



Q3 EARNINGS CALL WEBCAST

NYSE: FSM | TSX: FVI | NOVEMBER 9, 2018



San Jose Mine, Mexico

CAUTIONARY STATEMENT ON FORWARD LOOKING STATEMENTS / NON-GAAP FINANCIAL MEASURES



This corporate presentation 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 corporate presentation may include, without limitation, statements about the company’s plans for its mines and mineral properties including the construction and development of the Lindero Project; the company’s business strategy, plans and outlook; the merit of the company’s mines and mineral properties; mineral resource and reserve estimates; timelines; the future financial or operating performance of the company; expenditures; approvals and other matters. Often, but not always, these Forward looking Statements can be identified by the use of words such as “estimate”, “estimated”, “potential”, “open”, “future”, “assumed”, “projected”, “calculated”, “used”, “detailed”, “has been”, “gain”, “upgraded”, “expected”, “offset”, “limited”, “contained”, “reflecting”, “containing”, “conduct”, “increasing”, “remaining”, “to be”, “periodically”, 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; construction delays, the timing and availability of financing; 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 estimates of future production levels; expectations regarding mine production costs; expectations regarding mine construction 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, including the construction of the Lindero Mine, 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 corporate presentation 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, free cash flow, 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.

Mr. Eric N. Chapman, M.Sc., Vice President of Technical Services, is the Qualified Person for Fortuna Silver Mines Inc. as defined by National Instrument 43-101. Mr. Chapman is a Professional Geoscientist of the Association of Professional Engineers and Geoscientists of the Province of British Columbia (Registration Number 36328) 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., and has approved the technical disclosure contained herein.

Dollar amounts expressed in US Dollars, unless otherwise indicated.

JORGE A. GANOZA

President, CEO and Director



San Jose Mine, Mexico

OUR COMPANY



14 years
generating
sustainable
shareholder value



Q3 2018 HIGHLIGHTS



Solid performance
at our mines reflected in robust

41%

EBITDA margin
and free cash flow of

\$13.6 M

before Lindero
construction costs



Strong liquidity of

\$257 M

and Debt to EBITDA³
ratio <0.5



Lindero progress of

26%¹

Capital committed of

82%

**2018 expected
expenditures of**

\$110 - 130 M

Commercial operations on
schedule for Q3 2019



**San Jose
environmental incident²**

Official third party
environmental
characterization of incident
delivered to PROFEPA⁴

All soil and water sampling
results within
permissible levels

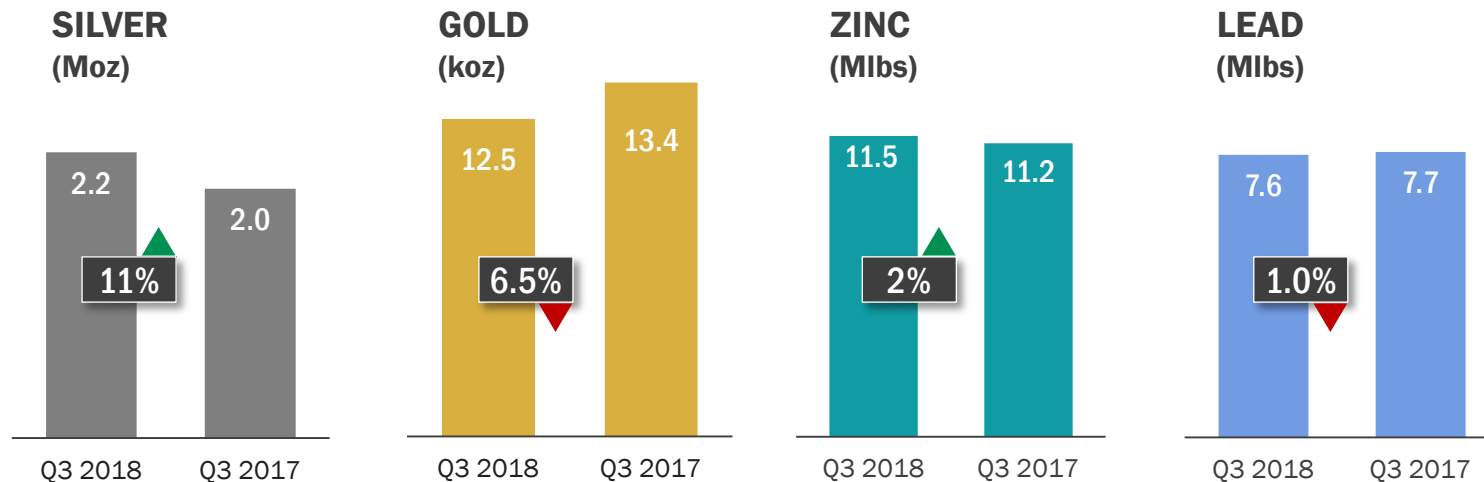
Notes:

1. As of October 2018
2. Refer to Fortuna press release dated October 11, 2018, "Fortuna reports heavy seasonal rains caused an overflow in a contingency pond of the dry stack tailings facility at the San Jose Mine, Mexico"
3. EBITDA = Earnings before Interest, Taxes, Depreciation, and Amortization; refers to slide 26 for Adjusted EBITDA
4. PROFEPA =Procuraduría Federal de Protección al Ambiente de México

Q3 2018 CONSOLIDATED PRODUCTION¹



YTD **SILVER** PRODUCTION YTD **GOLD** PRODUCTION or **9.7 Moz Ag Eq²**
7.0 Moz **42.1 koz**



Notes:

1. Refer to Fortuna press release dated October 11, 2018, "[Fortuna reports production of 2.2 million ounces of silver and 12,542 ounces of gold for the third quarter 2018](#)"

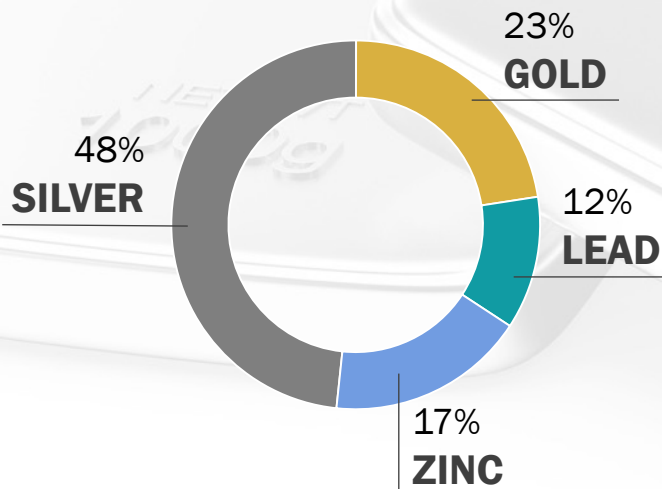
2. Ag Eq calculated using silver to gold ratio of 65 to 1 and does not include lead or zinc

Q3 2018 CONSOLIDATED SALES



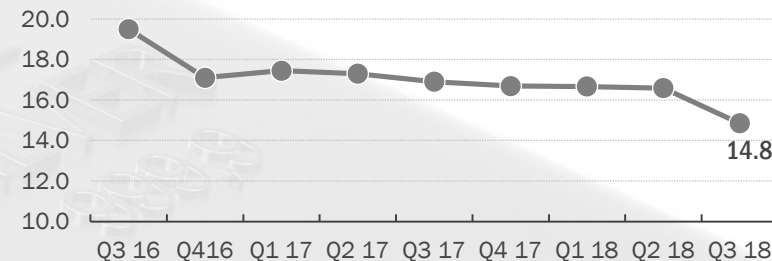
Provisional Sales Contribution by Metal

Sales of **\$59.6 M**
Precious metals contribution **71%**

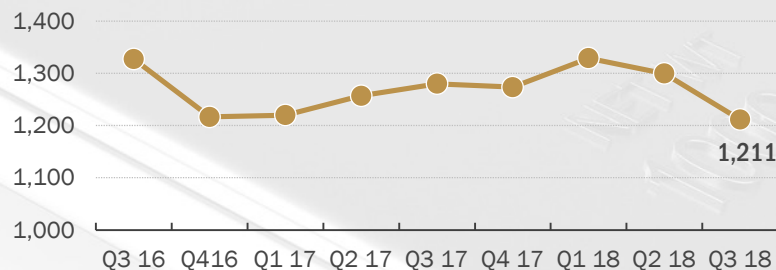


REALIZED PRECIOUS METALS PRICES¹

SILVER (\$/oz)



GOLD (\$/oz)



