



**BUILDING A
LEADING
SILVER MINER**



FORTUNA
SILVER MINES INC.

NYSE: FSM | TSX: FVI | BVL: FVI | Frankfurt: F4S.F | www.fortunasilver.com

May 2013



Regulatory Disclaimer

Certain statements in this presentation 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 estimation 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.

Thomas I. Vehrs, Ph.D., Vice President of Exploration, is the Qualified Person for Fortuna Silver Mines Inc. as defined by National Instrument 43-101. Dr. Vehrs is a Founding Registered Member of The Society for Mining, Metallurgy, and Exploration, Inc. (SME Registered Member Number 3323430RM) and is responsible for ensuring that the information contained in this presentation is an accurate summary of the original reports and data provided to or developed by Fortuna Silver Mines Inc.





Our Vision

**To be valued by our workers,
the community and our
shareholders as a leading
silver mining company in
Latin America.**



San Jose Mine, Mexico





Core Assets

Proven mine builders and operators in the Americas

Production

- San Jose Mine, Mexico
- Caylloma Mine, Peru

Exploration

- New Trinidad North discovery at San Jose Mine
- 51,000 meter drill program in 2013





Capital structure and share performance

Solid balance sheet to support disciplined growth

Strong Balance Sheet

- US\$68 million in cash (Q1 2013)
- US\$40 million undrawn credit facility
- No long term debt
- No hedging

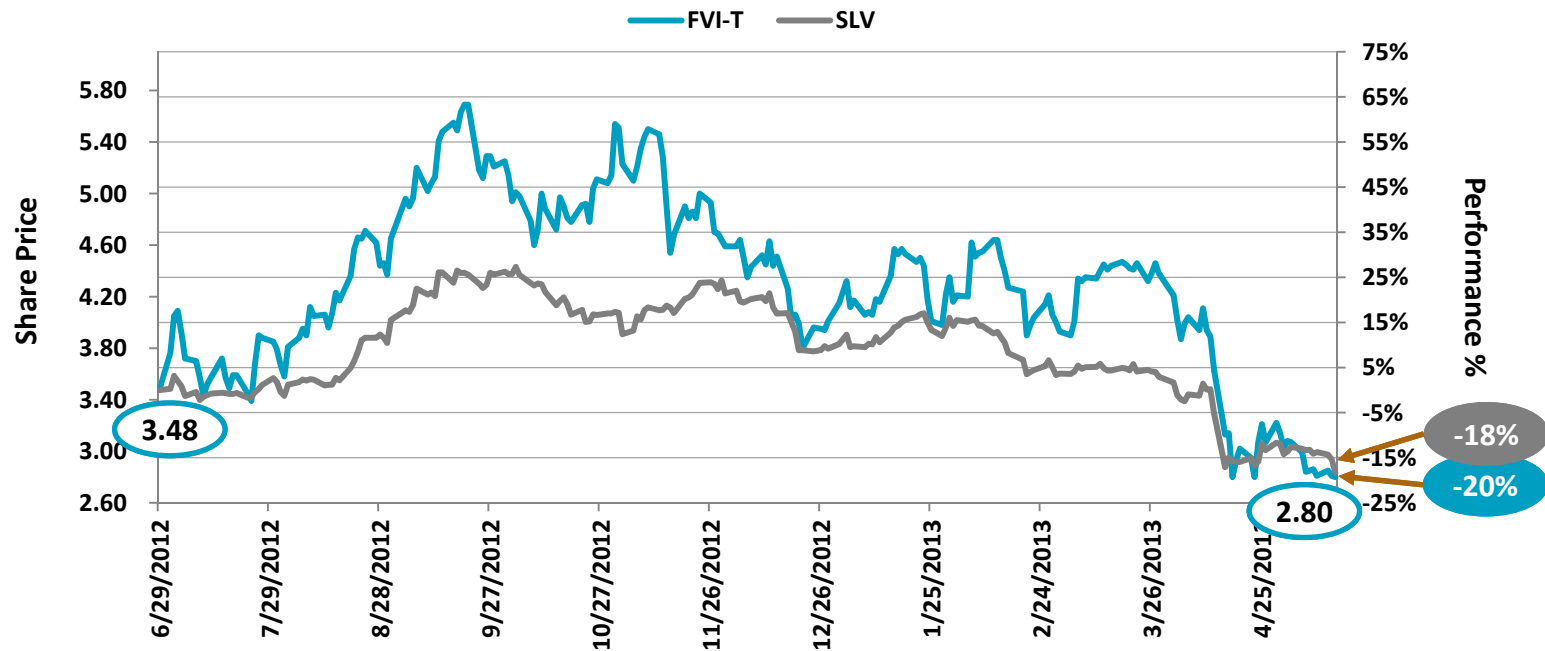
Share Structure (as of May 16)

Outstanding: 125.3 million
Fully diluted: 131.3 million

Exchanges

NYSE: FSM
TSX: FVI
BVL: FVI
Frankfurt: F4S.F

Relative Performance (%) of FVI.T and SLV





Senior Management

Demonstrated operational expertise



Jorge A. Ganoza
President, CEO and Director
Co-founder of Fortuna. Peruvian geological engineer. Identified and negotiated purchase of Caylloma, built the Fortuna team. Jorge also serves as Chairman of the Board of Atico Mining Corporation, TSX.V: ATY.



