



**FORTUNA**  
SILVER MINES INC.

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

April 2014



**BUILDING A LEADING SILVER MINER**

# 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 technical 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 strong operators in the Americas



## Production

- Increasing silver-gold production profile
- Low cost silver producer
- 2014E consolidated AISCC\*: US\$17.14/oz Ag

## Exploration

- Trinidad North high-grade silver-gold discovery at the San Jose Mine
- Step out drilling has confirmed continuation of robust mineralized system



(\* AISCC = All-In Sustaining Cash Cost; net of by-product credits and based on the guidelines from the World Gold Council)

# Capital structure and share performance

## Solid balance sheet to support organic growth strategy



### Strong Balance Sheet

- US\$49 million in cash (end 4Q13)
- US\$40 million untapped credit facility
- No long term debt
- No hedging

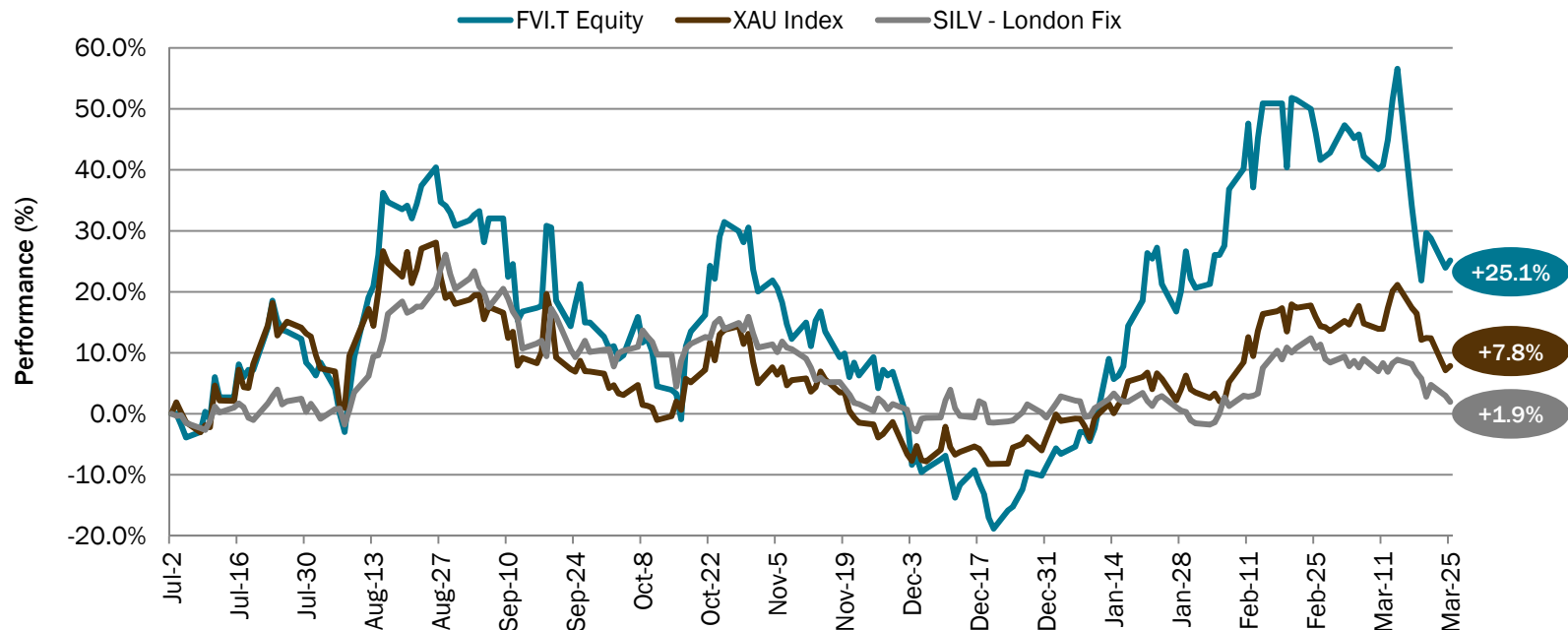
### Share Structure (as of MAR14)

Outstanding: 126.0 million  
Fully diluted: 133.2 million

### Exchanges

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

### Relative Performance of FVI.T (1JUL13 -25MAR14)



Source: Thomson One and London Bullion Market Association (for London Fix)

# Key Milestones

## Foundations of a leading silver mining company



Caylloma Mine, Peru

2005-2007

- Fortuna Silver Mines Inc. established
- Commenced production at the Caylloma Mine, Peru



San Jose Mine, Mexico

2009-2011

- Acquired 100 % interest in the San Jose project, Mexico
- Construction of the San Jose Mine; commercial production at 1,000 tpd



