



FORTUNA
SILVER MINES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended September 30, 2022

As of November 9, 2022

Fortuna Silver Mines Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2022

This Management's Discussion and Analysis ("MD&A") of the financial position and results of operations for Fortuna Silver Mines Inc. (the "Company" or "Fortuna") (TSX: FVI and NYSE: FSM) should be read in conjunction with the audited consolidated financial statements of the Company for the year ended December 31, 2021 (the "2021 Financial Statements") and unaudited condensed interim consolidated financial statements of the Company for the three and nine months ended September 30, 2022 and the related notes thereto which have been prepared in accordance with International Accounting Standard 34, Interim financial reporting, using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. For further information on the Company, reference should be made to its public filings on SEDAR at www.sedar.com and on EDGAR at www.sec.gov/edgar.

This MD&A is prepared by management and approved by the Board of Directors as of November 9, 2022. The information and discussion provided in this MD&A covers the three and nine months ended September 30, 2022 ("Q3 2022" or the "Quarter"), and where applicable, the subsequent period up to the date of issuance of this MD&A. Unless otherwise noted, all dollar amounts in this MD&A are expressed in United States ("US") dollars. References to "\$" or "US\$" in this MD&A are to US dollars and references to C\$ are Canadian dollars.

Fortuna has a number of direct and indirect subsidiaries which own and operate assets and conduct activities in different jurisdictions. The terms "Fortuna" or the "Company" are used in this MD&A for simplicity of the discussion provided herein and may include references to subsidiaries that have an affiliation with Fortuna, without necessarily identifying the specific nature of such affiliation.

This MD&A contains forward-looking statements. Readers are cautioned as to the risks and uncertainties related to the forward-looking statements, the risks and uncertainties associated with investing in the Company's securities and the technical and scientific information under National Instrument 43-101 – *Standards for Disclosure of Mineral Projects* ("NI 43-101") concerning the Company's material properties, including information about mineral reserves and resources, which classifications differ significantly from the requirements required by the U.S. Securities and Exchange Commission ("SEC") as set out in the cautionary note on page 55 of this MD&A. All forward-looking statements are qualified by cautionary notes in this MD&A as well as risks and uncertainties discussed in the Company's Annual Information Form for fiscal 2021 dated March 30, 2022 and its Management Information Circular dated May 12, 2022, which are filed on SEDAR and EDGAR.

This MD&A uses certain Non-IFRS financial measures and ratios that are not defined under IFRS, including but not limited to: cash cost per ounce of gold; all-in sustaining cash cost per ounce of gold sold; all-in cash cost per ounce of gold sold; total production cash cost per tonne; cash cost per payable ounce of silver equivalent; all-in sustaining cash cost per payable ounce of silver equivalent sold; all-in cash cost per payable ounce of silver equivalent sold; free cash flow and free cashflow from ongoing operations; adjusted net income; adjusted EBITDA and working capital which are used by the Company to manage and evaluate operating performance at each of the Company's mines and are widely reported in the mining industry as benchmarks for performance. Non-IFRS financial measures and non-IFRS ratios do not have a standard meaning under IFRS, and may not be comparable to similar financial measures disclosed by other issuers. Non-IFRS measures are further discussed in the "Non-IFRS Measures" section on page 29 of this MD&A.

Throughout this MD&A, the operational and financial results of the assets acquired in the acquisition of Roxgold Inc. ("Roxgold") are included from July 2, 2021 onward.

Fortuna Silver Mines Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2022

(in US Dollars, tabular amounts in millions, except where noted)

CONTENTS

Business Overview	4
Corporate Developments	4
Highlights	5
Financial Results	8
Quarterly Results of Operations	15
Projects & Exploration	20
Quarterly Information	23
Liquidity and Capital Resources	25
Financial Instruments	27
Share Position & Outstanding Options & Equity Based Share Units	27
Related Party Transactions	28
Non-IFRS Financial Measures	29
Risks and Uncertainties	39
Critical Accounting Estimates, Assumptions, and Judgements	49
Controls and Procedures	49
Cautionary Statement on Forward-Looking Statements	51
Cautionary Note to United States Investors Concerning Estimates of Reserves and Resources	55

Fortuna Silver Mines Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2022

(in US Dollars, tabular amounts in millions, except where noted)

BUSINESS OVERVIEW

Fortuna is a growth focused Canadian precious metals mining company with operations and projects in Argentina, Burkina Faso, Mexico, Peru, and Côte d'Ivoire. The Company produces silver, gold and base metals and generates shared value over the long-term through efficient production, environmental protection, and social responsibility.

The Company operates the open pit Lindero gold mine ("Lindero" or the "Lindero Mine") located in northern Argentina, the underground Yaramoko gold mine ("Yaramoko" or the "Yaramoko Mine") located in south-western Burkina Faso, the underground San Jose silver and gold mine ("San Jose" or the "San Jose Mine") located in southern Mexico, the underground Caylloma silver, lead, and zinc mine ("Caylloma" or the "Caylloma Mine") located in southern Peru, and is developing and constructing the open pit Séguéla gold mine ("Séguéla", "Séguéla Project" or the "Séguéla Gold Project") located in south-western Côte d'Ivoire. Each of the Company's producing mines is generally considered to be a separate reportable segment, along with the Company's corporate stewardship segment.

Fortuna is a publicly traded company incorporated and domiciled in British Columbia, Canada. Its common shares are listed on the New York Stock Exchange ("NYSE") under the trading symbol FSM and on the Toronto Stock Exchange ("TSX") under the trading symbol FVI.

CORPORATE DEVELOPMENTS

Normal Course Issuer Bid

On May 2, 2022, the Company initiated a share repurchase program to purchase up to 5% of its issued and outstanding common shares, expiring on the earlier of May 1, 2023 and the date on which Fortuna has acquired the maximum number of common shares allowable under the Normal Course Issuer Bid ("NCIB") or the date on which Fortuna otherwise decides not to make any further repurchases under the NCIB. During the three months ended September 30, 2022, in accordance with the Company's NCIB, the Company re-purchased an aggregate of 1,227,000 common shares at a weighted average price of \$2.28 per share via open market purchases through the facilities of the NYSE for a total repurchase value of approximately \$2.9 million, all of which shares were subsequently returned to treasury and cancelled.

From the commencement of the share repurchase program to September 30, 2022, the Company has purchased an aggregate of 2,201,404 shares at a weighted average price of \$2.69 per share at a total cost of \$5.9 million. The Company will continue to evaluate further share purchases with respect to this program when it believes the share price undervalues the Company, and based on cash requirements.

Change in Senior Management Team

On August 17, 2022, the Company announced the voluntary resignation of Paul Criddle from the position of Chief Operating Officer – West Africa effective September 30, 2022.

David Whittle formerly the Vice-President Operations – West Africa assumed the role of Chief Operating Officer – West Africa effective October 1, 2022.

San Jose EIA

On November 7, 2022, the Company received notice that the Mexican Federal Administrative Court had issued a judgment in favour of the Company, which re-confirms that the extension of the term of the EIA for the San Jose Mine is for a period of 12 years. See the section of this MD&A entitled "Risks and Uncertainties" for more information.

Fortuna Silver Mines Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2022

(in US Dollars, tabular amounts in millions, except where noted)

HIGHLIGHTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022

Financial

- Sales were \$166.6 million, an increase of 2% from the \$162.6 million reported in the three months ended September 30, 2021 ("Q3 2021").
- Mine operating income was \$24.7 million, a decrease of 48% from the \$47.3 million reported in Q3 2021.
- Operating income was \$5.7 million, a decrease of 74% from the \$21.8 million reported in Q3 2021.
- Net loss for the period was \$4.1 million or \$0.01 per share, a decrease from net income of \$0.2 million or \$0 per share reported in Q3 2021.
- Adjusted net income (refer to Non-IFRS Financial Measures) was \$2.3 million compared to \$22.5 million in Q3 2021, representing a 90% quarter-over-quarter decrease.
- Adjusted EBITDA (refer to Non-IFRS Financial Measures) was \$54.4 million compared to \$75.3 million reported in Q3 2021, representing a 28% quarter-over-quarter decrease.
- Free cash flow from ongoing operations (refer to Non-IFRS Financial Measures) was \$34.0 million compared to \$29.1 million reported in Q3 2021, representing a 17% quarter-over-quarter increase.
- Net cash provided by operating activities was \$64.7 million, an increase of 64% from the \$39.4 million reported in Q3 2021.

Operating

- Gold production of 66,344 ounces, an increase of 1% from Q3 2021
- Silver production of 1,837,506 ounces, an increase of 7% from Q3 2021
- Lead production of 9,085,000 pounds, an increase of 10% from Q3 2021
- Zinc production of 11,885,000 pounds, a decrease of 4% from Q3 2021

Growth and Development

- Séguéla construction was 78% complete as of September 30, 2022 and remains on-time and on-budget for first gold pour in mid-2023
- Fortuna continued to expand mineralization at the Sunbird discovery at Séguéla outside of the current reported inferred resource and regional exploration returned encouraging results (refer to Fortuna news release dated September 12, 2022: "Fortuna extends gold mineralization at Sunbird and identifies new regional prospects at Séguéla, Cote d'Ivoire" for full details)

COVID-19

During the third quarter of 2022, there were no shutdowns or material impacts to the business related to COVID-19. The Company continues to monitor the evolution of COVID-19 and our operations maintain preventative and reactive health protocols including health awareness, health and hygiene controls and quarantine as necessary.