Dr. Thomas I. Vehrs
Vice President, Exploration
Over 35 years experience managing exploration programs in the Americas. Tom also serves as an independent director for AQM Copper Inc.



Cesar Pera
Vice President, Human & Organizational Development
Over 25 years experience in organizational development and change in Latin American companies.

Luis Dario Ganoza
Chief Financial Officer
Over 15 years experience in the operations and financial management of public mining companies. Luis also serves as a Director of Atico Mining Corporation, TSX.V: ATY.



Manuel Ruiz-Conejo
Vice President, Operations
Over 25 years experience in the execution of multi-million dollar mining projects and the implementation of community relations programs.



Robert Brown
Vice President, Corporate Development
20 years experience in exploration, project development and finance. Former CEO of Calibre Mining Corp. and senior manager at Barrick Gold in exploration and business development.





Directors

Industry leaders with expertise in the Americas



Simon Ridgway
Chairman of the Board
Co-founder of Fortuna. Vancouver-based mining financier. Also founded Focus Ventures, Radius Gold, Mar West Resources and Northland Resources.



Jorge A. Ganoza
President and CEO
Co-founder of Fortuna. Peruvian geological engineer. Identified and negotiated purchase of Caylloma, built the Fortuna team. Jorge also serves as Chairman of the Board of Atico Mining Corporation, TSX.V: ATY.



Robert R. Gilmore
30 years of experience working with resource companies and currently serves as Chairman of the Board for Eldorado Gold Corporation and as a Director for Layne Christensen Company.

Tomas Guerrero
Geological engineer with over 30 years experience. Served as Director of Explorations for the Hochschild Group.



Michael Iverson
Chief Executive Officer of Fortuna from 1998 to January 2005. President and Director of Niogold Mining Corp. since 1998.



Thomas Kelly
36 years of experience in mine production, minerals industry consulting and corporate management in various Latin American countries. Currently serves as COO of Atico Mining Corporation, TSX.V: ATY.



Mario Szotlender
Co-founder of Fortuna. Financier, businessman and Director of Radius Gold, Endeavour Silver, Magellan, Focus Ventures and Iron Creek.





Key Milestones

Foundations of a leading silver mining company



2005-2007

- Fortuna Silver Mines established
- Commenced production at Caylloma on time and on budget



2009-2011

- Acquired 100% interest in San Jose project
- Construction and commercial production at San Jose Mine, on time and on budget



2013

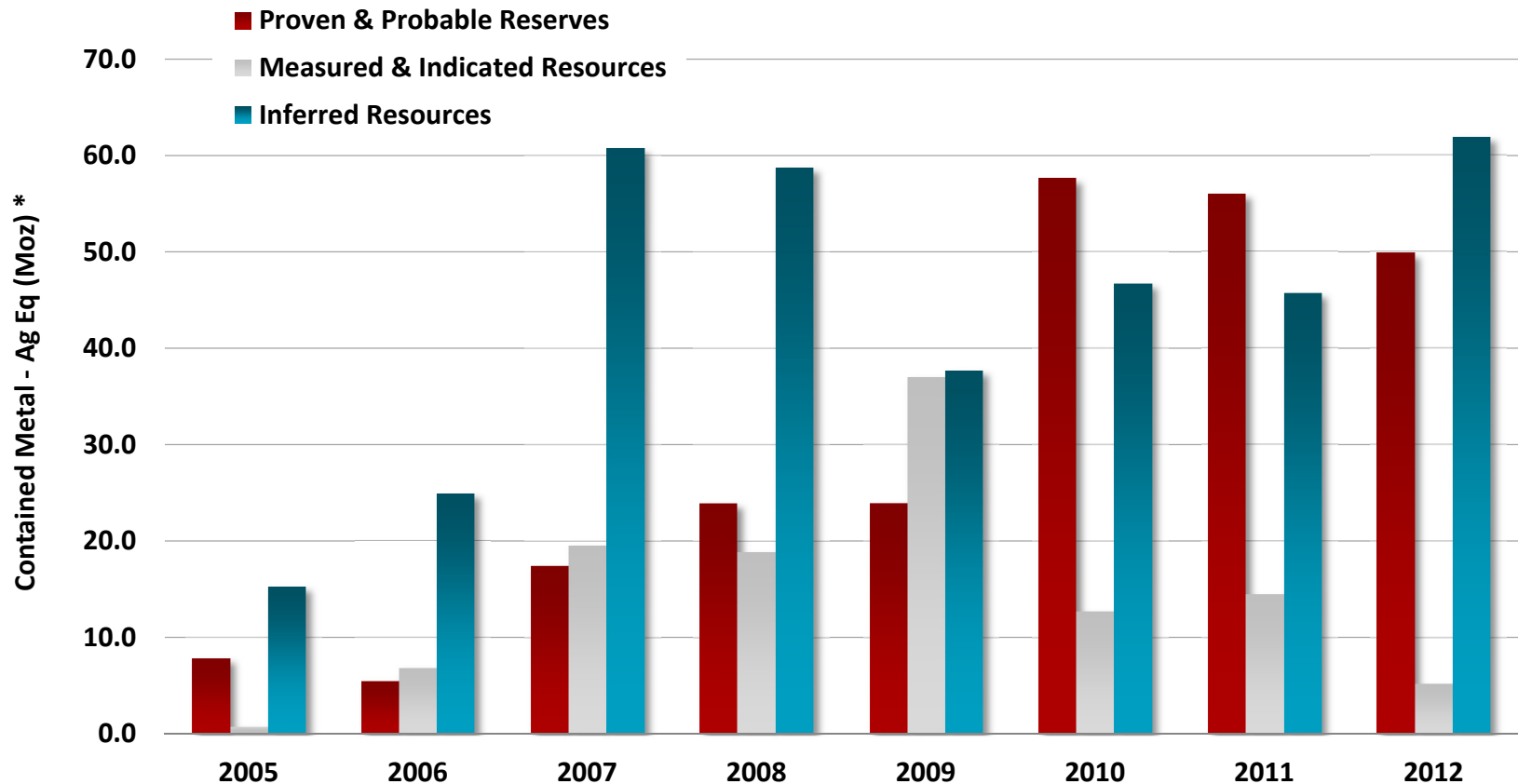
- Trinidad North discovery at San Jose Mine
- SJO-283 7.3m @ 1,789 g/t Ag and 10.10 g/t Au
- Commissioning of 1,500 tpd mill expansion at San Jose Mine