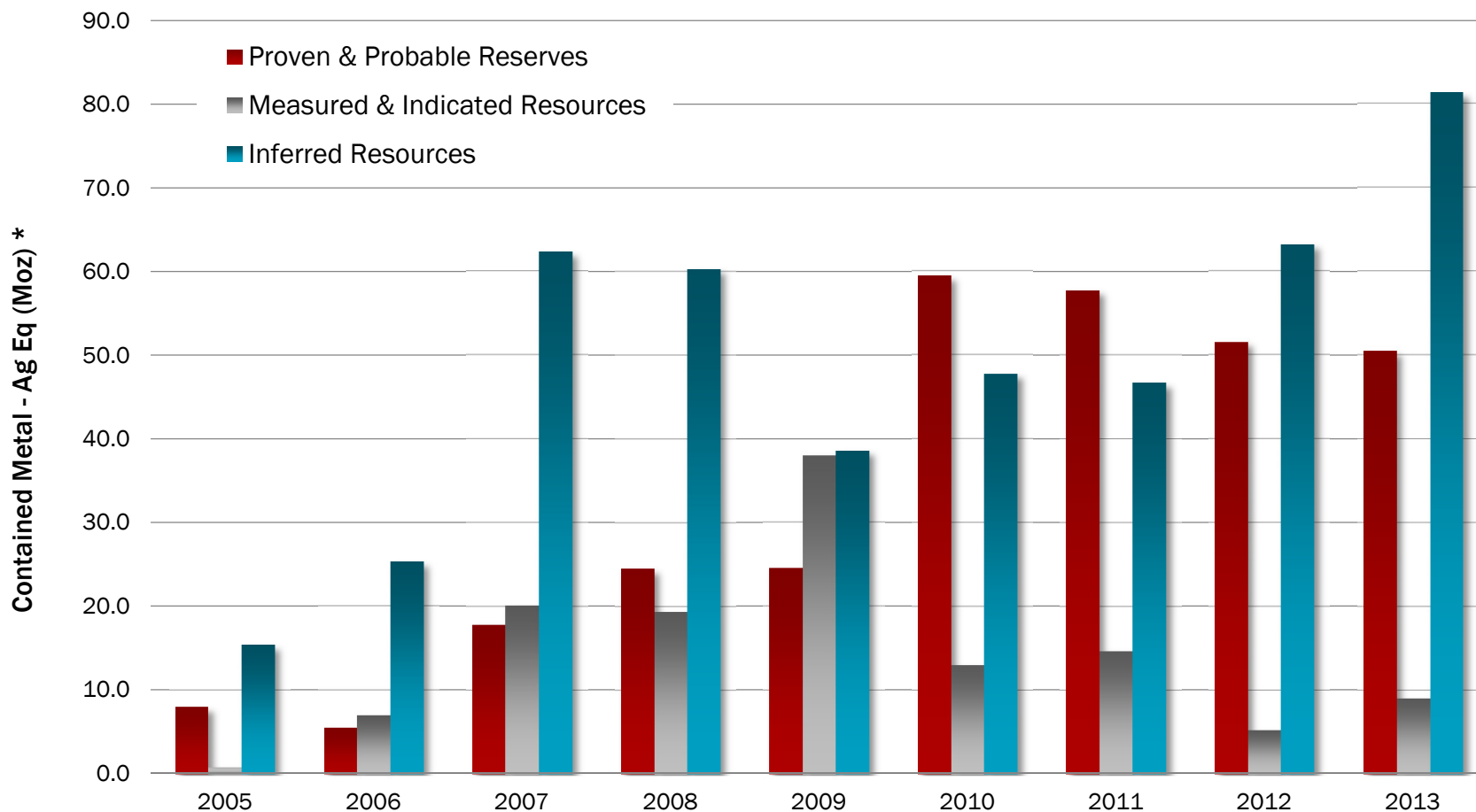
Trinidad North exploration drilling, San Jose Mine

2013-2014

- Trinidad North high-grade silver-gold discovery at the San Jose Mine
- San Jose Mine expanded to 2,000 tpd in April 2014

# Growing Reserve and Resource Base

## Net growth in Inferred Resources



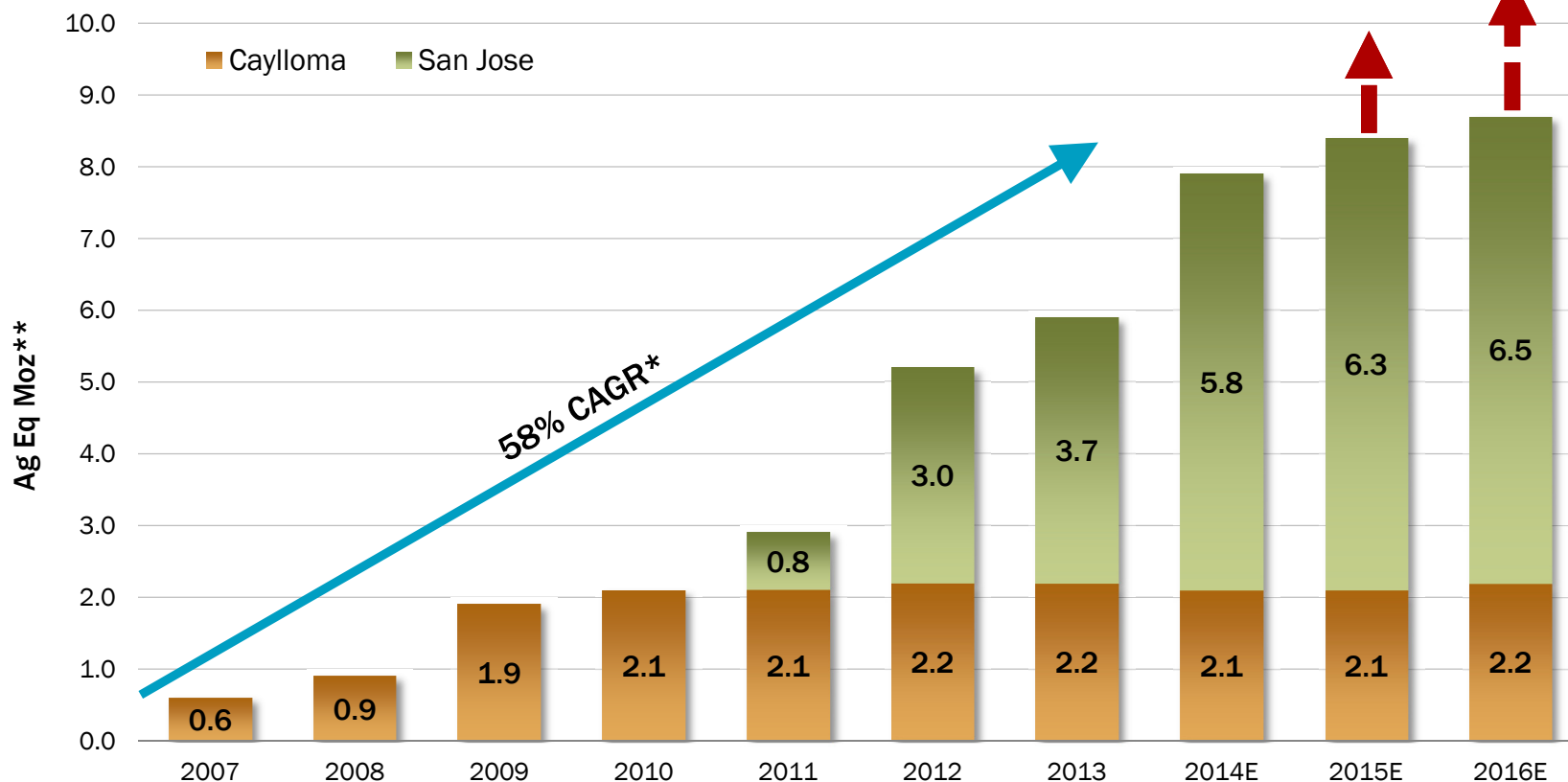
\* Ag Eq for Resources and Reserves calculated using Au = US\$1,200/oz and Ag = US\$20/oz