Health & Safety

For the third quarter of 2022, the Company recorded zero lost time injuries ("LTI"), one restricted work injury ("RWI") and four medical treatment injuries ("MTI") over 3.3 million hours worked. The year-to-date LTI frequency rate ("LTIFR") at the end of the third quarter was 0.21 lost time injuries per million hours worked, which represents a continuous improvement

Fortuna Silver Mines Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2022

(in US Dollars, tabular amounts in millions, except where noted)

from the beginning of the year. The year-to-date total recordable injury frequency rate ("TRIFR") at the end of the third quarter was 2.36 total recordable injuries per million hours worked.

The Company has continued to improve its Health and Safety management systems, governance and performance this quarter with the creation of new Corporate Standards such as Critical Risk Management and Malaria Risk Control, and the implementation of additional modules of our HSEC management software at the corporate and subsidiary level.

Environment

Site controls by the Company, local authorities and participatory monitoring were conducted in accordance with the plans for the quarter and no areas of non-compliance were identified, and no fines associated with permits and regulations were recorded during Q3 2022 and there were no significant environmental incidents.

Community Engagement

The Company seeks to maintain good constructive relations with the communities where it operates, based on dialogue, transparency, and respect, and to be a catalyst for social development. At each of the Company's operations, it maintains open and ongoing channels of communication with the people in the communities within its direct and indirect areas of influence. At each operation the Company has established mechanisms for addressing requests and complaints or grievances with local and other stakeholders. The Company also takes part in consultations and participatory meetings to identify and prioritize community development needs.

During the third quarter of 2022, there were no significant disputes at any of the sites. We also recorded 346 local stakeholder engagement activities during the period. These included consultation meetings with local administration and community leaders, participation in ceremonies and courtesy visits.

Climate Change

During Q3 2022, the Company continued decarbonisation studies at each of its operations and projects and continued to define baselines, targets and key parameters in line with the best practices outlined in the Task Force on Climate-Related Financial Disclosures Framework.

Fortuna Silver Mines Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2022

(in US Dollars, tabular amounts in millions, except where noted)

Operating and Financial Highlights

A summary of the Company's consolidated financial and operating results for the three and nine months ended September 30, 2022 are presented below:

Consolidated Metrics	Three months ended September 30,			Nine months ended September 30,		
	2022	2021	% Change	2022	2021	% Change
Selected highlights						
Silver						
Metal produced (oz)	1,837,506	1,711,881	7%	5,160,529	5,518,458	(6%)
Metal sold (oz)	1,835,296	1,738,881	6%	5,149,621	5,542,477	(7%)
Realized price (\$/oz)	19.16	24.25	(21%)	21.88	25.80	(15%)
Gold						
Metal produced (oz)	66,344	65,425	1%	195,315	131,028	49%
Metal sold (oz)	66,183	61,679	7%	196,595	125,547	57%
Realized price (\$/oz)	1,718	1,779	(3%)	1,823	1,783	2%
Lead						
Metal produced (000's lbs)	9,085	8,245	10%	25,856	24,571	5%
Metal sold (000's lbs)	9,155	8,859	3%	25,751	25,354	2%
Zinc						
Metal produced (000's lbs)	11,885	12,436	(4%)	33,598	36,169	(7%)
Metal sold (000's lbs)	12,277	12,754	(4%)	33,743	36,775	(8%)
Adjusted net income ¹	2.3	22.5	(90%)	35.4	71.5	(50%)
Adjusted EBITDA ¹	54.4	75.3	(28%)	189.7	191.1	(1%)
Net cash provided by operating activities	64.7	39.4	64%	144.6	90.1	60%
Free cash flow from ongoing operations ¹	34.0	29.1	17%	64.8	70.4	(8%)
Capital Expenditures ²						
Sustaining	23.2	16.4	41%	64.3	37.5	71%
Non-sustaining ³	4.0	0.7	467%	10.4	1.8	478%
Lindero construction	—	1.4	(100%)	—	4.0	(100%)
Séguéla construction	23.5	—	100%	87.6	—	100%
Brownfields	9.6	4.3	123%	17.1	10.3	66%

¹ Refer to Non-IFRS financial measures

² Capital expenditures are presented on a cash basis

³ Non-sustaining expenditures include greenfields exploration

Figures may not add due to rounding

Fortuna Silver Mines Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2022

(in US Dollars, tabular amounts in millions, except where noted)

FINANCIAL RESULTS

Selected Financial Information

(Expressed in \$ millions except per share information)	Three months ended September 30,			Nine months ended September 30,		
	2022	2021	% Change	2022	2021	% Change
Selected Financial Information						
Sales	166.6	162.6	2%	516.8	400.9	29%
Mine operating income	24.7	47.3	(48%)	120.8	147.1	(18%)
Operating income	5.7	21.8	(74%)	59.6	98.0	(39%)
Net (loss) income	(4.1)	0.2	(2,150%)	24.5	42.8	(43%)
Loss (earnings) per share - basic	(0.01)	—	0%	0.08	0.19	(58%)

As at	September 30, 2022	December 31, 2021	% Change
Cash and cash equivalents	90.9	107.1	(15%)
Total assets	2,032.6	2,021.9	1%
Debt	204.2	157.5	30%
Equity attributable to Fortuna shareholders	1,388.3	1,375.1	1%

Figures may not add due to rounding

Third Quarter 2022 vs Third Quarter 2021

Mine operating income for the three months ended September 30, 2022 was \$24.7 million, a decrease of \$22.6 million over the same period in 2021. The decrease was primarily due to:

- A decrease in realized silver prices in the quarter to \$19.16 compared to \$24.25 for the same period for 2021 which was partially offset by higher silver production at San Jose
- Higher production costs driven by inflation of key commodities, additional maintenance costs and lower capitalized stripping at the Lindero mine and higher processing costs at the Yaramoko mine due to an increase in processed tonnes to offset lower grades and higher maintenance costs from an annual mill shutdown that was completed in September
- Higher non-cash costs as a result of the depletion of previously capitalized stripping costs at Lindero as the mine extracted more ore tonnes from Phase 2 of the open pit compared to the previous period and higher depletion rates at San Jose and Yaramoko
- The impact of a \$1.0 million write-down to net realizable value in the marginal stockpiles at Yaramoko as a result of the decline in gold prices during the third quarter of 2022

The effect of the above was partially offset by higher sales at Lindero due to higher production.

Fortuna Silver Mines Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2022

(in US Dollars, tabular amounts in millions, except where noted)

Net loss for the three months ended September 30, 2022 was \$4.1 million, an increase of \$4.3 million over the same period in 2021. The increase in net loss was driven by the factors described above for mine operating income as well as the following:

- The Company terminated its option agreement on the Tlamino exploration project in Serbia and exchanged its 51% interest in the property for a 1.0% net smelter return royalty that may be repurchased by the counterparty for \$3.0 million CAD. The capitalized exploration associated with the property was written off at a cost of \$3.4 million.
- Higher foreign exchange losses as a result of the devaluation of the Euro relative to the US Dollar and its impact on balances denominated in West African Francs
- The impact of a loss of \$1.6 million on derivatives

Results for the comparable period in 2021 include one-time costs of \$10.5 million for transaction costs related to the Roxgold acquisition, and \$12.7 million related to the settlement of the disputed Mexican royalty.

First nine months of 2022 vs First nine months of 2021

Mine operating income for the first nine months of 2022 was \$120.8 million, a decrease of 18% compared to \$147.1 million over the same period in 2021. The decrease was primarily related to:

- Lower sales at the San Jose Mine due to lower head grades of silver and gold compared to the same period last year as well as lower realized silver prices
- Higher production costs at the Lindero mine as a result of an increase in ore tonnes crushed, inflation of key commodities, higher royalties from increased sales and lower capitalized stripping
- An increase in non-cash costs at the Lindero mine related to the depletion of previously capitalized stripping costs as the mine accessed a greater amount of ore in Phase 2 of the open pit
- The impact of a \$5.4 million write-down to net realizable value in the marginal stockpiles at Yaramoko

The above was partially offset by higher sales at the Lindero mine as the site was in ramp up over the same period in 2021 and the contribution of nine months of sales from the Yaramoko mine compared to 3 months for the same period in 2021.

Net income for the first nine months of 2022 was \$24.5 million, a decrease of \$18.3 million compared to the same period in 2021. The reduction in net income was a result of lower mine operating income as described above, as well as the following:

- Higher G&A expenses due to the acquisition of Roxgold and the associated personnel being included in nine months of results in 2022 compared to only three months in the previous year
- Higher foreign exchange losses as a result of the devaluation of the Euro relative to the US Dollar and its impact on balances denominated in West African Francs
- Write-downs of \$5.5 million related to the termination of an exploration agreement on the Santa Fe property in Mexico and the Tlamino property in Serbia

Results for the comparable period in 2021 included one-time costs of \$13.8 million for transaction costs related to the Roxgold acquisition and \$12.7 million related to the settlement of the disputed Mexican royalty.

A discussion on sales and operating income is presented below.