Solid Reserve and Resource Base

Expanding Inferred Resources - Future Reserve growth potential



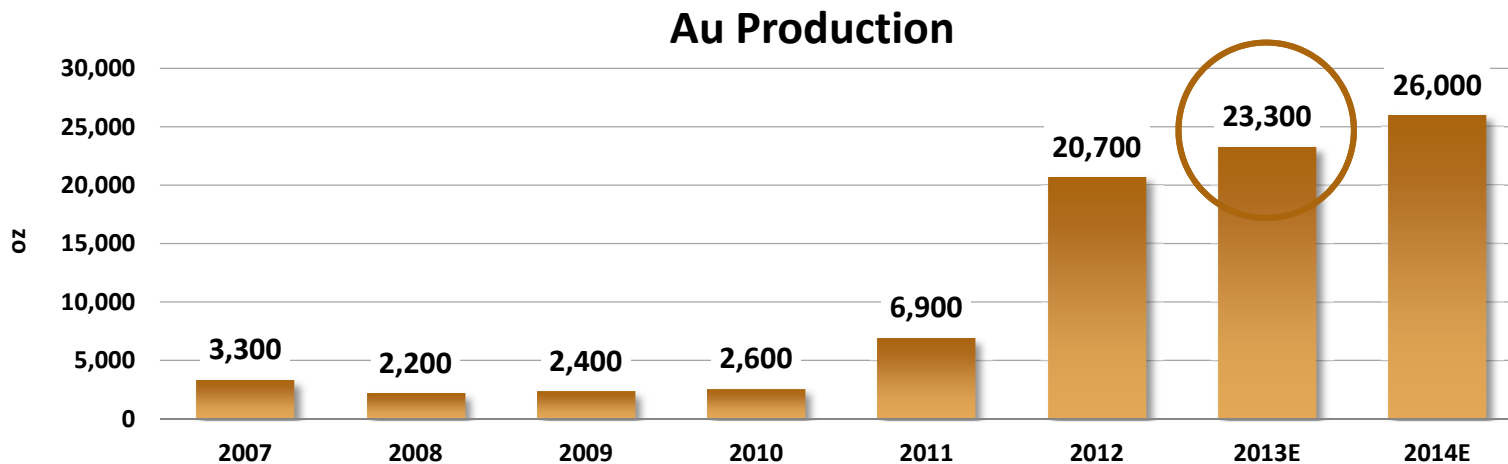
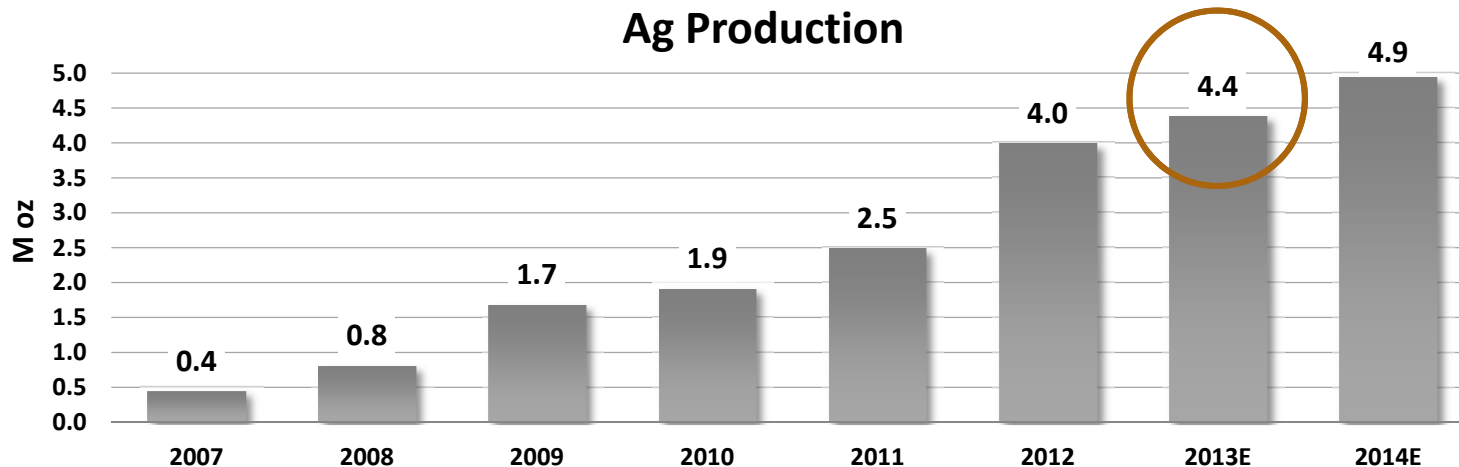
* Ag Eq for Resources calculated using Ag = US\$25.14/oz and Au = US\$1,391.63/oz
Ag Eq for Reserves calculated using Ag = US\$29.36/oz and Au = US\$1,544.00/oz