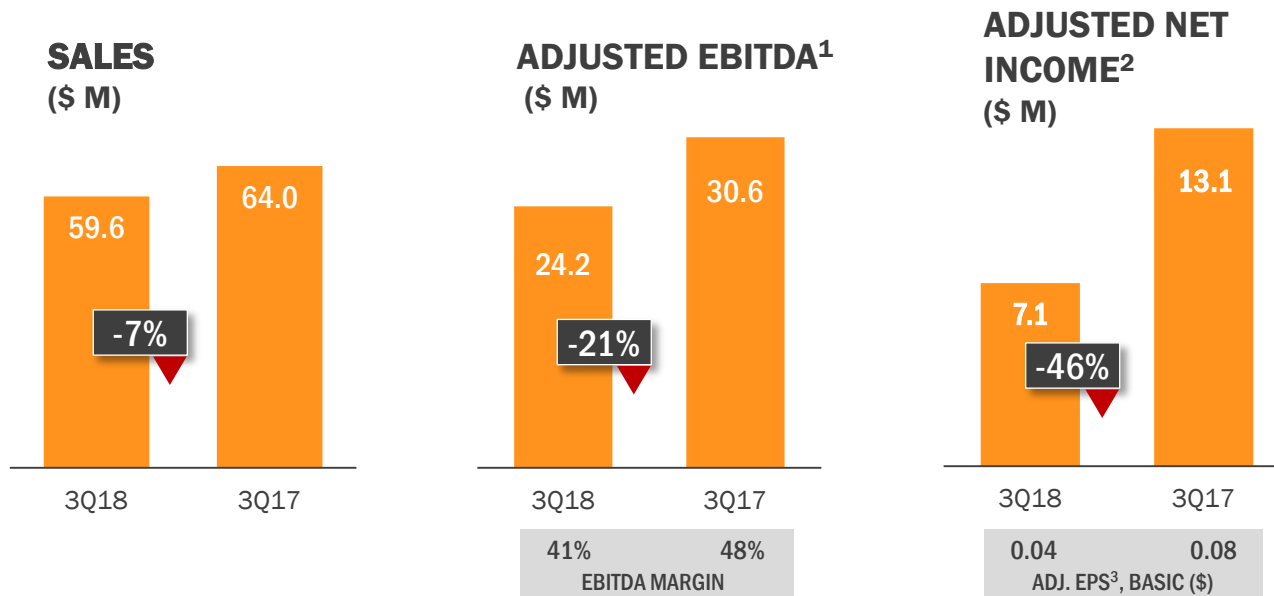
Note:

1. Realized prices on provisional sales

Q3 2018 CONSOLIDATED FINANCIAL HIGHLIGHTS



41% EBITDA Margin Impacted Mainly by Declining Metal Prices



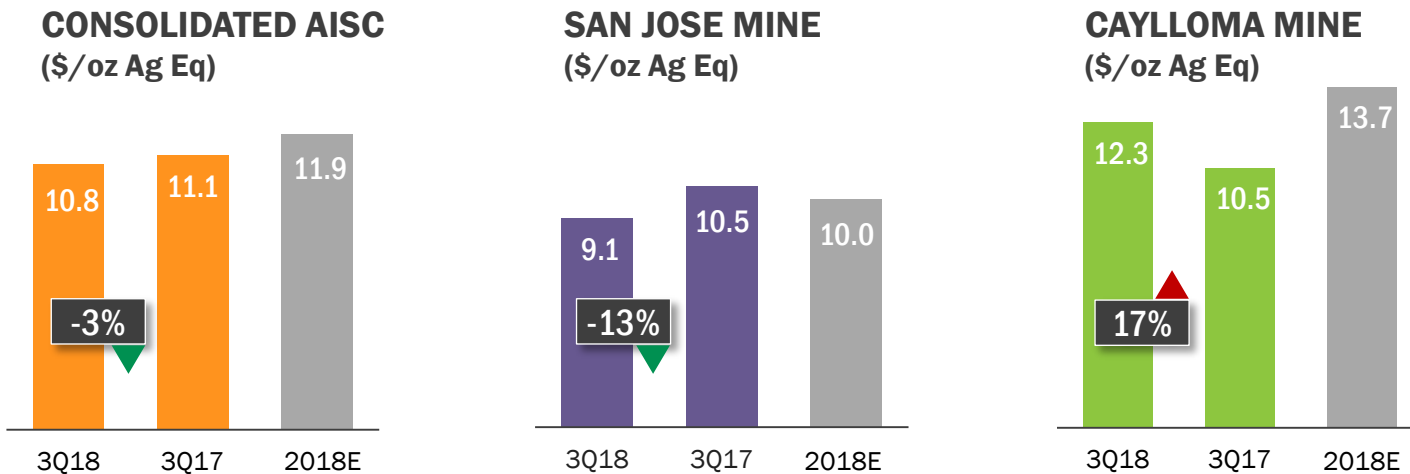
Notes:

- 1. EBITDA = Earnings Before Interest, Taxes, Depreciation and Amortization; refer to slide 26 for Adjusted EBITDA detail
- 2. Non-GAAP financial measure; refer to slide 28 for Adjusted Net Income detail
- 3. ADJ. EPS = Adjusted Earnings Per Share

Q3 2018 CONSOLIDATED AISC Ag Eq¹



Exceeding targets at both operations



Notes:

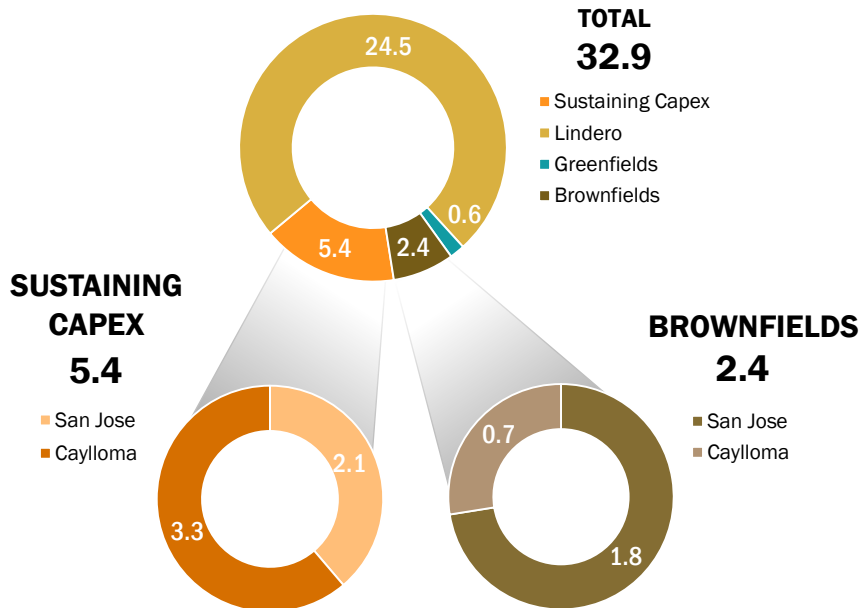
1. AISC Ag Eq = All-in sustaining cash cost per payable ounce of silver equivalent production; refer to cautionary statements for non-GAAP financial measures
2. Silver equivalent production calculated using realized prices; refer to slide 24
3. Refer to slide 20 for AISC Ag Eq guidance detail

Q3 2018 CONSOLIDATED CAPITAL EXPENDITURES



Lindero Capital Expenditures Ramping Up

Q3 2018 CAPITAL EXPENDITURES (\$ M)



CONSOLIDATED CAPITAL EXPENDITURES (\$ M)

	Q3 2018	YTD	2018 Budget
Brownfields exploration	2.4	7.1	10.6
Mine CAPEX ¹	5.4	14.6	27.6
Greenfields exploration ²	0.6	2.1	3.0
Lindero ³	24.5	41.8	201.0
Total	32.9	65.6	242.2

Notes:

1. Capital expenditures
2. Greenfields exploration budget not included in 2018 annual guidance
3. Total Lindero expenditures including advances to contractors YTD: \$66.8 million
4. Totals may not add due to rounding

CURRENT ASSET PORTFOLIO



Note:
1. Includes Barje and Karamanica targets

LINDERO PROJECT, ARGENTINA



Commercial Operations Planned for Q3 2019

- As of the end of September, the Company has assigned, mainly through purchase order/construction contracts, ~\$154 million or 82% of the project's total direct capital cost
- As of the end of October, project execution stands at 26%
- The initial capital cost of the project is currently forecast to increase between 10% and 14%, the increment is mainly driven by the impact of higher headcount in indirect costs and higher owner's cost. Forecast excludes savings from local currency devaluation against the US Dollar
- As of the end of September, total cash spent on construction at Lindero in 2018 amounted to approximately \$66.8 million, with \$32.2 million spent in the third quarter
- The HPGR¹ and the primary crusher are expected to arrive on site by December; the following mining equipment has either arrived on site or is expected to arrive in November: three dozers, two graders, six 100-ton trucks, one hydraulic excavator, two 17-cubic yard wheel loaders, and two mine production drill rigs