# Consolidated Ag Eq Production

## Trinidad North Discovery potential



### Trinidad North Discovery potential contribution to consolidated Ag Eq production



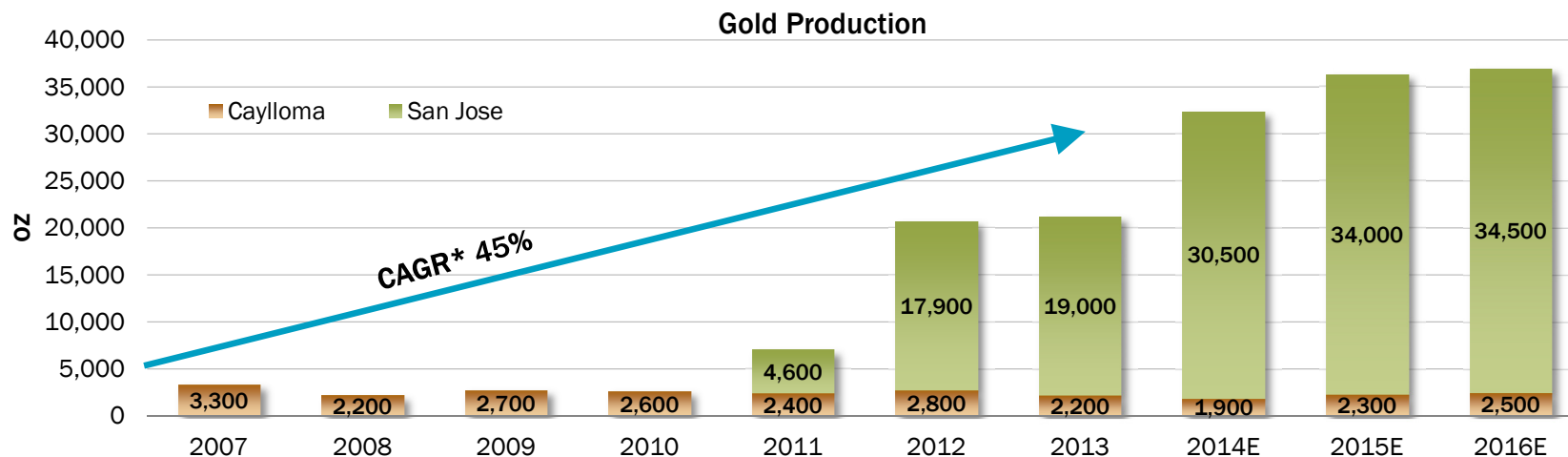
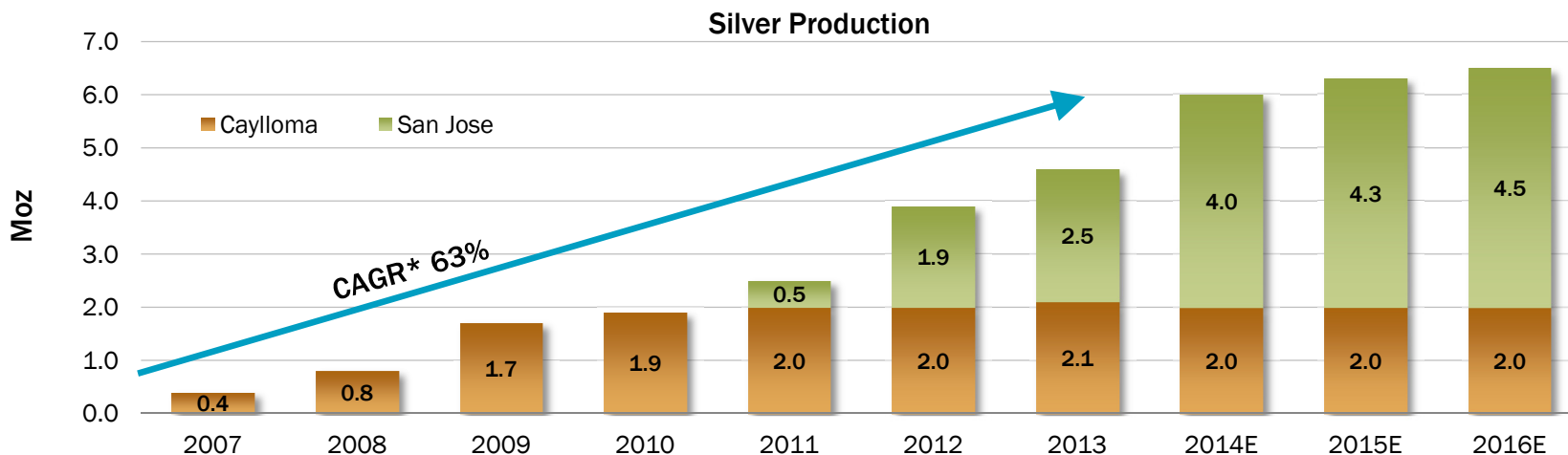
(\*) CAGR = Compound Annual Growth Rate