Increasing Exposure to Precious Metals

Low cost, organic growth in Peru and Mexico



2013 base metal revenue estimate = US\$30M; Pb = US\$1,973/t and Zn = US\$2,197/t

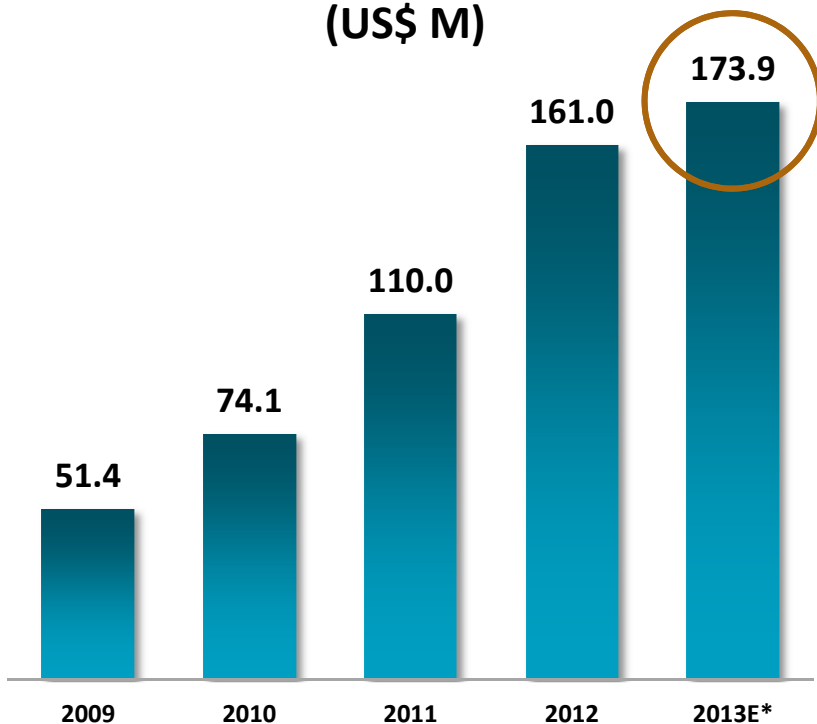




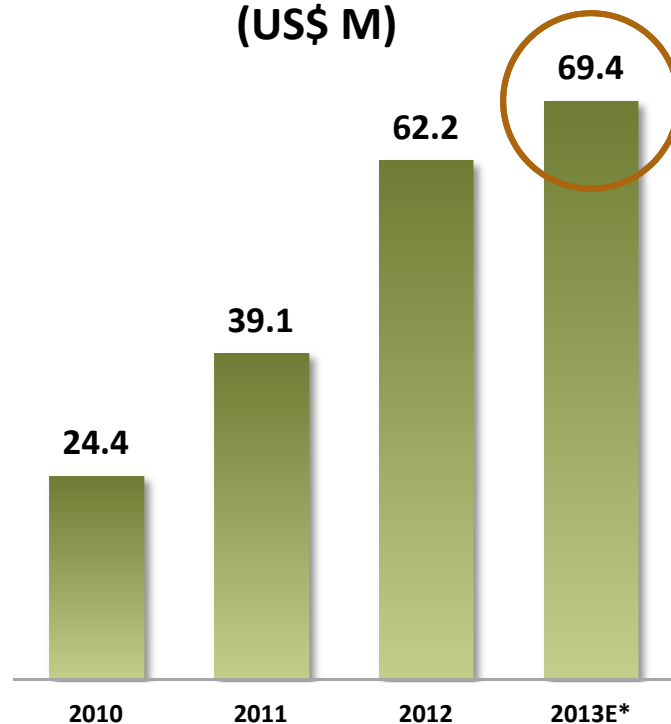
Financial Snapshot

Consistently delivering revenue and cash flow growth

Revenue
(US\$ M)



Cash Flow from Operations
(US\$ M)



(*) 2013 forecast (using 3-month trailing average): Ag = US\$28.11/oz, Au = \$1,569/oz, Pb = 1,973/t and Zn = 2,197/t