Leach pad construction - looking southwest to Lindero ore deposit site

Note:

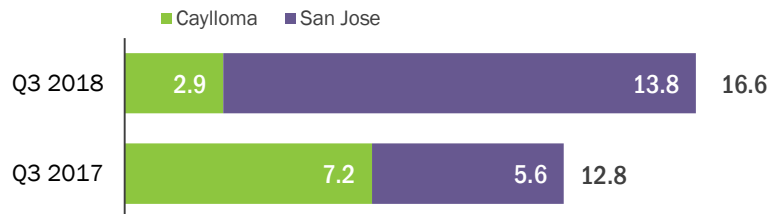
1. High-Pressure-Grinding-Roll

EXPLORATION UPDATE

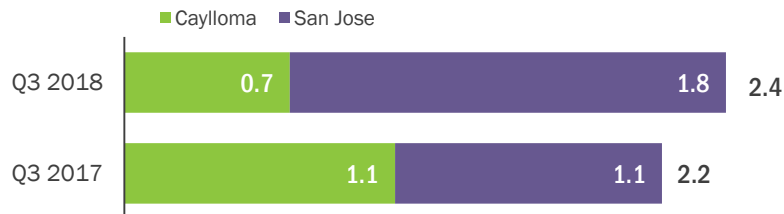
Gold Discovery in Serbia Through Medgold Resources Strategic Alliance

BROWNFIELDS PROJECTS

DRILLING (Km)



INVESTMENT (\$ M)



Note:

1. Totals may not add due to rounding

GREENFIELDS EXPLORATION HIGHLIGHTS

SERBIA

5,000 meters in 31 drill holes were concluded in October

MEXICO

5,600 meters of drilling completed by Strategic Alliance with Prospero Silver Corp. (TSX.v: PSL)

ARGENTINA

2,200 meters of drilling completed at Arizaro



LUIS D. GANOZA

Chief Financial Officer



Lindero Project: Leach pad geomembrane installation

Q3 2018 FINANCIAL HIGHLIGHTS



Free cash flow¹ generation of \$13.6 M in Q3 2018 and \$42.2 M YTD

(\$ M, except in earnings per share figure)	3Q18	3Q17	% Change
Sales	59.6	64.0	▼ (7%)
Net income (loss)	6.9	10.3	▼ (33%)
EPS, basic	0.04	0.06	▼ (33%)
Adjusted net income (loss)	7.1	12.6	▼ (44%)
Adjusted EPS, basic	0.04	0.08	▼ (50%)
Adjusted EBITDA	24.2	30.6	▼ (21%)
Net cash provided by operating activities	21.5	20.4	▲ 5%
Free Cash Flow ¹	(19.3)	8.3	—
Free Cash Flow excluding Lindero ¹	13.6	12.4	▲ 10%

Note:

1. Non-GAAP financial measure; refer to slide 29

Q3 2018 FINANCIAL HIGHLIGHTS



Lower Sales Driven by Metal Price Declines



Notes:

1. TC/RC = Treatment Charges / Refinement Charges
2. Refer to slide 24 for consolidated sales metrics
3. Totals may not add due to rounding

Q3 2018 FINANCIAL HIGHLIGHTS



EBITDA Margins Impacted by Lower Metal Prices at Both Operations

CONSOLIDATED

(\$ M)	3Q18	3Q17	% Change
Adjusted Operating Income ¹	12.1	19.7	▼(39%)
Adjusted EBITDA ²	24.2	30.6	▼(21%)
EBITDA Margin over sales	41%	48%	

CAYLLOMA MINE, PERU

(\$ M, except in cash cost figures)	3Q18	3Q17	% Change
Adjusted EBITDA	7.7	10.6	▼(27%)
Margin over sales	38%	48%	

Production cash cost (\$/t)	88.5	76.0	▲16%
AISC (\$/oz Ag Eq)	12.3	10.5	▲17%

SAN JOSE MINE, MEXICO

(\$ M, except in cash cost figures)	3Q18	3Q17	% Change
Adjusted EBITDA	18.6	22.6	▼(18%)
Margin over sales	48%	54%	