(\*\*) Ag Eq calculated using Au = US\$1,200/oz and Ag = US\$20/oz; net of by-product lead and zinc



# Increasing Silver and Gold Production

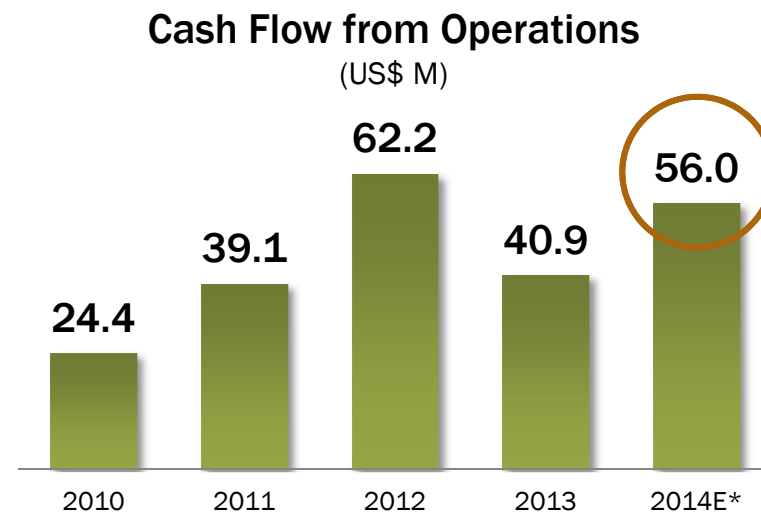
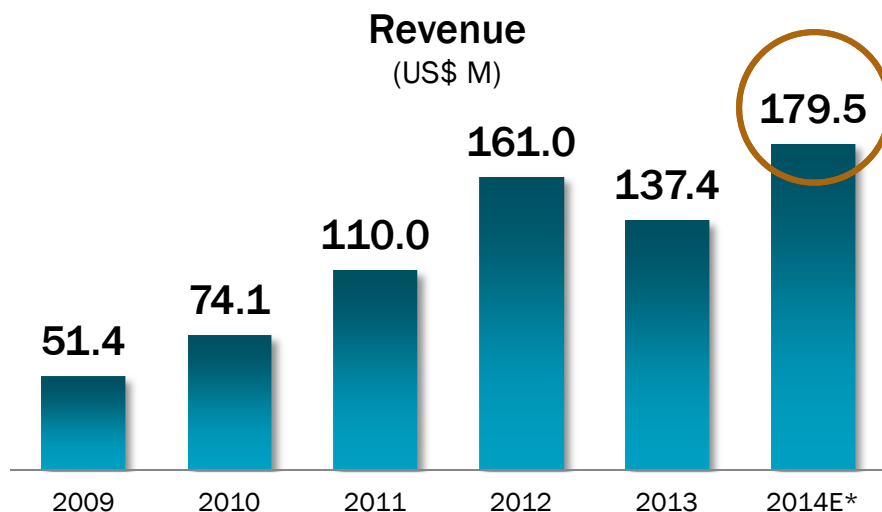
Low cost organic growth



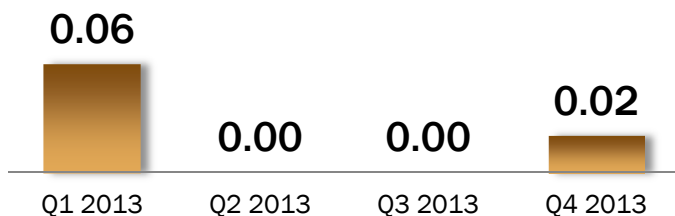
(\*) CAGR = Compound Annual Growth Rate

# Financial Snapshot

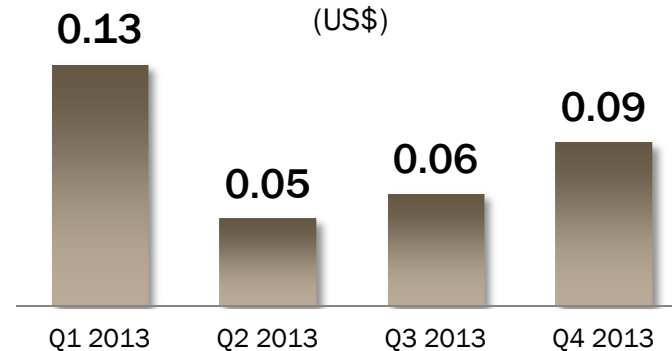
Maximizing margins through management of cost and capital



### Adjusted Earnings Per Share\*\* (US\$)



### Cash Flow Per Share (US\$)



\* 2014E: Au = US\$1,300/oz, Ag = US\$22/oz, Pb = US\$2,100/t and Zn = US\$1,900/t