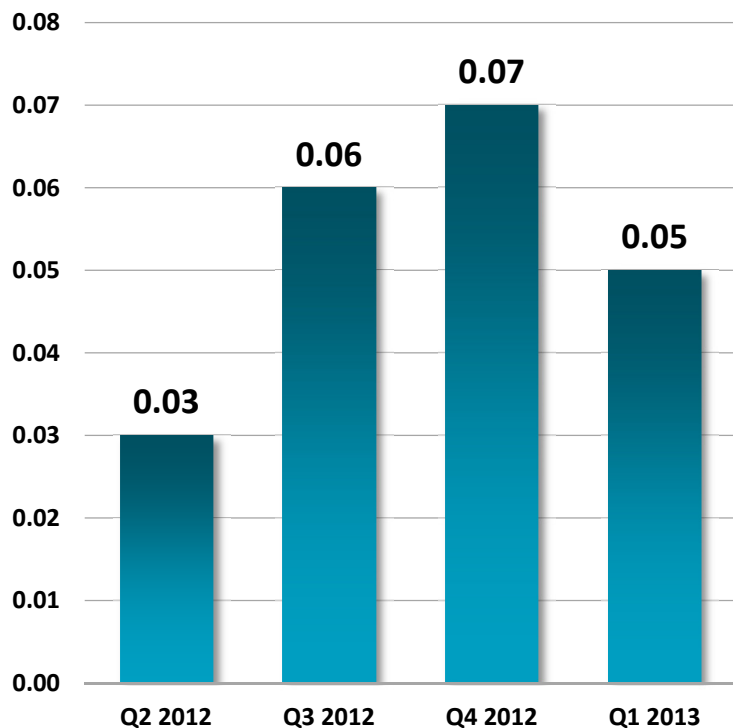




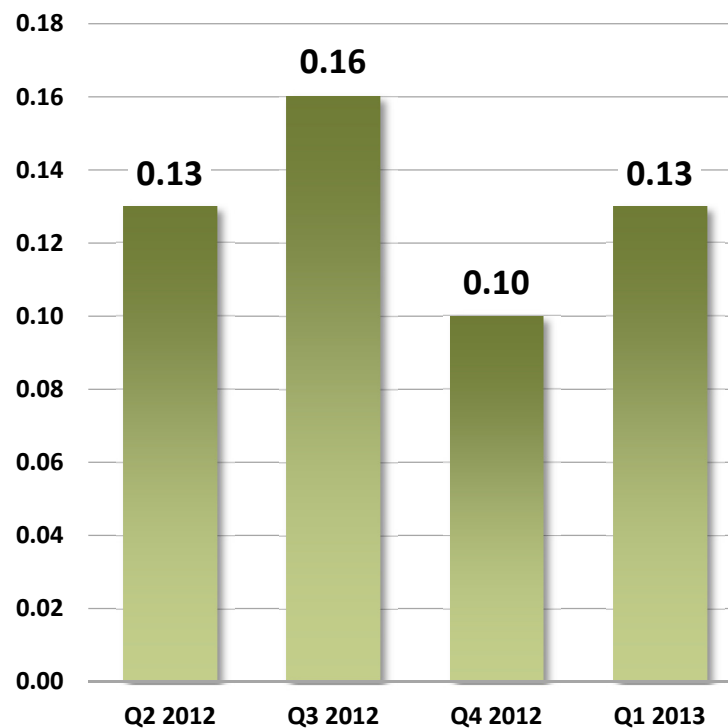
Financial Snapshot

Quarterly earnings and cash flow per share performance

Earnings Per Share (US\$)



Cash Flow Per Share (US\$)












Project Pipeline

Over 95,600 hectare land package in Peru and Mexico



- | | | | |
|--|---|---|--|
|  Cerro Vilafro, Vilafro Sur |  Don Luis |  Trinidad North |  Caylloma Mine |
| |  Cailloma 6 |  Carolina |  San Jose Mine |
| |  San Pedro Oeste | | |





San Jose Mine, Mexico

Overview



Commodities

Silver, gold

Operation

1,050 tpd underground mine

Reserve Life

9 Years

Location

Taviche Mining District
Oaxaca, Mexico

Ownership

100 %

Deposit Type

High-grade, low sulphidation
epithermal vein deposit

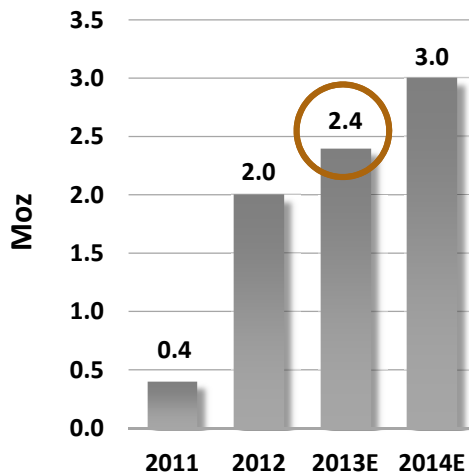
2013E Cash Cost/t

US\$70

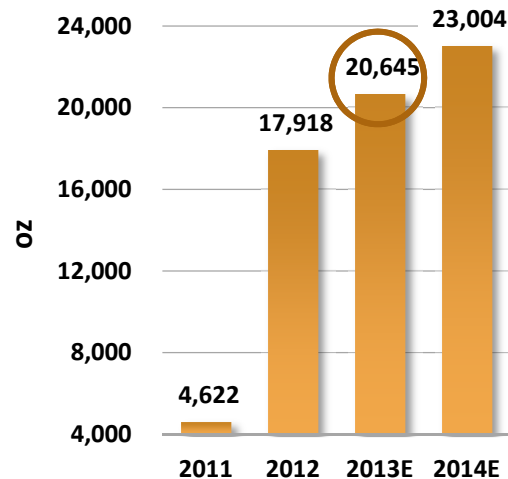
2013E Cash Cost/oz Ag, net of by-product Au

US\$2.90

Ag Production



Au Production





San Jose Mine, Mexico

Solid Reserve and Resource base

Classification	Tonnes (000)	Ag (g/t)	Au (g/t)	Contained Metal	
				Ag (Moz)	Au (koz)
Proven & Probable Reserves	3,335	190	1.58	20.4	169.5
Inferred Resources	4,257	185	1.57	25.3	214.9