Production cash cost (\$/t)	63.3	62.2	▲2%
AISC (\$/oz Ag Eq)	9.1	10.5	▲13%

Notes:

1. Refer to slide 27 for Adjusted Operating Income detail
2. Refer to slide 25 for segmented Operating Income and Adjusted EBITDA; refer to cautionary statements for non-GAAP financial measures
3. AISC Ag Eq = All-in sustaining cash cost per payable ounce of silver equivalent production; silver equivalent production calculated using realized prices; refer to slide 24; refer to cautionary statements for non-GAAP financial measures

Q3 2018 FINANCIAL HIGHLIGHTS



SG&A and Effective Tax Rate

(\$ M)	Q3 2018	% Change over Q3 2017
Operating mines SG&A	2.7	▲ 17%
Corporate SG&A	2.4	0%
Share-based payments	(0.4)	–
Workers' participation	0.3	0%
Total SG&A	5.0	▼ (2%)

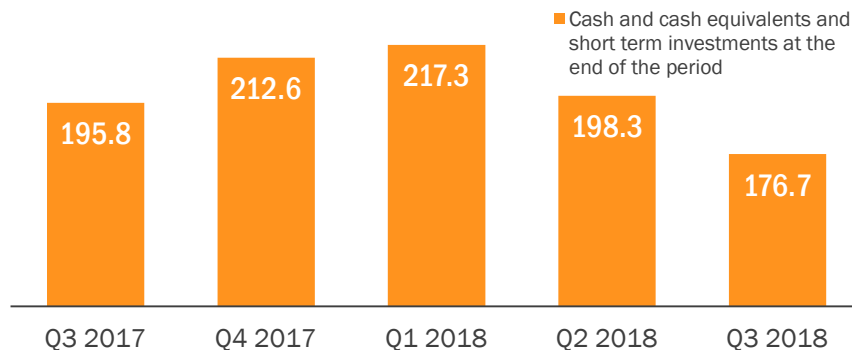
Effective tax rate	46%
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Q3 2018 FINANCIAL HIGHLIGHTS



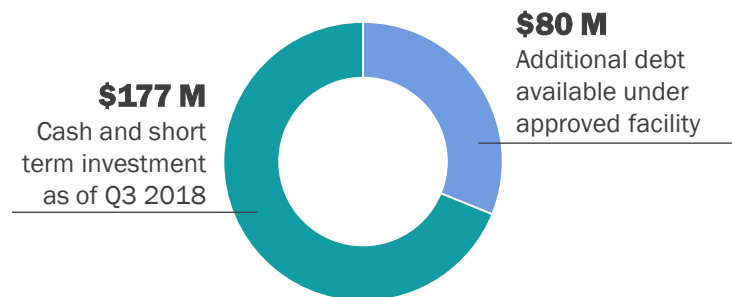
Strong Balance Sheet and Liquidity

QUARTERLY CASH POSITION (\$ M)



- \$176.7 million in cash at quarter end
- Q3 2018 cash consumption of \$21.6 million reflecting construction ramp-up at Lindero

TOTAL LIQUIDITY \$257 M



- Total debt facility : \$120 million
- Debt outstanding: \$40 million
- Debt to EBITDA: < 0.40x

2018 ANNUAL GUIDANCE



PRODUCTION	CASH COST PER TONNE ¹	AISC ¹	AISC Ag Eq ^{1,2}	CAPEX
8.3 Moz Ag	61.2 \$/t San Jose	6.6 \$/oz Ag San Jose	10.0 \$/oz Ag Eq San Jose	\$16.9 M San Jose
48.3 koz Au	81.3 \$/t Caylloma	(5.2) \$/oz Ag Caylloma	13.7 \$/oz Ag Eq Caylloma	\$21.3 M Caylloma
44.8 Mlbs Zn				
25.8 Mlbs Pb		6.8 \$/oz Ag Consolidated	11.9 \$/oz Ag Eq Consolidated	\$201 M Lindero

Notes:

1. Refer to cautionary statements for non-GAAP financial measures
2. AISC Ag Eq = All-in sustaining cash cost per payable ounce of silver equivalent production; silver equivalent production calculated using metal prices of \$1,250/oz Au, \$17.00/oz Ag, \$2,400/t Pb and \$2,900/t Zn