\*\* Net of income tax

# Caylloma Mine, Peru

## Snapshot



### Commodities

Silver, zinc, lead

### Operation

1,300 tpd underground mine

### Reserve Life

8 Years

### Location

Arequipa, Peru

### Ownership

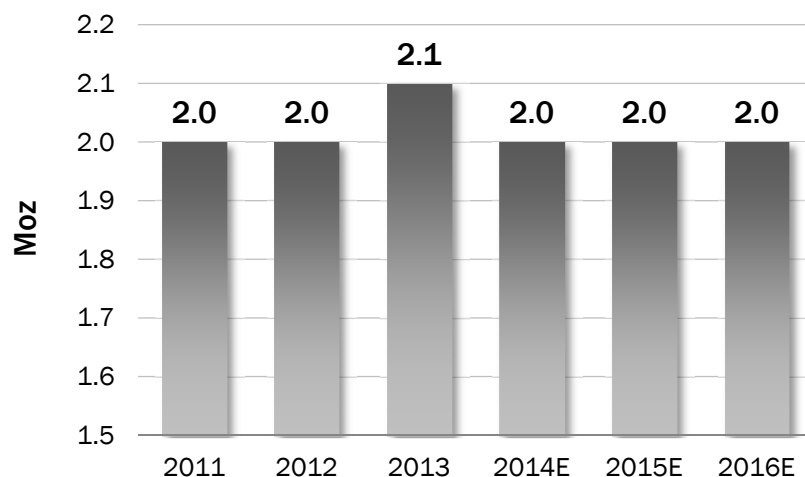
100 %

### Deposit Type

Intermediate sulphidation  
epithermal deposit

**2014E AISC\***,  
net of by-products lead and zinc  
US\$17.01/oz Ag

Silver Production



(\*) AISC = All-In Sustaining Cash Cost; net of by-product credits and based on the guidelines from the World Gold Council