Mineral Reserve and Mineral Resource estimates prepared in accordance with NI 43 - 101:

- Mineral Reserves and Mineral Resources are as defined by the CIM Definition Standards on Mineral Resources and Mineral Reserves
- Mineral Resources are exclusive of Mineral Reserves
- Measured and Indicated Resources exclusive of Mineral Reserves are not material and are not included in table
- Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability
- San Jose Mineral Resources & Mineral Reserves are reported as of December 31, 2012
- Refer to www.fortunasilver.com for full disclosure

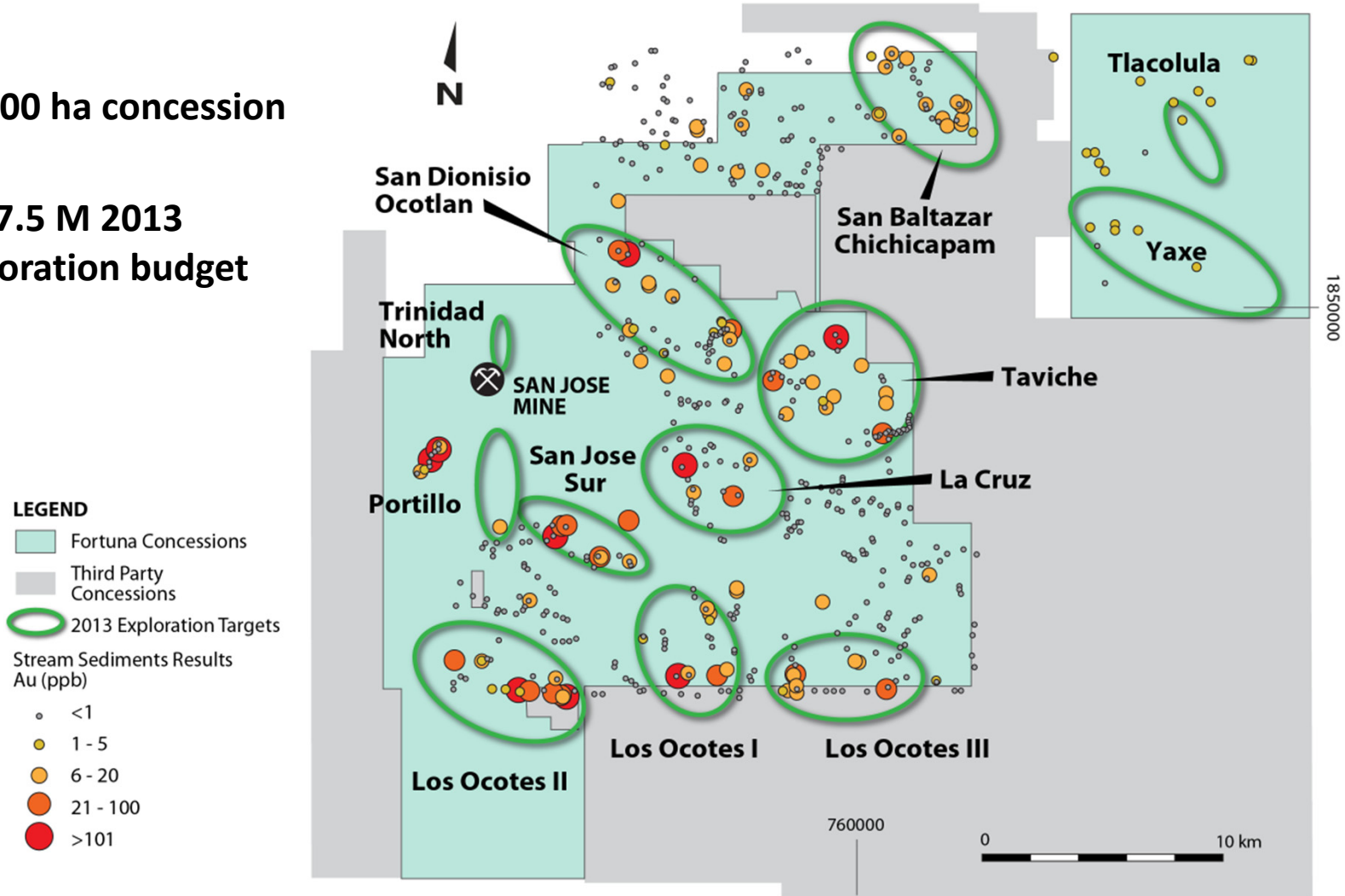




San Jose Mine Brownfields Exploration

Anomaly evaluation, mapping, sampling & target identification

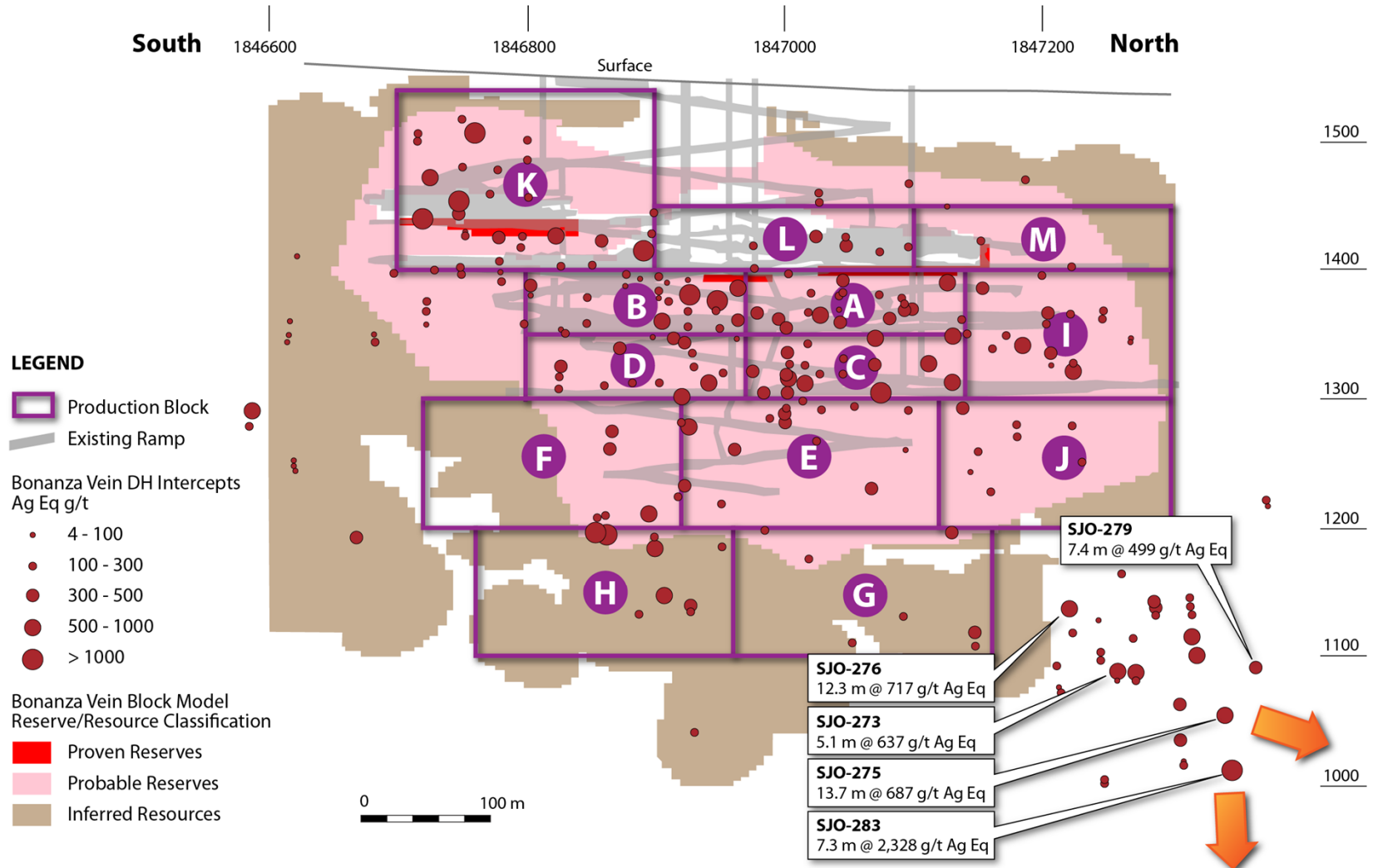
- 64,400 ha concession area
- US\$7.5 M 2013 exploration budget





San Jose Brownfields Exploration

Major new discovery at Trinidad North





