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## Fortuna reports production of 2.1 million ounces of silver and 14,111 ounces of gold for the third quarter 2016

Vancouver, October 13, 2016-- Fortuna Silver Mines Inc. (NYSE: FSM) (TSX: FVI) is pleased to announce third quarter production figures from its two operating mines in Latin America, the San Jose Mine in Mexico and the Caylloma Mine in Peru. The company produced 2.1 million ounces of silver, 14,111 ounces of gold and significant base metal by-products. Silver and gold production for the first nine months totals 5.3 million ounces and 32,739 ounces respectively; being 5 percent and 9 percent above the company's nine month projection. Fortuna's annual production guidance for 2016 is 7.0 million ounces of silver and 42.8 thousand ounces of gold or 9.6 million ounces of Ag Eq\* (see [Fortuna news release dated January 14, 2016](#)).

Jorge A. Ganoza, President and CEO commented, "This is the first quarter of full production at the new rate of 3,000 tonnes per day at our San Jose Mine, where operations are performing according to plan." Mr. Ganoza continued, "Senior management's focus now is on advancing our newly acquired Lindero gold project, located in the Salta Province in Argentina, towards a construction decision in the first half of next year."

### Third Quarter Production Highlights:

- Silver production of 2,089,506 ounces; 20 % increase over Q3 2015
- Gold production of 14,111 ounces; 29 % increase over Q3 2015
- Lead production of 7,451,624 pounds; 17 % increase over Q3 2015
- Zinc production of 10,606,439 pounds; 5 % increase over Q3 2015
- Cash cost\*\* for the San Jose Mine is US\$54.8 /t
- Cash cost\*\* for the Caylloma Mine is US\$71.8 /t

\* Ag Eq is calculated using silver to gold ratio of 60 to 1

\*\* Preliminary estimates of cash operating costs per tonne, subject to modification on final cost consolidation

### Consolidated Operating Highlights:

|                      | Third Quarter 2016 |                  |              | Third Quarter 2015 |                  |              |
|----------------------|--------------------|------------------|--------------|--------------------|------------------|--------------|
|                      | Caylloma, Peru     | San Jose, Mexico | Consolidated | Caylloma, Peru     | San Jose, Mexico | Consolidated |
| <b>Processed Ore</b> |                    |                  |              |                    |                  |              |
| Tonnes milled        | 132,558            | 268,242          |              | 118,086            | 183,068          |              |
| Average tpd milled   | 1,473              | 3,056            |              | 1,312              | 2,053            |              |
| <b>Silver***</b>     |                    |                  |              |                    |                  |              |
| Grade (g/t)          | 87                 | 224              |              | 127                | 247              |              |
| Recovery (%)         | 82.87              | 92.21            |              | 81.10              | 92.27            |              |
| Production (oz)      | 308,680            | 1,780,825        | 2,089,506    | 392,410            | 1,342,432        | 1,734,842    |

\*\*\* Metallurgical recovery for silver at the Caylloma Mine is calculated based on silver content in lead concentrate

|                  | Third Quarter 2016 |                     |              | Third Quarter 2015 |                     |              |
|------------------|--------------------|---------------------|--------------|--------------------|---------------------|--------------|
|                  | Caylloma,<br>Peru  | San Jose,<br>Mexico | Consolidated | Caylloma,<br>Peru  | San Jose,<br>Mexico | Consolidated |
| <b>Gold</b>      |                    |                     |              |                    |                     |              |
| Grade (g/t)      | 0.20               | 1.76                |              | 0.26               | 1.97                |              |
| Recovery (%)     | 18.68              | 92.09               |              | 27.79              | 92.23               |              |
| Production (oz)  | 160                | 13,951              | 14,111       | 272                | 10,691              | 10,963       |
| <b>Lead</b>      |                    |                     |              |                    |                     |              |
| Grade (%)        | 2.71               |                     |              | 2.59               |                     |              |
| Recovery (%)     | 94.02              |                     |              | 94.18              |                     |              |
| Production (lbs) | 7,451,624          |                     | 7,451,624    | 6,356,875          |                     | 6,356,875    |
| <b>Zinc</b>      |                    |                     |              |                    |                     |              |
| Grade (%)        | 4.09               |                     |              | 4.27               |                     |              |
| Recovery (%)     | 88.83              |                     |              | 90.99              |                     |              |
| Production (lbs) | 10,606,439         |                     | 10,606,439   | 10,121,511         |                     | 10,121,511   |

### **San Jose Mine, Mexico**

Silver and gold production for the third quarter were 1 % and 9 % above budget, respectively. Average head grades for silver and gold were 224 g/t and 1.76 g/t or 4 % below and 4 % above budget, respectively. Metallurgical recoveries for silver and gold were 92.21 % and 92.09 % or 2 % above budget for both.