# San Jose Mine, Mexico

## Snapshot



### Commodities

Silver, gold

### Operation

2,000 tpd underground mine

### Reserve Life

6.3 Years

### Location

Oaxaca, Mexico

### Ownership

100 %

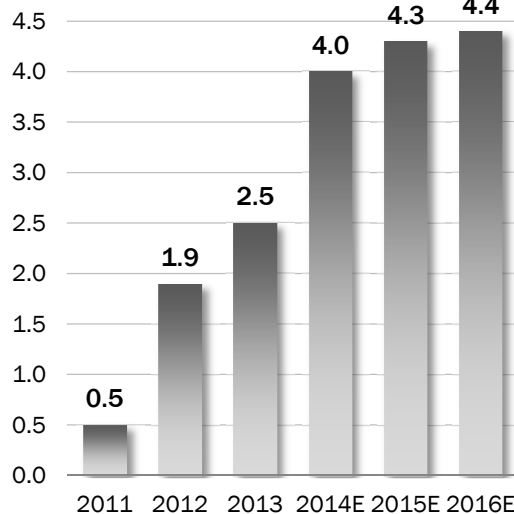
### Deposit Type

High-grade, low sulphidation  
epithermal deposit

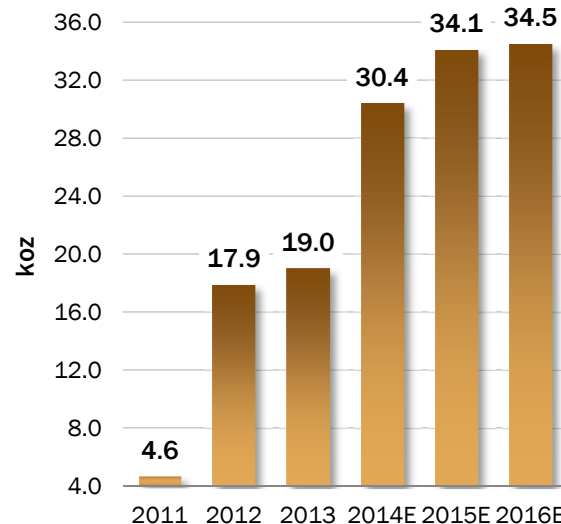
2014E AISCC\*,  
net of by-products Au

US\$14.43/oz Ag

Silver Production



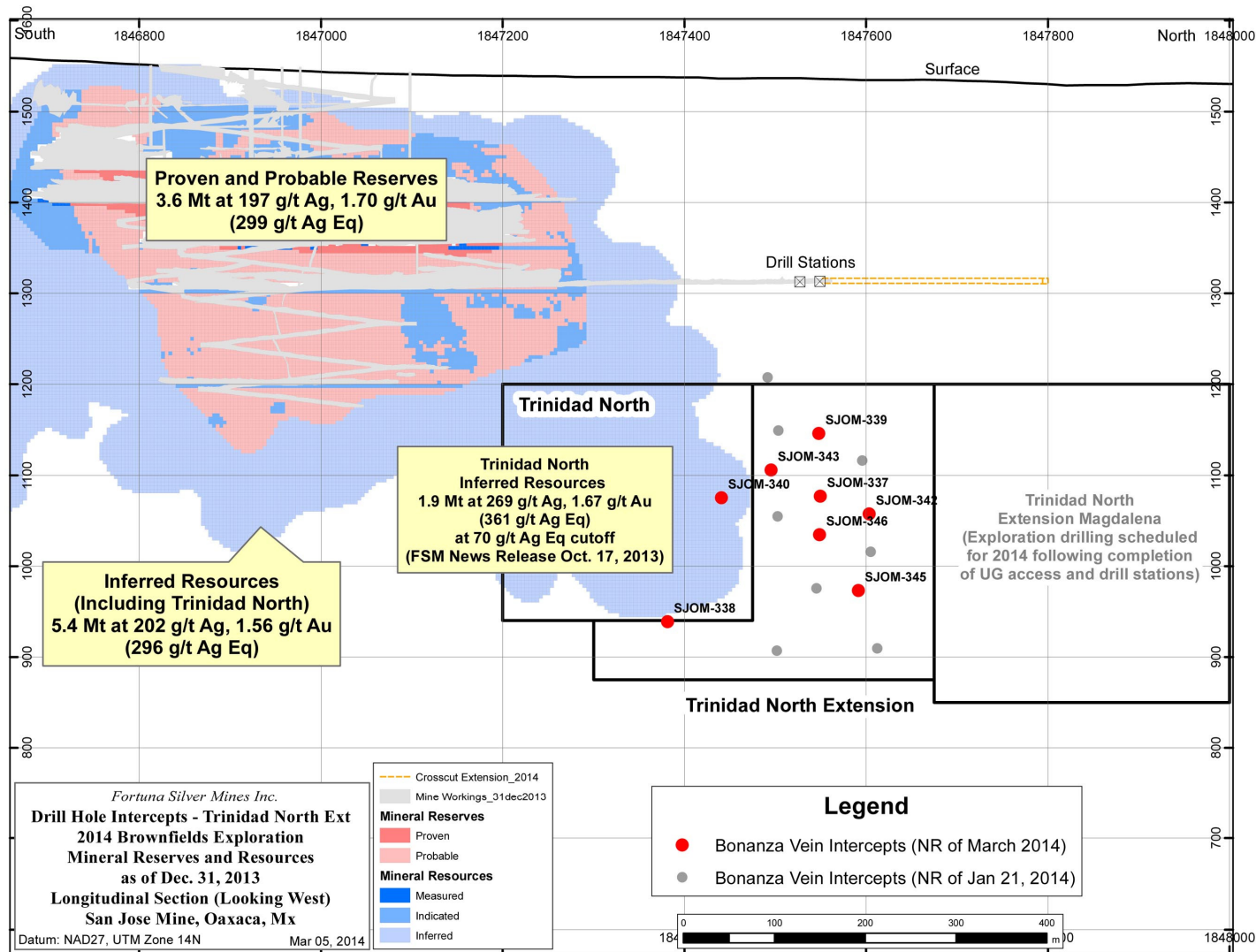
Gold Production



(\*) AISCC =All-In Sustaining Cash Cost; net of by-product credits and based on the guidelines from the World Gold Council

# San Jose Mine – Trinidad North Discovery

200 meter strike extension step-out drilling beyond existing resource boundary

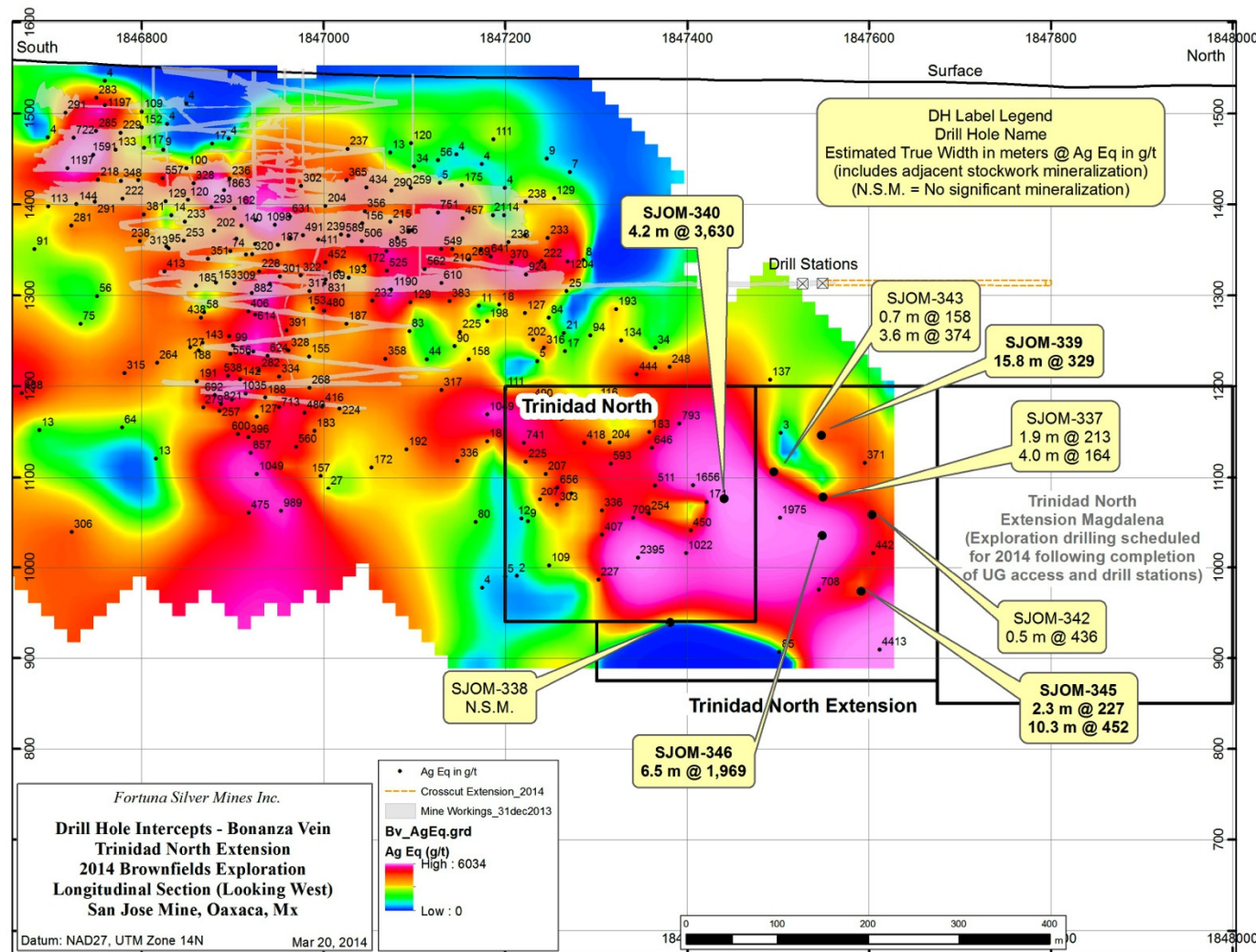


# San Jose Mine – Trinidad North Discovery

4.4 kg/t Ag Eq over 3.7 meters true width in SJOM-335



- Contiguous with existing operation
- Mineralization open at depth and to the north