Fortuna Silver Mines Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2022

(in US Dollars, tabular amounts in millions, except where noted)

Sales

	Three months ended September 30,			Nine months ended September 30,		
	2022	2021	% Change	2022	2021	% Change
Provisional sales \$						
Lindero	51.9	41.6	25%	163.2	111.6	46%
Yaramoko ⁴	46.4	49.0	(5%)	147.8	49.0	202%
San Jose	42.4	48.0	(12%)	132.0	164.9	(20%)
Caylloma	25.6	28.1	(9%)	79.0	80.8	(2%)
Adjustments ¹	0.3	(4.1)	(107%)	(5.2)	(5.4)	(4%)
Total sales \$	166.6	162.6	2%	516.8	400.9	29%
Silver						
Metal produced (oz)	1,837,506	1,711,881	7%	5,160,529	5,518,458	(6%)
Provisional sales (oz)	1,835,296	1,738,881	6%	5,149,621	5,542,477	(7%)
Provisional sales \$	32.5	39.2	(17%)	104.6	133.3	(22%)
Realized price (\$/oz) ²	19.16	24.25	(21%)	21.88	25.80	(15%)
Net realized price (\$/oz) ³	17.68	22.57	(22%)	20.31	24.05	(16%)
Gold						
Metal produced (oz)	66,344	65,425	1%	195,315	131,028	49%
Provisional sales (oz)	66,183	61,679	7%	196,595	125,547	57%
Provisional sales \$	113.0	107.4	5%	355.5	218.7	63%
Realized price (\$/oz) ²	1,718	1,779	(3%)	1,823	1,783	2%
Net realized price (\$/oz) ³	1,708	1,742	(2%)	1,808	1,731	4%
Lead						
Metal produced (000's lbs)	9,085	8,245	10%	25,856	24,571	5%
Provisional sales (000's lbs)	9,155	8,859	3%	25,751	25,354	2%
Provisional sales \$	7.4	7.7	(4%)	22.8	21.0	9%
Realized price (\$/lb) ²	0.90	1.06	(15%)	0.99	0.98	1%
Net realized price (\$/lb) ³	0.81	0.87	(7%)	0.89	0.83	7%
Zinc						
Metal produced (000's lbs)	11,885	12,436	(4%)	33,598	36,169	(7%)
Provisional sales (000's lbs)	12,277	12,754	(4%)	33,743	36,775	(8%)
Provisional sales \$	13.2	11.5	15%	38.9	32.4	20%
Realized price (\$/lb) ²	1.48	1.36	9%	1.65	1.31	26%
Net realized price (\$/lb) ³	1.08	0.90	20%	1.15	0.88	31%

¹ Adjustments consists of mark to market, final price and assay adjustments

² Based on provisional sales before final price adjustments. Net after payable metal deductions, treatment, and refining charges

³ Treatment charges are allocated to base metals at Caylloma and to gold at San Jose

⁴ The Yaramoko Mine was acquired as part of the acquisition of Roxgold which completed on July 2, 2021. Comparative figures in 2021 are included from July 2, 2021 onward.

Third Quarter 2022 vs Third Quarter 2021

Consolidated sales for the three months ended September 30, 2022 were \$166.6 million, a 2% increase from the \$162.6 million reported in the same period in 2021. Sales by reportable segment for the three months ended September 30, 2022 were as follows:

- Lindero recognized adjusted sales of \$51.9 million from the sale of 30,064 ounces of gold sold, a 25% increase from the same period in 2021. Higher gold sales were the result of higher production due to increased performance at the three-stage crushing and stacking facility. See "Results of Operations – Lindero Mine, Argentina" for additional information.
- Yaramoko recognized adjusted sales of \$46.4 million from the sale of 27,055 ounces of gold sold, a 5% decrease from the same period in 2021. Lower sales were primarily the result of lower realized prices and gold production. See "Results of Operations – Yaramoko Mine, Burkina Faso" for additional information.

Fortuna Silver Mines Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2022

(in US Dollars, tabular amounts in millions, except where noted)

- San Jose recognized adjusted sales of \$42.2 million, a 3% decrease from the \$43.7 million reported in the same period in 2021. Lower sales were primarily driven by lower realized silver prices but was partially offset by a 7% increase in the volume of silver sold and a 2% increase in the volume of gold sold due to an increase in mill throughput. See "Results of Operations – San Jose Mine, Mexico" for additional information.
- Caylloma recognized adjusted sales of \$26.1 million, a 7% decrease from the \$28.0 million reported in the same period in 2021 primarily due to lower realized silver prices and no gold sales. See "Results of Operations – Caylloma Mine, Peru" for additional information.

First nine months of 2022 vs First nine months of 2021

Consolidated sales for the nine months ended September 30, 2022 were \$516.8 million, a 29% increase compared to the same period in 2021. The increase in sales was primarily driven by the following:

- Lindero recognized adjusted sales of \$163.2 million compared to \$113.4 million in the same period in 2021. Higher gold sales were driven by increased production as a result of increased performance at the three-stage crushing and stacking facility
- Yaramoko recognized adjusted sales of \$147.8 million for nine months of operations compared to only three months in the comparable period in 2021 due to the timing of the Roxgold transaction
- This was partially offset by lower sales at San Jose which decreased by \$31.7 million compared to the same period in 2021. The reduction in sales was driven by lower production as grades decreased in line with the reserve model and lower realized prices.

Operating Income (Loss) and Adjusted EBITDA

	Three months ended September 30,				Nine months ended September 30,			
	2022	% ¹	2021	% ¹	2022	% ¹	2021	% ¹
Operating income (loss)								
Lindero	5.0	10%	10.3	25%	33.3	20%	29.2	26%
Séguéla ³	(1.8)	0%	-	0%	(2.9)	0%	-	0%
Yaramoko ³	-	(0%)	10.0	20%	13.7	20%	10.0	20%
San Jose	7.0	17%	(1.6)	(4%)	23.6	18%	47.4	30%
Caylloma	7.6	29%	10.1	36%	23.3	30%	27.0	34%
Corporate	(12.1)		(7.0)		(31.4)		(15.6)	
Total	5.7	3%	21.8	13%	59.6	12%	98.0	24%
Adjusted EBITDA ²								
Lindero	19.3	37%	21.8	52%	72.9	45%	57.6	51%
Séguéla ³	(1.4)	0%	-	0%	(1.5)	0%	-	0%
Yaramoko ³	18.0	39%	25.8	53%	61.5	42%	25.8	53%
San Jose	16.8	40%	20.2	46%	53.2	42%	85.5	54%
Caylloma	10.1	39%	13.5	48%	29.4	37%	36.6	46%
Corporate	(8.4)		(6.0)		(25.8)		(14.4)	
Total	54.4	33%	75.3	46%	189.7	37%	191.1	48%

¹ As a Percentage of Sales

² Refer to Non-IFRS Financial Measures

³ The Yaramoko Mine and Séguéla Project was acquired as part of the acquisition of Roxgold which completed on July 2, 2021. Comparative figures in 2021 are included from July 2, 2021 onward.

Figures may not add due to rounding

Fortuna Silver Mines Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2022

(in US Dollars, tabular amounts in millions, except where noted)

Third Quarter 2022 vs Third Quarter 2021

Operating income for the three months ended September 30, 2022 was \$5.7 million, a decrease of \$16.1 million over the same period in 2021. The change in operating income was primarily due to lower mine operating income described above as well as the following factors:

- A charge of \$3.4 million related to the write-off of the Tlamino project in Serbia
- Higher foreign exchange losses as a result of the devaluation of the Euro relative to the USD and the impact of West African Franc denominated balances

Results for the comparable period in 2021 include a one-time cost of \$12.7 million related to the settlement of the disputed Mexican royalty at the San Jose mine.

Adjusted EBITDA (refer to Non-IFRS Financial Measures) was \$54.4 million for the three months ended September 30, 2022, a decrease of \$20.9 million over the same period in 2021. Lower adjusted EBITDA was a result of higher production costs as described above.

The most comparable IFRS measure to the Non-IFRS measure adjusted EBITDA is net income. Net loss for the three months ended September 30, 2022 was \$4.1 million. Refer to the discussion above and to the section entitled "Non-IFRS Measures" for more detailed information.

First nine months of 2022 vs First nine months of 2021

Operating income for the first nine months was \$59.6 million, a decrease of \$38.4 million over the same period in 2021. The decrease in operating income was a result of lower mine operating income as described above as well as the following factors:

- A write-down of \$5.5 million related to the termination of an exploration agreement on the Santa Fe property in Mexico and the Tlamino property in Serbia
- Higher share-based compensation as the comparable period in 2021 was impacted by larger mark to market adjustments on share units that will settle in cash
- Higher foreign exchange losses as a result of the strengthening of the US dollar and its impact on balances denominated in other currencies
- Higher G&A costs from running the larger combined organization for nine months in 2022, post Roxgold acquisition, compared to only three months in the comparable period in 2021

Adjusted EBITDA for the first nine months was \$189.7 million, a decrease of \$1.4 million over the same period in 2021. The decrease in adjusted EBITDA was primarily the result of higher sales offset by higher production costs as described above.

Fortuna Silver Mines Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2022

(in US Dollars, tabular amounts in millions, except where noted)

The most comparable IFRS measure to the Non-IFRS measure adjusted EBITDA is net income. Net income for the nine months ended September 30, 2022, was \$24.5 million. Refer to the discussion above and to the section entitled "Non-IFRS Measures" for more detailed information.

