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## Fortuna Reports Production Results for Third Quarter

**October 14, 2010: Fortuna Silver Mines Inc. (TSX: FVI / Lima Stock Exchange: FVI)** is pleased to announce production figures for third quarter of 2010 from the Caylloma Mine located in Arequipa, Peru. Year to date, Caylloma has produced 1.42 million ounces of silver and is on track to exceed the annual silver production forecast of 1.7 million ounces. The 1,500 tpd underground San Jose Mine located in Oaxaca, Mexico is scheduled to commence production on the third quarter of 2011 and an update on on-going construction activities will be issued in the upcoming days.

### Third Quarter Highlights

- Silver production of 474,489 ounces; 8% increase over Q3 2009
- Zinc production of 6,790,230 pounds; 8% decrease over Q3 2009
- Lead production of 5,147,788 pounds; 19% decrease over Q3 2009
- Copper production of 249,122 pounds; 6% decrease over Q2 2010

### Operating Highlights

	Q3 - 2010	Q2 - 2010	Q3 - 2009
<b>Processed ore (t)</b>	112,886	108,010	105,241
<b>Head grade</b>			
Ag (g/t)	154.56	156.35	146.5
Zn (%)	3.10	3.02	3.6
Pb (%)	2.27	2.30	3.0
Cu (%)	0.20	0.21	--
<b>Recovery (%)</b>			
Ag <sup>(1)</sup>	85	87	84.2
Zn	88	88	88.6
Pb	91	91	93.2
Cu	51	54	--
<b>Metal produced</b>			
Ag (oz) <sup>(2)</sup>	474,489	470,310	438,186
Zn (lb)	6,790,230	6,320,248	7,365,644
Pb (lb)	5,147,788	4,966,619	6,391,201
Cu (lb)	249,122	266,331	--

(1) Ag recovery in Pb and Cu concentrate

(2) Ag production in Pb and Cu concentrate

Silver production for the third quarter was 474,489 ounces, 13 percent higher when compared against the budget for the period and 8 percent higher than silver production for the third quarter of 2009. Lead and zinc metal production increased 4 percent and 7 percent respectively when compared against second quarter of 2010 but are 14 percent and 3 percent below budget for the period respectively. Base metal production is being affected by the Company's focus on silver production.

A NI 43-101 Technical Report dated August 11, 2009 on Reserves and Resources for the Caylloma Mine is available on the Company's website at [www.fortunasilver.com](http://www.fortunasilver.com).

*Qualified Person*

Mr. Miroslav Kalinaj, 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. Our primary assets are the Caylloma Silver Mine in southern Peru and the San Jose Silver-Gold Project in Mexico. The Company is selectively pursuing additional acquisition opportunities. For more information, please visit our website at [www.fortunasilver.com](http://www.fortunasilver.com).

ON BEHALF OF THE BOARD

Jorge Ganoza  
President, CEO and Director  
Fortuna Silver Mines Inc.

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*Forward-Looking Statements*

*Certain statements in this press release constitute forward-looking statements and as such are based on an assumed set of economic conditions and courses of action. These include estimates of future production levels, expectations regarding mine production costs, expected trends in mineral prices and statements that describe Fortuna's future plans, objectives or goals. There is a significant risk that actual results will vary, perhaps materially, from results projected depending on such factors as changes in general economic conditions and financial markets, changes in prices for silver and other metals, technological and operational hazards in Fortuna's mining and mine development activities, risks inherent in mineral exploration, uncertainties inherent in the calculation of mineral reserves, mineral resources, and metal recoveries, the timing and availability of financing, governmental and other approvals, political unrest or instability in countries where Fortuna is active, labor relations and other risk factors.*