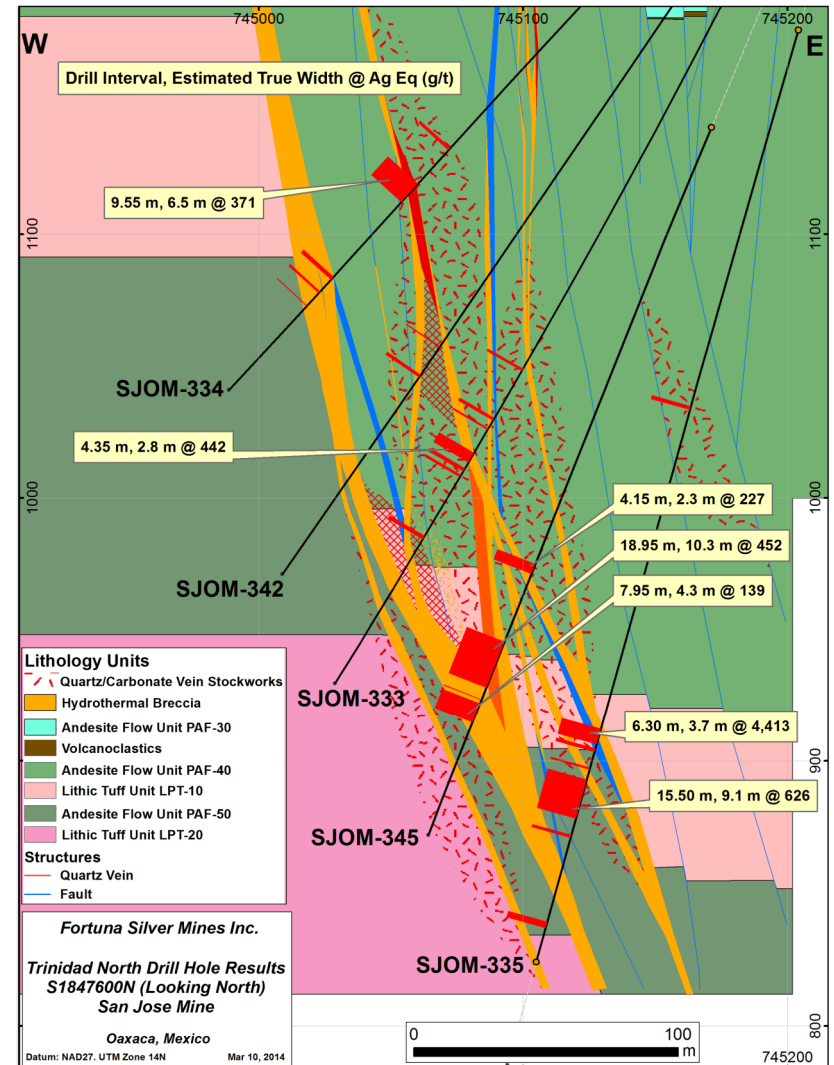


# San Jose Mine – Trinidad North Discovery

## Northernmost drilling– Section 1847600N



- Robust mineralized system
- High-grade, wide widths
- Vertical extension of mineralized system exceeds 600 meters



# San Jose Mine – Trinidad North Discovery

Easy access with minimal CAPEX requirement



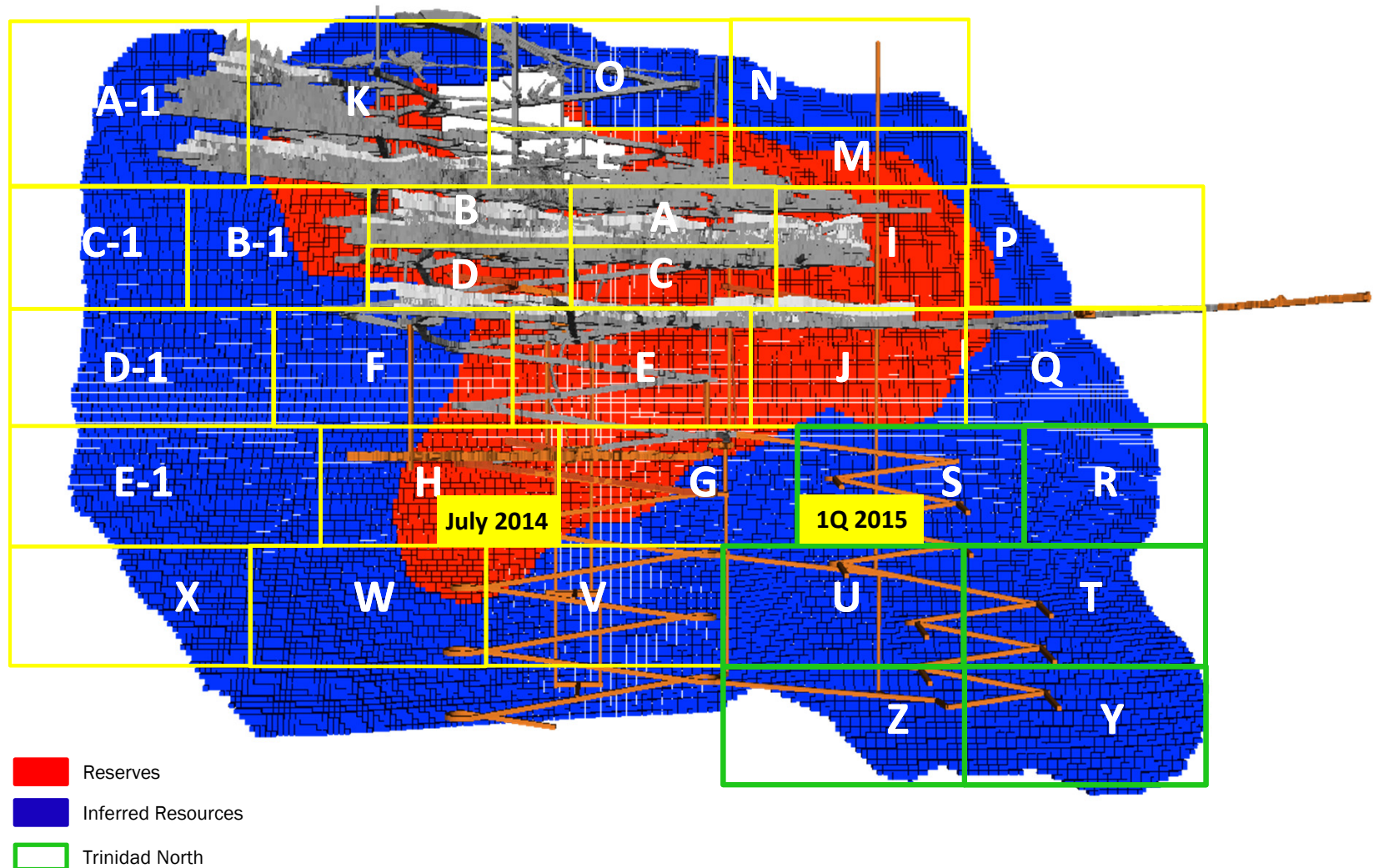
- Aggressively advancing mine development and planned infrastructure for existing resources to level 1000
- Estimated CAPEX requirement :