General and Administrative ("G&A") Expenses

	Three months ended September 30,			Nine months ended September 30,		
	2022	2021	% Change	2022	2021	% Change
Mine G&A	5.7	4.4	30%	16.5	12.7	30%
Corporate G&A	5.1	5.8	(12%)	21.7	13.7	58%
Share-based payments	1.9	0.6	217%	5.9	1.1	436%
Workers' participation	0.3	0.4	(25%)	0.7	1.4	(50%)
Total	13.0	11.2	16%	44.8	28.9	55%

Third Quarter 2022 vs Third Quarter 2021

General and administrative expenses for the three months ended September 30, 2022, increased 16% to \$13.0 million compared to \$11.2 million reported in the same period in 2021, which was due primarily to:

- Higher share-based compensation as the comparable period in 2021 was impacted by larger mark to market adjustments on share units that will settle in cash
- Lower corporate G&A offset by higher mine site G&A due to timing of expenditures

First nine months of 2022 vs First nine months of 2021

General and administrative expenses for the first half of 2022 increased 55% to \$44.8 million compared to \$28.9 million reported in the same period in 2021. The increase in G&A was a result of:

- The inclusion of nine months of G&A expenses at Yaramoko compared to three months for the comparable period
- Higher G&A expenses at Lindero as the mine was ramping up over the comparable period in 2021
- Higher share-based compensation as the comparable period in 2021 was impacted by larger mark to market adjustments on share units that will settle in cash.

Foreign Exchange Loss

Third Quarter 2022 vs Third Quarter 2021

Foreign exchange loss for the three months ended September 30, 2022 increased \$1.9 million to \$2.4 million compared to \$0.5 million reported in the same period in 2021. The higher foreign exchange loss in the quarter was primarily the result of the strengthening of the US dollar relative to other currencies. This was more pronounced in West Africa due to the devaluation of the Euro relative to the US dollar which impacted balances denominated in West African Francs, a currency that is pegged to the Euro.

First nine months of 2022 vs First nine months of 2021

Foreign exchange loss for the first half of 2022 increased \$3.4 million to \$8.4 million compared to \$5.0 million for the same period in 2021. The higher foreign exchange loss was primarily the result of the same factors above and partially offset by lower foreign exchange losses in Argentina as the Company had lower valued added tax receivable balances at Lindero compared to the previous year.

Income Tax Expense

The Company is subject to tax in various jurisdictions, including Peru, Mexico, Argentina, Côte d'Ivoire, Burkina Faso, Australia, and Canada. There are a number of factors that can significantly impact the Company's effective tax rate ("ETR") including the geographic distribution of income, variations in our income before income taxes, varying rates in different jurisdictions, the non-recognition of tax assets, local inflation rates, fluctuation in the value of the United States dollar and foreign currencies, changes in tax laws and the impact of specific transactions and assessments. As a result of the number of factors that can potentially impact the ETR and the sensitivity of the tax provision to these factors, the ETR will fluctuate, sometimes significantly. This trend is expected to continue in future periods.

Third Quarter 2022 vs Third Quarter 2021

Income tax expenses for the three months ended September 30, 2022 was \$5.8 million or \$3.0 million lower than the \$8.8 million reported in the same period in 2021. The decrease of \$3.0 million is primarily attributable to the increase in inflation adjustment that is tax deductible.

The ETR for the three months ended September 30, 2022 was 354.1% compared to 97.6% for the same period in 2021. The increase of 256.5% is primarily attributable to an increase in mining taxes, higher withholding taxes relative to the comparable period, the impact of foreign exchange and inflation in Mexico and Argentina and lower pre-tax income.

First nine months of 2022 vs First nine months of 2021

Income tax expenses for the nine months ended September 30, 2022 was \$26.1 million, or \$8.1 million lower, than the \$34.2 million reported in the same period in 2021. The decrease of \$8.0 million is primarily attributed to the increase in inflation adjustment that is tax deductible.

The ETR for the nine months ended September 30, 2022 was 51.6% compared to 44.4% for the same period in 2021. The increase of 7.3% is primarily attributable to higher withholding taxes, the impact of inflation in Mexico and Argentina, foreign exchange and lower pre-tax income.

Outlook on Cost and Inflation

Inflationary pressures continued in the third quarter of 2022 as a result of geopolitical events, supply chain constraints and increases in the cost of energy and commodities. These inflationary pressures were realized in the Company's cost structure as prices increased for several key commodities including diesel, reagents, explosives and steel. The impact of inflation was most pronounced at the Lindero Mine.

The inflation situation remains dynamic and the Company expects higher input costs to remain for the fourth quarter of the year and beyond. To mitigate inflationary pressure on its cost structure the Company will continue to focus on operational efficiencies and cost optimization measures across all mining operations. However, even with these efforts it is expected the continued cost pressure will push the Lindero mine towards the upper end of our cost guidance for the year.

Fortuna Silver Mines Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2022

(in US Dollars, tabular amounts in millions, except where noted)

Production Outlook

As outlined in the news release dated October 6, 2022, the Company delivered steady production performance through the first nine months of 2022 with the Company on track to achieve annual guidance for gold and the upper range of annual guidance for silver.

QUARTERLY RESULTS OF OPERATIONS

Lindero Mine, Argentina

The Lindero Mine is an open pit gold mine located in Salta Province in northern Argentina. Its commercial product is gold doré. The table below shows the key metrics used to measure the operating performance of the mine: tonnes placed on the leach pad, grade, production and unit costs:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Mine Production				
Tonnes placed on the leach pad	1,365,726	1,387,134	4,163,555	4,994,134
Gold				
Grade (g/t)	0.83	1.10	0.83	0.94
Production (oz)	30,032	26,235	89,116	68,088
Metal sold (oz)	30,064	23,559	89,229	63,788
Realized price (\$/oz)	1,719	1,772	1,825	1,775
Unit Costs				
Cash cost (\$/oz Au) ¹	772	646	717	635
All-in sustaining cash cost (\$/oz Au) ¹	1,159	1,270	1,117	1,182
Capital expenditures (\$000's) ²				
Sustaining	4,814	9,385	14,062	20,040
Non-sustaining	–	–	169	–
Brownfields	314	47	1,104	489

¹ Cash cost and AISC are non-IFRS financial measures. Refer to Non-IFRS Financial Measures.

² Capital expenditures are presented on a cash basis

Quarterly Operating and Financial Highlights

In the third quarter of 2022, a total of 1,365,726 tonnes of ore were placed on the heap leach pad, averaging 0.83 g/t gold, containing an estimated 36,501 ounces of gold. Gold production for Q3 2022 totaled 30,032 ounces, representing a 14% increase year-over-year. Higher gold production is mainly explained by an increase in performance of the three-stage crushing and stacking circuits, which delivered 100% of the 1.37 million tonnes of ore placed on the pad in the quarter, compared to 89% or 1.2 million tonnes of the 1.39 million tonnes placed during the comparable quarter a year ago. Mine production was 2.2 million tonnes of mineralized material with a lower strip ratio of 0.83:1 when compared to the second quarter of 2022. The reduction in the stripping ratio was a result of optimizing the mine plan sequence during the period. The operation experienced a positive reconciliation for ore sent to the leach pad during the third quarter, with grades sampled at the plant being 5.6% higher than estimated from the reserve model.

Cash cost per ounce of gold for the three months ended September 30, 2022 was \$772 compared to \$646 in the third quarter of 2021. Cash cost per ounce of gold was higher due to higher consumable prices, mainly related to diesel, explosives and reagents, higher service costs related to maintenance equipment rentals and higher maintenance contractor expenses, partially offset by lower labor cost.

Fortuna Silver Mines Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2022

(in US Dollars, tabular amounts in millions, except where noted)

All-in sustaining cash cost per gold ounce sold was \$1,159 during Q3 2022 compared with \$1,270 in the third quarter of 2021. All-in sustaining cash cost for the third quarter of 2022 was impacted by the issues described above, offset by higher ounces sold, lower sustaining capital and a positive by-product effect.

Sustaining capital for the quarter primarily consisted of spending on the leach pad and mine maintenance. Construction of Phase-1B of the leach pad was completed during the quarter as planned, ensuring sufficient capacity to support the production plan through the second half of 2024. Detailed engineering work for the Phase-2 leach pad expansion was initiated in the third quarter of 2022 and is expected to be completed by year end. Construction work on Phase-2 is planned to commence in 2023. Brownfields capital primarily relates to exploration at the Arizaro project.

Yaramoko Mine, Burkina Faso

The Yaramoko Mine is located in south-western Burkina Faso, and began commercial production in 2016. The operation consists of two underground mines feeding ore to a traditional gold processing facility where the ore is crushed, milled and subject to carbon-in-leach extraction processes, prior to electrowinning and refining where gold is poured to doré bars. The table below shows the key metrics used to measure the operating performance of the mine: throughput, grade, production and unit costs:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Mine Production				
Tonnes milled	137,202	126,677	403,957	126,677
Gold				
Grade (g/t)	6.21	7.28	6.34	7.28
Recovery (%)	97	98	97	98
Production (oz)	27,130	28,751	79,918	28,751
Metal sold (oz)	27,055	27,494	81,183	27,494
Realized price (\$/oz)	1,716	1,783	1,821	1,783
Unit Costs				
Cash cost (\$/oz Au) ¹	934	720	847	720
All-in sustaining cash cost (\$/oz Au) ¹	1,630	1,188	1,433	1,188
Capital expenditures (\$000's) ³				
Sustaining	10,225	7,398	26,671	7,398
Brownfields	2,530	560	3,018	560

¹ Cash cost and AISC are non-IFRS financial measures. Refer to Non-IFRS Financial Measures.

² The Yaramoko Mine was acquired as part of the acquisition of Roxgold which completed on July 2, 2021. Comparative figures in 2021 are included from July 2, 2021 onward.

