineralization is hosted by semi-transparent to milky quartz veins containing silver sulfosalts, minor rhodonite bands, and traces of sphalerite, galena and pyrite.

The Silvia Vein, located subparallel to and approximately 50m to the south of the Soledad Vein, has now been intersected in an underground crosscut with rib channel samples averaging 292 g/t Ag, 0.26 g/t Au, 7.98% Pb, 5.05% Zn and 1.86% Cu over a vein width of 2.49m. Underground exploration and development of the Soledad and Silvia veins is continuing for delineation of potential resources and to prepare the veins for production. Mining in both veins will use selective narrow vein mining methods.

The Soledad and Silvia veins are located in the northeastern portion of the Caylloma District in close proximity to the San Cristobal and Santa Cata veins which were extensively mined for high-grade silver ores from the 16th to 20th centuries.

Fortuna announced drill results for the Soledad and Silvia veins in August 2008 (see Fortuna Silver news release dated August 19, 2008), including drill hole STCM000808 which returned 1,937 g/t Ag and 1.89 g/t Au over an estimated true thickness of 1.2m and drill hole STCM000507 which intersected 548 g/t Ag and 1.51 g/t Au over an estimated true thickness of 1.3m.

Background

The silver and base metal-rich Caylloma district is located in the Tertiary volcanic belt of southern Peru. Intermediate-sulfidation epithermal mineralization is present in vein systems hosted by 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. Fortuna currently operates the 100% owned Caylloma Pb-Zn-Ag Mine at a rate of over 1000 tpd with production sourced primarily from the Animas Vein.

Fortuna holds exploration and mining rights to concessions covering approximately 13,800 hectares in the Caylloma area. Exploration activities include testing of high grade silver and base metal targets within the Caylloma District and evaluation of surrounding properties to identify opportunities warranting more advanced exploration and development.

Quality Assurance & Quality Control

Sample results reported for the Soledad and Silvia veins are based on channel samples systematically collected perpendicular to the orientation of the vein. Samples are dried, prepared and analyzed at company-owned laboratory facilities at the Caylloma property. Silver and base metals are assayed by atomic absorption methods utilizing an aqua regia digestion. Gold is assayed by standard fire assay methods with an atomic absorption finish. Certified reference standards are blindly inserted into the sample stream at a frequency of 1 per 20 normal samples. Assay blanks are blindly inserted at a frequency of 1 per 40 samples and field duplicates at a frequency of 1 per 60 normal samples. Check assay samples and preparation duplicate samples are routinely submitted to ALS Chemex facilities in Lima to verify sample preparation and assay quality.

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 Mines Inc.

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.

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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