### **Caylloma Mine, Peru**

Silver production for the third quarter was 11 % above budget with an average silver head grade of 87 g/t or 6% above budget. Metallurgical recovery for silver was 82.87 % or 2 % above budget.

### ***Qualified Person***

Edwin A. Gutierrez, Technical Services Corporate Manager, is the Qualified Person for Fortuna Silver Mines Inc. as defined by National Instrument 43-101. Mr. Gutierrez is a Registered Member of the Society for Mining, Metallurgy and Exploration, Inc. (SME Registered Member Number 4119110RM) and is responsible for ensuring that the information contained in this news release is an accurate summary of the original reports and data provided to or developed by Fortuna Silver Mines.

### **About Fortuna Silver Mines Inc.**

Fortuna is a growth oriented, precious and base metals producer focused on mining opportunities in Latin America. Our primary assets are the Caylloma silver Mine in southern Peru, the San Jose silver-gold Mine in Mexico and the Lindero gold Project in Argentina. The company is selectively pursuing acquisition opportunities throughout the Americas and in select other areas. For more information, please visit our website at [www.fortunasilver.com](http://www.fortunasilver.com).

ON BEHALF OF THE BOARD

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

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#### Forward looking Statements

*This news release contains forward looking statements which constitute "forward looking information" within the meaning of applicable Canadian securities legislation and "forward looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995 (collectively, "Forward looking Statements"). All statements included herein, other than statements of historical fact, are Forward looking Statements and are subject to a variety of known and unknown risks and uncertainties which could cause actual events or results to differ materially from those reflected in the Forward looking Statements. The Forward looking Statements in this news release include, without limitation, statements about the Company's plans for its mines and mineral properties; the Company's business strategy, plans and outlook; the merit of the Company's mines and mineral properties; the future financial or operating performance of the Company; and proposed expenditures. Often, but not always, these Forward looking Statements can be identified by the use of words such as "estimated", "potential", "open", "future", "assumed", "projected", "used", "detailed", "has been", "gain", "planned", "reflecting", "will", "containing", "remaining", "to be", or statements that events, "could" or "should" occur or be achieved and similar expressions, including negative variations.*

*Forward looking Statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any results, performance or achievements expressed or implied by the Forward looking Statements. Such uncertainties and factors include, among others, 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 estimation of mineral reserves, mineral resources, and metal recoveries; governmental and other approvals; political unrest or instability in countries where Fortuna is active; labor relations issues; as well as those factors discussed under "Risk Factors" in the Company's Annual Information Form. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in Forward looking Statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended.*

*Forward looking Statements contained herein are based on the assumptions, beliefs, expectations and opinions of management, including but not limited to expectations regarding the Company's plans for its mines and mineral properties; mine production costs; expected trends in mineral prices and currency exchange rates; the accuracy of the Company's current mineral resource and reserve estimates; that the Company's activities will be in accordance with the Company's public statements and stated goals; that there will be no material adverse change affecting the Company or its properties; that all required approvals will be obtained; that there will be no significant disruptions affecting operations and such other assumptions as set out herein. Forward looking Statements are made as of the date hereof and the Company disclaims any obligation to update any Forward looking Statements, whether as a result of new information, future events or results or otherwise, except as required by law. There can be no assurance that Forward looking Statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, investors should not place undue reliance on Forward looking Statements.*

*This news release also refers to non-GAAP financial measures, such as cash cost per tonne of processed ore; cash cost per payable ounce of silver; total production cost per tonne; all-in sustaining cash cost; all-in cash cost; adjusted net (loss) income; operating cash flow per share before changes in working capital, income taxes, and interest income; and adjusted EBITDA. These measures do not have a standardized meaning or method of calculation, even though the descriptions of such measures may be similar. These performance measures have no meaning under International Financial Reporting Standards (IFRS) and therefore, amounts presented may not be comparable to similar data presented by other mining companies.*