³ Capital expenditures are presented on a cash basis

Quarterly Operating and Financial Highlights

The Yaramoko Mine produced 27,130 ounces of gold in the third quarter of 2022 with an average gold head grade of 6.21g/t, which is in line with the mining sequence and Mineral Reserve estimate. The operation benefitted from higher mill throughput and operating time during the quarter offset by lower head grades when compared to the third quarter in 2021. Gold production for the first nine months of 2022 is in line with the annual guidance range.

Cash cost per gold ounce sold was \$934, compared to \$720 in the third quarter of 2021, primarily due to higher mining service costs related to inflation, higher processing costs due to annual mill inspection and repair moved up from

Fortuna Silver Mines Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2022

(in US Dollars, tabular amounts in millions, except where noted)

November, and the processing of lower grade stockpiles during Q3 2022 as the site is currently mine constrained. This was partially offset by favorable foreign exchange rates.

All-in sustaining cash cost per gold ounce sold was \$1,630 for Q3 2022, compared to \$1,188 for the same period in 2021, as a result of decreased production, increased cash cost, and an increase in capital expenditures.

The operational focus remains on advancing development of the decline to maintain stope sequencing flexibility in the mine for the remainder of 2022 and into 2023. Sustaining capital for Q3 2022 was higher due to higher mine development and equipment purchases related to the QV Prime project in Bagassi South. Brownfields expenditure was higher due to greater amounts of diamond drilling as well as further development of the 109 Zone.

San Jose Mine, Mexico

The San Jose Mine is an underground silver-gold mine located in the state of Oaxaca in southern Mexico. The following table shows the key metrics used to measure the operating performance of the mine: throughput, head grade, recovery, gold and silver production and unit costs:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Mine Production				
Tonnes milled	267,198	248,984	770,090	778,352
Average tonnes milled per day	3,071	2,862	2,939	2,980
Silver				
Grade (g/t)	196	195	189	206
Recovery (%)	92	92	91	91
Production (oz)	1,545,410	1,436,658	4,288,936	4,707,496
Metal sold (oz)	1,539,382	1,440,946	4,272,878	4,704,656
Realized price (\$/oz)	19.14	24.16	21.86	25.80
Gold				
Grade (g/t)	1.16	1.22	1.14	1.29
Recovery (%)	91	91	91	91
Production (oz)	9,091	8,910	25,625	29,477
Metal sold (oz)	9,064	8,922	25,580	29,421
Realized price (\$/oz)	1,722	1,784	1,825	1,798
Unit Costs				
Production cash cost (\$/t) ²	79.37	77.52	79.66	74.22
Production cash cost (\$/oz Ag Eq) ^{1,2}	9.70	9.99	10.35	9.28
All-in sustaining cash cost (\$/oz Ag Eq) ^{1,2}	14.23	15.51	14.95	14.13
Capital expenditures (\$000's) ³				
Sustaining	4,410	3,553	12,036	9,525
Non-sustaining	–	745	869	1,776
Brownfields	1,548	2,547	4,645	6,437

¹ Production cash cost silver equivalent and All-in sustaining cash cost silver equivalent are calculated using realized metal prices for each period respectively

² Production cash cost, Production cash cost silver equivalent, and All-in sustaining cash cost silver equivalent are Non-IFRS Financial Measures, refer to Non-IFRS Financial Measures

³ Capital expenditures are presented on a cash basis

Fortuna Silver Mines Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2022

(in US Dollars, tabular amounts in millions, except where noted)

Quarterly Operating and Financial Highlights

In the third quarter of 2022, the San Jose Mine produced 1,545,410 ounces of silver and 9,091 ounces of gold, 8% and 2% higher, respectively, when compared to the equivalent period in 2021. The result is primarily due to higher mill throughput, with grades in line with the mining sequence and Mineral Reserve estimates. Silver production is tracking to meet the upper range of annual guidance.

The cash cost per tonne for the three months ended September 30, 2022 was \$79.37 compared to \$77.52 in the same period in 2021 primarily due to cost increases related to inflation, offset by higher tonnes processed.

All-in sustaining cash costs of \$14.23 per ounce 15.51 per ounce for the same period in 2021 with higher silver equivalent ounces offsetting higher costs.

Capital expenditures for the quarter was lower than the previous year primarily due to lower brownfields exploration cost as the site focused on less capital-intensive exploration.

Fortuna Silver Mines Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2022

(in US Dollars, tabular amounts in millions, except where noted)

Caylloma Mine, Peru

Caylloma is an underground silver, lead and zinc mine located in the Arequipa Department in southern Peru. Its commercial products are silver-lead and zinc concentrates. The table below shows the key metrics used to measure the operating performance of the mine: throughput, head grade, recovery, silver, gold, lead and zinc production and unit costs:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Mine Production				
Tonnes milled	139,143	136,410	407,695	401,942
Average tonnes milled per day	1,546	1,516	1,533	1,517
Silver				
Grade (g/t)	79	78	82	77
Recovery (%)	82	81	81	82
Production (oz)	292,096	275,223	871,594	810,962
Metal sold (oz)	293,159	295,532	866,511	830,495
Realized price (\$/oz)	19.31	24.67	21.98	25.80
Gold				
Grade (g/t)	0.11	0.48	0.14	0.51
Recovery (%)	19	72	35	72
Production (oz)	91	1,529	656	4,712
Metal sold (oz)	—	1,466	603	3,140
Realized price (\$/oz)	—	1,808	1,864	1,790
Lead				
Grade (%)	3.33	3.14	3.29	3.15
Recovery (%)	89	87	88	88
Production (000's lbs)	9,085	8,245	25,856	24,571
Metal sold (000's lbs)	9,155	8,859	25,751	25,354
Realized price (\$/lb)	0.90	1.06	0.99	0.98
Zinc				
Grade (%)	4.37	4.74	4.22	4.67
Recovery (%)	89	87	89	87
Production (000's lbs)	11,885	12,436	33,598	36,169
Metal sold (000's lbs)	12,277	12,754	33,743	36,775
Realized price (\$/lb)	1.48	1.36	1.65	1.31
Unit Costs				
Production cash cost (\$/t) ²	93.12	86.04	92.03	85.17
Production cash cost (\$/oz Ag Eq) ^{1,2}	11.32	12.75	12.25	13.25
All-in sustaining cash cost (\$/oz Ag Eq) ^{1,2}	15.66	17.66	17.16	18.17
Capital expenditures (\$000's)³				
Sustaining	3,764	3,480	11,506	7,930
Brownfields	198	1,168	729	2,777

¹ Production cash cost silver equivalent and All-in sustaining cash cost silver equivalent are calculated using realized metal prices for each period respectively

² Production cash cost, Production cash cost silver equivalent, and All-in sustaining cash cost silver equivalent are Non-IFRS Financial Measures, refer to Non-IFRS Financial Measures

³ Capital expenditures are presented on a cash basis

Quarterly Operating and Financial Highlights

The Caylloma Mine produced 292,096 ounces of silver, 9.1 million pounds of lead, and 11.9 million pounds of zinc during the three months ended September 30, 2022. The operation delivered another strong quarter of operational performance and is tracking well to deliver total production in the upper range of guidance. Measured against the comparable quarter of the previous year, silver was 6.1% higher due to a combination of increased mill throughput, higher grades and better recoveries. Lead production was 10% higher than the comparable period as a result of higher head grades, recovery, and mill throughput. Zinc production was 4% lower than the comparable period, mainly impacted by lower head grades partially offset by higher mill throughput and recovery. Gold production totaled 91 ounces with an average head grade of 0.11 g/t.

The cash cost per tonne of processed ore for the three months ended September 30, 2022 increased 8% to \$93.12 compared to \$86.04 in the same period in 2021. The increase was mainly the result of higher mining costs driven by inflation and its direct impact on the price of materials, such as explosives, fuel, cement, reagents, mill balls and others.

The all-in sustaining cash cost for the three months ended September 30, 2022 decreased 11% to \$15.66 per ounce compared to \$17.66 per ounce for the same period in 2021 as a result of higher costs being offset by an increase in silver equivalent production.

Sustaining capital expenditures for the quarter increased primarily due to greater execution of the developments located in level 16 and level 18, offset by decreased expenditure on other levels. The decrease in brownfields capital expenditures was due to significantly lower spending on drilling and development. During the third quarter of 2022, an assessment study for a potential expansion of the mine and processing plant was commenced, with tradeoff results expected to be delivered in the first quarter of 2023.

PROJECTS & EXPLORATION**Séguéla Gold Project Update**

On September 29, 2021, Fortuna announced the decision to proceed with the construction of the open pit mine at the Séguéla Gold Project in Côte d'Ivoire. The total initial capital investment for the project is estimated to be \$173.5 million, including \$11.5 million previously approved by the Board for early works items, an anticipated construction schedule of approximately 20 months, with ramp up to name plate capacity expected in the third quarter of 2023. The development of the Séguéla Gold Project, including the milestones noted below is based on the technical report filed under NI 43-101 entitled "NI 43-101 Technical Report Séguéla Project, Feasibility Study, Worodougou Region, Côte d'Ivoire", dated May 26, 2021 with an effective date of April 19, 2021.

At the end of September 30, 2022 the overall project was 78% complete, and was 83% complete as of October 31, 2022. The following provides an update on project activities for the third quarter of 2022 and from the end of the quarter to October 31, 2022.