	Meterage (m)	Cost Estimate (US\$ M)
Main ramp	400	0.70
Auxiliary ramps	1,400	2.40
Cross-cuts	300	0.50
Chambers	100	0.15
Raises	800	1.10
Infrastructure and services	200	0.25
TOTAL (US\$ M)		5.10



# San Jose Mine – Trinidad North Discovery

Mine architecture and Trinidad North development milestones



# Growth Strategy

Focused on organic growth, disciplined M&A



Maximize production, profitability and sustainable free cash flow generation

- San Jose Mine expanded to 2,000 tpd in April 2014
- 2014 budget to conduct engineering studies to assess economic robustness of a potential expansion of the San Jose Mine to 3,000 tpd

Capitalize on Trinidad North silver-gold discovery

- Inferred Resources estimated at 1.9 Mt averaging 269 g/t Ag and 1.67 g/t Au at 70 g/t Ag Eq cutoff
- Robust mineralization with potential for further extension of the system, open in three directions
- Initial contribution to production blend by 1Q15 with minimal CAPEX

# Investment Highlights

A leading silver mining company in the Americas



1

## Proven mine developers and strong operators

- Increasing silver – gold production profile
- 2014E consolidated AISCC\* = US\$17.14/oz Ag

2

## Strong treasury

- US\$49 M in cash (end 4Q13)
- US\$40 M untapped credit facility
- Sustainable free cash flow generation

3

## 2014 production guidance

- 6.0 Moz silver
- 32.3 koz gold
- 22.6 Mlbs zinc
- 16.6 Mlbs lead

(\* AISCC = All-In Sustaining Cash Cost; net of by-product credits and based on the guidelines from the World Gold Council)

# BUILDING A LEADING SILVER MINER



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# Senior Management



**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.



**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.



**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.

**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.



# Board of Directors



**FORTUNA**  
SILVER MINES INC.



**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.



**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.



**David Farrell**  
President of Davisa Consulting, a private consulting firm working with global mining companies. Successfully closed over US\$25 billion in M&A transactions. Director of Northern Vertex Mining Corp.

## **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.



## **Mario Sztolender**

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



# Trinidad North discovery drilling highlights



- Average grade and widths in excess of those found in the San Jose Mine reserves and resources
- Estimated true widths of up to 18.8 meters
- Ag Eq values range to 4.4 kg/t

Hole_Id	From (m)	To (m)	Interval (m)	ETW* (m)	Ag (g/t)	Au (g/t)	Ag Eq** (g/t)
SJOM-329	271.60	273.45	1.85	1.0	1,509	7.77	1,975
	305.50	314.50	9.00	5.3	904	8.60	1,420
	329.15	342.10	12.95	7.5	402	3.42	607
SJOM-335 including	419.00	425.30	6.30	3.7	3,511	15.04	4,413
	420.05	421.70	1.65	1.0	12,249	51.89	15,363
	439.20	454.70	15.50	9.1	474	2.54	626
SJOM-337	296.10	313.00	16.90	11.7	219	1.38	302
	314.90	324.35	9.45	6.5	498	3.03	680
SJOM-339	214.30	234.20	19.90	15.8	252	1.29	329
SJOM-340 Including	265.70	273.00	7.30	4.2	2,762	14.46	3,630
	266.85	267.50	0.65	0.4	27,669	141	36,129
SJOM-343	248.40	253.60	5.20	3.6	298	1.27	374
	272.00	286.95	14.95	10.2	1,190	8.45	1,697
SJOM-345	397.65	416.60	18.95	10.3	305	2.44	452
SJOM-346	293.50	303.50	10.00	6.5	1,503	7.76	1,969
	340.50	368.00	27.50	18.8	600	4.20	852

(\*) ETW = Estimated True Width

(\*\*) Ag Eq values calculated at Au:Ag ratio of 60 based on assumed metal prices of Au = US\$1,200/oz and Ag = US\$20/oz and metallurgical recoveries of 89 % for both gold and silver

# San Jose Mine NI 43 – 101 Reserves and Resources



Classification	Tonnes (000)	Ag (g/t)	Au (g/t)	Contained Metal	
				Ag (Moz)	Au (koz)
Proven & Probable Reserves	3,605	197	1.70	22.8	196.5
Measured & Indicated Resources	837	74	0.64	2.0	17.3
Inferred Resources	5,394	202	1.56	35.1	270.8

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
- 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, 2013
- Refer to [www.fortunasilver.com](http://www.fortunasilver.com) for full disclosure



# Caylloma Mine NI 43 – 101 Reserves and Resources



Classification	Tonnes (000)	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)	Contained Metal	
						Ag (Moz)	Au (koz)
Proven & Probable Reserves	3,083	137	0.40	1.69	2.49	13.5	39.4
Measured & Indicated Resources	1,989	76	0.30	1.08	2.07	4.9	19.4
Inferred Resources	6,184	121	0.50	2.11	2.97	24.0	100.2

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

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