QUESTIONS & ANSWERS



CONTACT

CARLOS BACA, *Investor Relations Manager* | +51.1.616.6060, ext. 2 | info@fortunasilver.com | fortunasilver.com



APPENDIX



San Jose Mine, Mexico

CONSOLIDATED SALES METRICS



	Q3 2018	Q3 2017	% Change
METAL SOLD			
Ag (oz)	2,154,434	1,965,221	10%
Au (oz)	12,098	12,931	(6%)
Pb ('000 lb)	7,822	7,291	7%
Zn ('000 lb)	11,647	10,867	7%
REALIZED PRICE			
Ag (\$/oz)	14.85	16.85	(12%)
Au (\$/oz)	1,211	1,280	(5%)
Pb (\$/lb)	0.96	1.06	(10%)
Zn (\$/lb)	1.15	1.35	(15%)

Note: Realized prices based on provisional sales before final price adjustments

SEGMENTED OPERATING INCOME AND ADJUSTED EBITDA



OPERATING INCOME

(\$ M)	3Q 2018	3Q 2017	% Change
Caylloma	2.1	8.2	(74%)
San Jose	10.5	13.5	(22%)
Corporate	(2.1)	(2.8)	(25%)
Total Operating Income	10.5	18.9	(44%)
Margin over sales	18%	30%	-

ADJUSTED EBITDA

(\$ M)	3Q 2018	3Q 2017	% Change
Caylloma	7.7	10.6	(27%)
San Jose	18.6	22.6	(18%)
Corporate	(2.1)	(2.6)	(18%)
Total Adjusted EBITDA	24.2	30.6	(21%)
Margin over sales	41%	48%	-

Note: Totals may not add due to rounding

ADJUSTED EBITDA

Non-GAAP Financial Measures



(\$ M)	Three months ended September 30	
	Q3 2018	Q3 2017
Net Income	6.9	10.3
Add Back:		
Net finance items	(0.4)	(0.2)
Community relations	1.4	0.0
Depreciation, depletion and amortization	11.6	11.0
Income taxes	5.9	5.5
Other non-cash income (write-offs, share of equity-accounted investee)	0.0	0.9
Non-cash loss on financial instruments	(1.2)	3.2
Adjusted EBITDA	24.2	30.6

Note: Totals may not add due to rounding

ADJUSTED OPERATING INCOME

Non-GAAP Financial Measures



(\$ M)	Three months ended September 30	
	Q3 2018	Q3 2017
Operating income	10.5	18.9
Adjustments:		
Community relations	1.4	0.0
Write-off of mineral properties	0.0	0.1
Write-off of accounts receivable	0.0	0.0
Write down of plant and equipment	0.0	0.7
Write down of inventories	0.0	0.0
Other finance items	0.1	0.0
Adjusted operating income	12.1	19.7

Note: Totals may not add due to rounding

ADJUSTED NET INCOME

Non-GAAP Financial Measures



(\$ M)	Three months ended September 30	
	Q3 2018	Q3 2017
Net Income	6.9	10.3
Adjustments, net of tax:		
Community relations	1.0	0.0
Unrealized (gain) loss on financial instruments	(0.9)	2.2
Write-off of mineral properties	0.0	0.1
Write-off of accounts receivable	0.0	0.0
Write down of plant and equipment	0.0	0.5
Write down of inventories	0.0	0.0
Other finance items	0.1	0.0
Adjusted net income	7.1	13.1

Note: Totals may not add due to rounding

Free Cash Flow¹



Non-GAAP Financial Measures

(\$ M)	3Q 2018	3Q 2017
Net cash provided by operating activities	21.5	20.4
Expenditures on mineral properties, plant and equipment	(34.4)	(11.7)
Deposits on long term assets (advances to contractors)	(6.6)	0.5
“Current income tax” less “Income taxes paid”	0.2	(0.9)
Free Cash Flow	(19.3)	8.3
Add Purchase of mineral properties, plant and equipment Lindero construction	25.1	2.7
Add Deposits on long term assets Lindero construction	7.1	0.0
Add Greenfields expenditures: purchase of mineral properties, plant and equipment	0.7	0.7
Free Cash Flow from ongoing operations	13.6	11.7

Note:

1. Free Cash Flow calculated on the basis of current income tax rather than taxes paid