Construction Highlights

- Approximately \$119.0 million of the \$173.5 million capital budget accrued as of September 30, 2022
- Deliveries continue to arrive in Abidjan, Côte d'Ivoire with all SAG mill components now shipped; last SAG mill package is due to arrive in early December
- The process plant structural, mechanical, and piping (SMP) contractor has advanced work across multiple work fronts
- Construction of the 33kV transmission line diversion was completed, and the line was energized in early August
- Construction of the 90kV transmission line and substation is nearing completion and on-track to be energized in December

Fortuna Silver Mines Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2022

(in US Dollars, tabular amounts in millions, except where noted)

- Approximately 565,000 m³ of water has collected in the water storage dam (WSD) which is in line with expectations and needs for commissioning and startup activities
- Mota-Engil, the mining contractor, has mobilized to site and begun site establishment with long-lead equipment expected to arrive on site in the fourth quarter of 2022
- First gold pour remains on target for mid-2023

Accommodation camp

The accommodation camp is complete and occupied by the project and Company staff

Processing plant

Lycopodium has made excellent progress in advancing the critical path scopes for the plant. Main construction activities include:

- Civil and concrete works nearing completion with handover of the SAG mill pedestals to the SMP contractor complete
- Carbon-in-leach (CIL) tank fabrication and hydrostatic / settlement completed
- Assembly of the water tanks and hydrostatic testing completed
- Erection of the reagents storage building, warehouse and workshop completed
- Structural steel erected in the crushing, surge bin and milling and grinding areas
- Mechanical equipment installations commenced for items such as the thickener, intensive leach reactor, and apron feeder
- Installation of conveyors underway
- Fabrication of steel pipe spools commenced

The delivery and installation of the SAG mill remains on the project's critical path and, despite global supply chain challenges and risks, all components have been shipped and are expected to be delivered to site before the end of the year.

Site Bulk Earthworks

Construction of the tailings storage facility (TSF) and WSD are well advanced. Construction of the WSD is nearly complete and has already captured approximately 565,000 m³ of raw water in preparation for commissioning and transition to operations. Likewise, good progress has been made on the TSF embankment which is on track to be completed this quarter. Forty-eight percent of the total surface of the TSF has been lined with HDPE lining. As the wet season has ended, the lining contractor is re-mobilizing to site to complete the lining of the TSF.

Grid Connection

The construction of the HV substation is approximately 97% complete. Work is on-track for the energization of the substation in December 2022 ahead of commissioning activities at the processing plant.

Mining

Mota-Engil, the mining services contractor at Séguéla, is well underway with its recruitment activities for the project and has mobilized its team to the site. All long-lead equipment has been procured and started to arrive in country in October.

Operational Readiness

Preparations for the operational phase of the mine are progressing well. Mota-Engil is currently undertaking civil works associated with the establishment of their infrastructure, including workshops, offices and explosives magazine area. Construction of the ROM pad and preliminary grade control drilling is expected to commence during the current quarter.

The first delivery of mining equipment has been received in Côte d'Ivoire with further deliveries of the mining fleet expected throughout the quarter.

Fortuna Silver Mines Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2022

(in US Dollars, tabular amounts in millions, except where noted)

Operational mine team recruitment activities are well advanced with General Manager Operations and other senior management positions appointed. Recruitment continues for the remainder of the operational team.

Cost

For the third quarter of 2022 the Company incurred and expended \$21.5 million and \$20.6 million, respectively. Since the project early works began in the third quarter of 2021, the Company incurred and expended \$118.7 million and \$110.8 million, respectively. Capital expenditures are summarized in the table below.

(Expressed in millions)	Q3 2022	YTD 2022 ⁴	Project to Date
Expended Capital Costs ¹	20.6	83.3	110.8
Working Capital Adjustment ²	(0.9)	13.4	(7.9)
Incurred Capital Costs ³	21.5	70.0	118.7

1 Cash basis. Excludes exploration costs, capitalized interest and management fees.

2 Primarily consists of work performed not yet invoiced and increases in the accounts payable balance offset by increases in the VAT receivable balance.

3 Accrual basis. Excludes capitalized interest and management fees.

4 YTD includes a correction for the timing of payments. This has not impacted project to date spend.

As of September 30, 2022, the project had approximately \$54.8 million in remaining spend of the project's \$173.5 million budget and the project remains on time and on budget. The Company's cash and cash equivalents balance, free cash flow from ongoing operations and undrawn amounts of the credit facility are expected to be sufficient to fund the construction of the Séguéla Project.

Upcoming Milestones and Schedule

Selected upcoming milestones of the current construction schedule include:

2022 Q4

- Continue to negotiate the Mining Convention with the State of Côte d'Ivoire
- Power on high voltage substation
- Completion of the construction of the tailings storage facility

2023 Q1

- Commence pre-strip of the Antenna deposit
- Negotiation of Mining Convention
- Processing plant practical completion

Mid 2023

- First gold pour

Séguéla Exploration Update (Refer to Company News Release dated September 12, 2022 for full details)

Exploration drilling at the Séguéla Gold Project continued to advance the Sunbird deposit beyond the previously reported inferred mineral resource extends the defined mineralization associated with the central high grade core. This recent drilling has extended the defined mineralized strike at Sunbird to more than 1.1 kilometers, a further 480 meters to the south along the projected strike.

A six-hole, 1,957-meter program was completed at Ancien which was drilled to test the projection of several high grade zones to help improve the structural understanding of the mineralization controls. This program was designed to help

Fortuna Silver Mines Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2022

(in US Dollars, tabular amounts in millions, except where noted)

support future testing for potential targets and mineralized extensions which may be amenable to underground mining in the future.

Exploration of the Séguéla region through reverse circulation (RC) and diamond drilling (DD) at the Kestrel, G7 and Winy regional exploration targets returned encouraging results.

QUARTERLY INFORMATION

The following table provides information for the last eight fiscal quarters up to September 30, 2022:

	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Sales	166.6	167.9	182.3	198.9	162.6	120.5	117.8	103.5
Mine operating income	24.7	32.5	63.5	58.3	47.3	48.5	51.3	46.7
Operating income	5.7	13.1	40.7	38.9	21.8	35.9	40.4	28.2
Net (loss) income	(4.1)	1.7	27.0	16.6	0.2	16.2	26.4	18.6
Basic (loss) earnings per share	(0.01)	0.01	0.09	0.05	—	0.09	0.14	0.10
Diluted (loss) earnings per share	(0.01)	0.01	0.09	0.05	—	0.09	0.14	0.09
Total assets	2,032.6	2,060.0	2,060.4	2,021.9	2,002.1	1,083.2	1,069.1	1,055.3
Debt	204.2	218.6	198.0	157.5	187.7	159.5	159.0	158.6

Figures may not add due to rounding

Sales decreased 1% in the third quarter of 2022 to \$166.6 million compared to \$167.9 million in the second quarter of 2022 as higher production was offset by lower realized metal prices. Mine operating income was impacted by higher processing costs and a \$1.0 million writedown of inventory to net realizable value at Yaramoko. Net income decreased \$5.8 million compared to the second quarter of 2022 primarily due to the factors described above as well the write-off of the Tlamino property for \$3.4 million.

Sales decreased 8% in the second quarter of 2022 to \$167.9 million compared to \$182.3 million in the first quarter of 2022 due primarily to lower sales at Yaramoko as mining finished in the QV zone and mill feed was supplemented by stockpiles reducing head grade delivered to the mill and lower head grades at San Jose. Mine operating income was lower as a result of lower sales as well as a \$4.0 million write-down of inventory to net realizable value and an increase in costs due to inflationary pressures. Net income decreased \$25.3 million compared to the first quarter of 2022 primarily due to the factors described above as well as higher current taxes from the recognition of withholding taxes.

Sales decreased 8% in the first quarter of 2022 to \$182.3 million compared to \$198.9 million in the fourth quarter of 2021 due primarily to lower sales at Lindero as a result of the impacts of COVID-19 at the mine and due to lower head grades at San Jose. Operating income was in line with the previous quarter as higher mine operating income was offset by the \$2.1 million write-off due to the termination of a property agreement for the Santa Fe Property in Mexico and an increase in foreign exchange losses in the quarter. Net income increased \$10.4 million compared to the fourth quarter of 2021 primarily due to lower current and deferred taxes.

Sales increased 22% in the fourth quarter of 2021 to \$198.9 million compared to \$162.6 million in the third quarter of 2021 due primarily to higher sales at Lindero and San Jose. Sales at Lindero increased to \$65.6 million from \$41.6 million, and sales from San Jose increased to \$56.7 million from \$48.0 million. Operating income was 78% higher in the fourth quarter of 2021 due primarily to an increase in gold ounces sold at Lindero and higher metal prices and the impact of the SGM royalty settlement in the third quarter of 2021.