Caylloma Mine, Peru

Overview



Commodities

Silver, gold, zinc, lead

Operation

1,300 tpd underground mine

Reserve Life

8 Years

Location

Arequipa, Peru

Ownership

100 %

Deposit Type

Intermediate sulphidation
epithermal deposit

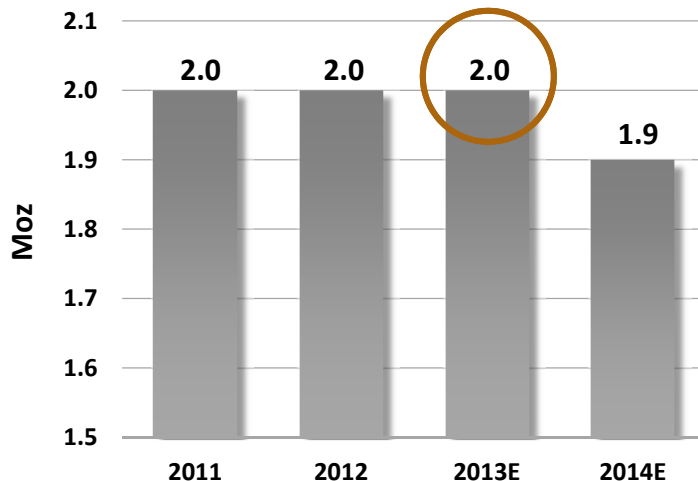
2013E Cash Cost/t

US\$96

2013E Cash Cost/oz Ag, net of by-products Pb and Zn

US\$7.70

Ag Production





Caylloma Mine, Peru

Solid Reserve and Resource base

Classification	Tonnes (000)	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)	Contained Metal	
						Ag (Moz)	Au (koz)
Proven & Probable Reserves	4,308	130	0.37	1.52	2.15	17.9	51.1
Measured & Indicated Resources	1,601	79	0.33	0.79	1.43	4.1	17.0
Inferred Resources	6,633	101	0.27	1.84	2.58	21.5	58.5

Mineral Reserve and Mineral Resource estimates prepared in accordance with NI 43 - 101:

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Caylloma Mine Brownfields Exploration