Sales increased 35% in the third quarter of 2021 to \$162.6 million compared to \$120.5 million in the second quarter of 2021 due primarily to the \$49.0 million of sales from Yaramoko, higher sales at Lindero, which increased to \$41.6 million

Fortuna Silver Mines Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2022

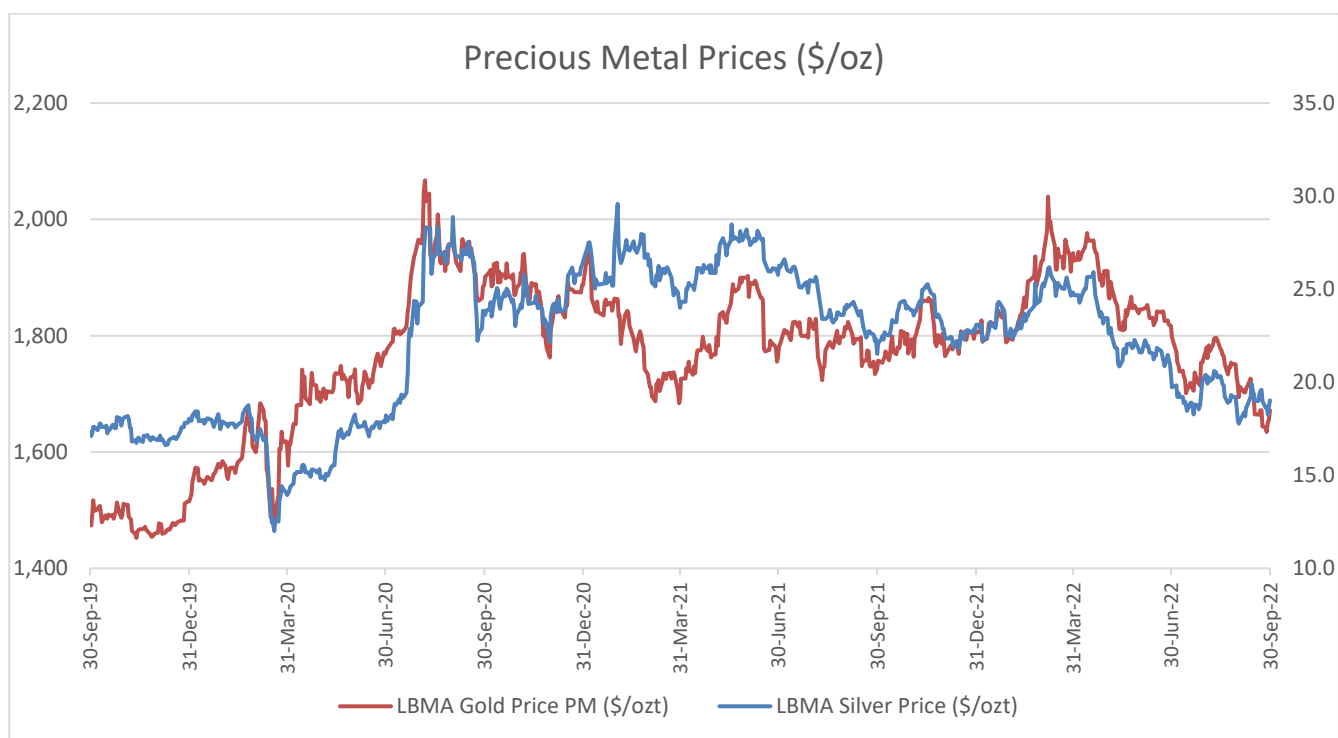
(in US Dollars, tabular amounts in millions, except where noted)

from \$34.0 million, higher sales at Caylloma, which increased to \$28.1 million from \$26.0 million, offset partly by lower sales at San Jose, which decreased to \$48.0 million from \$59.0 million. Mine operating income decreased 2% in the third quarter of 2021 due primarily to the settlement payment related to the disputed SGM royalty claim, partly offset by the contributions from Yaramoko.

Sales increased 2% in the second quarter of 2021 to \$120.5 million compared to \$117.8 million in the first quarter of 2021 due to favorable price and assay adjustments of \$1.5 million compared to unfavorable adjustments of \$2.5 million during the first quarter, higher sales at San Jose, which increased to \$59.0 million from \$58.0 million, higher sales at Caylloma, which increased to \$26.0 million from \$25.4 million, offset partly by lower sales at Lindero, which decreased to \$34.0 million from \$36.9 million. Mine operating income decreased 6% in the second quarter of 2021 due primarily to San Jose, where operating income increased to \$29.0 million from \$26.6 million in the first quarter of 2021.

Sales increased 14% in the first quarter of 2021 to \$117.8 million compared to \$103.5 million in the fourth quarter of 2020 due primarily to higher sales at Lindero, which increased to \$36.9 million from \$20.3 million, and sales at Caylloma, which increased to \$25.4 million from \$22.2 million, offset partly by provisional pricing adjustments. Mine operating income increased 10% in the first quarter of 2021 due primarily to Lindero, which increased to \$15.2 million from \$10.2 million in the fourth quarter of 2020.

Precious Metal Prices Trends



For the quarter ended September 30, 2022, the sale of silver and gold ounces represents approximately 88% of the Company's sales revenue while lead and zinc make up the remaining 12%. Therefore, the prices of silver and gold are the most dominant factors in determining the Company's profitability and cash flow from operations. The prices of gold and silver are subject to volatile fluctuations over short periods of time and can be affected by numerous macroeconomic conditions, including supply and demand factors, value of the U.S. dollar, interest rates and global economic and political issues. The Company's financial performance is expected to continue to be closely linked to the prices of silver and gold.

Fortuna Silver Mines Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2022

(in US Dollars, tabular amounts in millions, except where noted)

Gold and Silver prices declined through the third quarter of 2022 as central banks continued to combat inflation through interest rate hikes and the US dollar strengthened relative to precious metals. Gold and silver traded through a range of \$1,808 to \$1,634 and \$20.06 to \$17.77 per ounce respectively. Gold and silver finished the quarter at \$1,671 and \$19.02 per ounce, respectively. While higher volatility will have an impact on the revenue and cash flow of the Company it is not expected to impact the Company's current capital plans as the Company remains well capitalized to fund the remaining construction of the Séguéla Project.

LIQUIDITY AND CAPITAL RESOURCES

Cash and Cash Equivalents

The Company had cash and cash equivalents of \$90.9 million as at September 30, 2022, a decrease of \$16.2 million since the beginning of the year. The decrease was due primarily to \$144.6 million of net cash generated from operations and a drawdown of \$65.0 million from the Company's revolving credit facility, offset by \$182.5 million of net cash used in investing activities primarily for construction expenditures at Séguéla, a repayment of \$20.0 million to the revolving credit facility and \$5.9 million in share repurchases as part of the NCIB program.

The Company's investment objectives for its cash balances, in order of priority, are to preserve capital, to ensure liquidity, and to maximize returns. The Company's strategy to achieve these objectives is to invest its excess cash balance in a portfolio of primarily fixed income instruments with specified credit rating targets established by the Board of Directors of the Company. The Company does not own any asset-based commercial paper or other similar at-risk investments in its investment portfolios.

Working Capital

Working capital (refer to Non-IFRS Financial Measures) at September 30, 2022 increased \$6.8 million during the year to \$121.1 million, due primarily to a \$28.5 million decrease in trade and other payables and a \$7.6 million decrease in income taxes payable offset by a \$13.2 million decrease in trade and VAT receivables and a \$16.1 million decrease in cash and cash equivalents.

Capital Resources

The Company maintains a \$200 million revolving credit facility ("Credit Facility"). As of September 30, 2022 the Company had drawn down \$165 million of the available credit. The Credit Facility has a term of four years and steps down to \$150 million on November 4, 2024. Interest accrues on LIBOR loans under the Credit Facility at LIBOR plus an applicable margin of between 2% and 3% which varies according to the consolidated leverage levels of the Company.

The Credit Facility includes covenants customary for a facility of this nature including, among other matters, reporting requirements, and positive, negative, and financial covenants set out in therein. As at September 30, 2022, the Company was in compliance with all of the covenants under the Credit Facility.

The Company has secured credit approval from its banking syndicate to increase the size of its Credit Facility by \$50 million to \$250 million. The upsized facility will also include a \$50 million accordion feature. The amended facility is expected to close in the fourth quarter of 2022, subject to the completion of definitive documentation among the parties.

Fortuna Silver Mines Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2022

(in US Dollars, tabular amounts in millions, except where noted)

As at	September 30, 2022	December 31, 2021	Change
Cash and cash equivalents	90.9	107.1	(16.2)
Credit facility	200.0	200.0	-
Total liquidity available	290.9	307.1	(16.2)
Amount drawn on credit facility	(165.0)	(120.0)	(45.0)
Net liquidity position	125.9	187.1	(61.2)

Figures may not add due to rounding

In the third quarter of 2022, central banks around the world raised interest rates to combat high rates of inflation. This has resulted in a significant increase in LIBOR rates and the interest rate that is charged on the Company's Credit Facility. The Company continues to monitor its cash management strategy and may make greater use of its own cash reserves to fund the construction of Séguéla, fund corporate activities or pay down debt. This may have an impact of increasing income taxes for the year where withholding taxes are paid to repatriate funds from our foreign subsidiaries.

The Russian invasion of Ukraine and the COVID-19 pandemic continue to impact the global economy. Given the ever evolving nature of the COVID-19 pandemic, it is difficult to predict the extent of the impact of the COVID-19 pandemic (or any other disease, epidemic or pandemic) on the Company and its business, which will depend on future developments, including: the duration, severity and geographic spread of the COVID-19 virus (or other communicable disease); further actions that may be taken by governmental authorities, which could include travel restrictions and the suspension of business activities, including mining; the effectiveness and timing of actions taken to contain and treat the COVID-19 virus and variants or mutations thereof, including the effectiveness and uptake of vaccines; and how quickly and to what extent normal economic conditions and operating conditions can resume. In the event of an extended conflict in Ukraine, additional waves of COVID-19 for an unexpectedly prolonged duration, or in the event that more rigorous capital controls are implemented in Argentina, the Company may be required to raise additional debt or equity. There is no assurance that the lenders will agree to such a request or that financing will be available to the Company on terms acceptable to it.