High-grade silver-gold mineralization intercepted in drilling at Carolina Ramal Piso and Don Luis veins

- 31,200 ha concession area
- US\$6.7 M 2013 exploration budget

Exploration drilling highlights:

Ramal Piso Carolina Vein

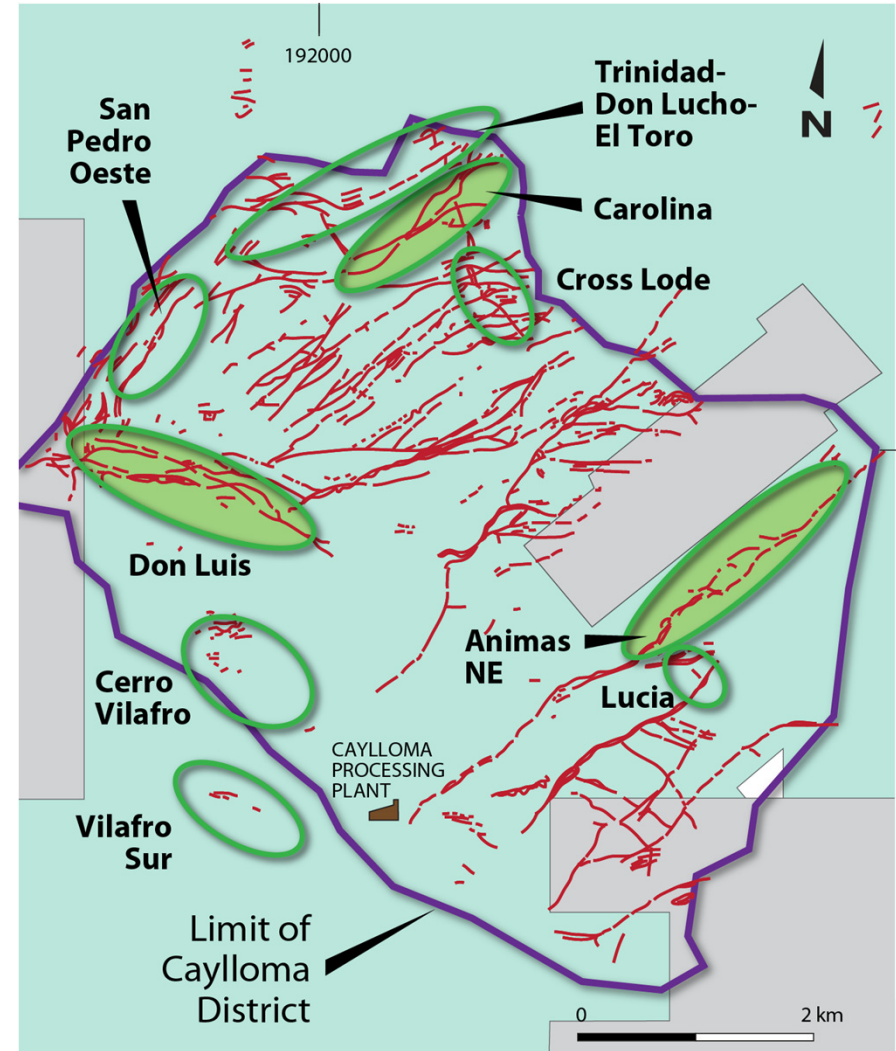
Hole_Id	From (m)	To (m)	Int (m)	Est. True Width (m)	Ag (g/t)	Au (g/t)
CARS005213	243.20	244.00	0.80	0.6	39	13.95
CARS005313	248.50	249.65	1.15	0.7	1,759	18.28
CARS005513	306.40	308.85	2.45	1.7	105	21.28
CARS005613	202.35	203.20	0.85	0.6	1,759	1.77
	215.50	216.70	1.20	0.8	430	30.25

Don Luis Vein

Hole_Id	From (m)	To (m)	Int (m)	Est. True Width (m)	Ag (g/t)	Au (g/t)
DLUS002413	189.75	191.45	1.70	1.5	1,294	3.56
DLUS002613	317.00	319.80	2.80	1.3	946	0.07

LEGEND

- Principal Veins
- Fortuna Concessions
- Third Party Concessions
- 2013 Exploration Targets
- Resource Delineation
- Resource Discovery





Growth Strategy

Three-pronged approach to create shareholder value

Maximize production, profitability and cash flow of current mines

- Commissioning of San Jose expansion to 1,500 tpd by 3Q of 2013
- Focus on operational efficiencies to reduce cash costs

Capitalize on brownfields exploration opportunities

- 51,000 meter exploration program between Peru and Mexico
- Advancing delineation of new discoveries at San Jose and Caylloma
- Commanding land packages in Peru and Mexico

Pursue selective M&A opportunities

- Post discovery, pre-development opportunities in the Americas
- Below industry median for cash cost





Commitment to Sustainability

Forging strategic partnerships

- Programs are based on respect for ethno-cultural diversity, open communication and effective interaction with all stakeholders
- We work with communities towards self-development of economically sustainable activities to improve their quality of life





Investment Highlights

A leading silver mining company in the Americas

1

Proven and disciplined mine developers and operators

2

4.4 Moz Ag + 23,000 oz Au production estimate for 2013

3

US\$174 M revenues and US\$70 M cash flow estimate for 2013

4

US\$68 M in cash and untapped US\$40 M credit facility

5

Exploration success with discoveries at Trinidad North and Carolina





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