The Company does not have unlimited financial resources and there is no assurance that sufficient additional funding or financing will be available when needed by the Company or its direct and indirect subsidiaries on acceptable terms, or at all, to further explore or develop its properties or to fulfill its obligations under any applicable agreements. Fortuna is a multinational company and relies on financial institutions worldwide to fund corporate and project needs. Instability of large financial institutions may impact the ability of the Company to obtain equity or debt financings in the future and, if obtained, on terms that may not be favorable to the Company. Disruptions in the capital and credit markets as a result of uncertainty, geo-political events, changing or increased regulations of financial institutions, reduced alternatives or failures of significant financial institutions could adversely affect the Company's access to the liquidity needed for the business in the longer term.

The Company may incur substantial debt from time to time to finance working capital, capital expenditures, investments or acquisitions or for other purposes. If the Company does so, the risks related to the Company's indebtedness could intensify, including: (i) increased difficulty in satisfying existing debt obligations (ii) limitations on the ability to obtain additional financings, or imposed requirements to make non-strategic divestures (iii) impose hedging requirements (iv) imposed restrictions on the Company's cash flows, for debt repayments or capital expenditures (v) increased vulnerability to general adverse economic and industry conditions (vi) interest rate risk exposure as borrowings may be at variable rates of interest (vii) decreased flexibility in planning for and reacting to changes in the mining industry (viii) reduced competitiveness versus less leveraged competitors, and (ix) increased cost of borrowings.

Subject to the various risks and uncertainties, as explained in the Risks and Uncertainties section of this MD&A, management believes the Company's mining operations will generate sufficient cash flows and the Company has sufficient available credit lines and cash on hand to fund planned capital and exploration programs.

Fortuna Silver Mines Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2022

(in US Dollars, tabular amounts in millions, except where noted)

The Company has contingencies and capital commitments as described in Note 26 "Contingencies and Capital Commitments" in the Company's unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2022. From time to time, the Company may also be involved in legal proceedings that arise in the ordinary course of its business.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements or commitments that are expected to have a current or future effect on the financial condition, results of operations, liquidity, capital expenditures, or capital resources that are material to investors.

FINANCIAL INSTRUMENTS

The Company does not utilize complex financial instruments in hedging foreign exchange or interest exposure. Any hedging activity requires approval of the Company's Board of Directors. The Company will not hold or issue derivative instruments for speculative or trading purposes.

Provisional priced trade receivables of \$19.6 million, a forward sales and foreign exchange contracts liability totaling \$1.4 million, and a forward fuel contract asset of \$0.9 million are the Company's only level 2 fair valued instruments and no level 3 instruments are held.

Provisionally priced trade receivables are valued using forward London Metal Exchange prices until final prices are settled at a future date. The forward sales, and forward foreign exchange contracts liabilities are valued based on the present value of the estimated contractual cash flows. Estimates of future cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. These are discounted using a yield curve, and adjusted for credit risk of the Company or the counterparty.

Refer to the Risks and Uncertainties section of this MD&A for a discussion on credit risk, metal price risk, currency risk, and interest rate risk related to these financial instruments. See note 4 (section r) and Note 30 of the 2021 Financial Statements for a discussion of the Company's use of financial instruments, including a description of liquidity risks associated with such instruments.

SHARE POSITION & OUTSTANDING OPTIONS & EQUITY BASED SHARE UNITS

The Company has 290,181,575 common shares outstanding as at November 9, 2022. In addition, there were 3,661,266 outstanding equity-settled share-based awards as follows:

Incentive stock options	636,818
Restricted share units	1,125,332
Performance share units	1,899,116
<u>Total</u>	<u>3,661,266</u>

An aggregate of 1,469,112 share-settled performance units issued by the Company are subject to a multiplier ranging from 50% to 200% depending on the achievement level of certain performance targets.

As at September 30, 2022 the Company has \$45.9 million of debentures that are convertible at the holder's option into common shares in the capital of the Company at a conversion price of \$5.00 per share, representing a conversion rate of 200 Common Shares per \$1,000 principal amount of Debentures, subject to adjustment in certain circumstances. Subject to certain exceptions in connection with a change of control of the Company, the Debentures cannot be redeemed by the Company prior to October 31, 2022. Between November 1, 2022 and prior to October 31, 2023, the Debentures may be

Fortuna Silver Mines Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2022

(in US Dollars, tabular amounts in millions, except where noted)

redeemed in whole or in part from time to time at the Company's option at a price equal to their principal amount plus accrued and unpaid interest, provided that the volume weighted average trading price of the Common Shares on the NYSE for the 20 consecutive trading days ending on the fifth trading day preceding the date on which the notice of the redemption is given is at least 125% of the Conversion Price. On and after October 31, 2023, the Debentures may be redeemed in whole or in part from time to time at the Company's option at a price equal to their principal amount plus accrued and unpaid interest regardless of the trading price of the Common Shares. The Debentures mature on October 31, 2024 and bear interest at a rate of 4.65% per annum, payable semi-annually in arrears on the last business day of April and October, commencing on April 30, 2020.

Subject to applicable securities laws and regulatory approval and provided that no event of default has occurred and is continuing, the Company may, at its option, elect to satisfy its obligation to pay the principal amount of the Debentures and accrued and unpaid interest on the redemption date and the maturity date, in whole or in part, through the issuance of Common Shares, by issuing and delivering that number of Common Shares, obtained by dividing the principal amount of the Debentures and all accrued and unpaid interest thereon by 95% of the current market price (as defined in the Debenture Indenture) on such redemption date or maturity date, as applicable.

Normal Course Issuer Bid

During the three months ended September 30, 2022, in accordance with the Company's NCIB, the Company re-purchased an aggregate of 1,227,000 common shares at a weighted average price of \$2.28 per share via open market purchases through the facilities of the NYSE for a total repurchase value of approximately \$2.9 million, all of which shares were subsequently returned to treasury and cancelled.

From the commencement of the NCIB to the end of Q3 2022, the Company has purchased 2,201,404 shares at a weighted average price of \$2.69 per share at a total cost of \$5.9 million. The Company will continue to evaluate further share purchases with respect to this program when it believes the share price undervalues the Company, and based on cash requirements.

RELATED PARTY TRANSACTIONS

The Company has entered into the following related party transactions during the three and nine months ended September 30, 2022 and 2021:

(a) Purchase of Goods and Services

During the nine months ended September 30, 2021, the Company was charged \$5 thousand for general and administrative services pursuant to a shared services agreement with Gold Group Management Inc., a company of which Simon Ridgway, the Company's former Chairman, is a director. Effective February 2, 2021, Mr. Ridgway resigned as director and Chairman of the Board, and costs incurred with Gold Group Management Inc. are no longer reported as related party transactions.

(b) Key Management Personnel

During the nine months ended 2022 and 2021, the Company was charged for consulting services by Mario Szotlender, a director of the Company. During the nine months ended September 30, 2021, the Company was charged consulting services by Mill Street Services Ltd., a company of which Mr. Ridgway, the Company's former Chairman, is a director. Effective February 2, 2021, Mr. Ridgway resigned as director and Chairman of the Board, and costs associated incurred with Mill Street Services Ltd. are no longer reported as related party transactions

Fortuna Silver Mines Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2022

(in US Dollars, tabular amounts in millions, except where noted)

Amounts paid to key management personnel were as follows:

(Expressed in \$ thousands)	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Salaries and benefits	2,078	2,234	9,057	6,030
Directors fees	197	125	737	436
Consulting fees	17	12	53	54
Share-based payments	1,452	(68)	4,416	513
	3,744	2,303	14,263	7,033

NON-IFRS FINANCIAL MEASURES

The Company has disclosed certain financial measures and ratios in this MD&A which are not defined under IFRS and are not disclosed in the Financial Statements, including but not limited to: cash cost per ounce of gold; all-in sustaining cash cost per ounce of gold sold; all-in cash cost per ounce of gold sold; total production cash cost per tonne; cash cost per payable ounce of silver equivalent; all-in sustaining cash cost per payable ounce of silver equivalent sold; all-in cash cost per payable ounce of silver equivalent sold; free cash flow and free cashflow from ongoing operations; adjusted net income; adjusted EBITDA and working capital.

These non-IFRS financial measures and non-IFRS ratios are widely reported in the mining industry as benchmarks for performance and are used by Management to monitor and evaluate the Company's operating performance and ability to generate cash. The Company believes that, in addition to financial measures and ratios prepared in accordance with IFRS, certain investors use these non-IFRS financial measures and ratios to evaluate the Company's performance. However, the measures do not have a standardized meaning under IFRS and may not be comparable to similar financial measures disclosed by other companies. Accordingly, non-IFRS financial measures and non-IFRS ratios should not be considered in isolation or as a substitute for measures and ratios of the Company's performance prepared in accordance with IFRS. The Company has calculated these measures consistently for all periods presented.

The following table outlines the non-IFRS financial measures and ratios, their definitions, the most directly comparable IFRS measures and why we use these measures.

Non-IFRS Financial Measure or Ratio	Definition	Most Directly Comparable IFRS Measure	Why we use this measure and why it is useful to investors
Silver Equivalent Ounces Sold	Silver equivalent ounces are calculated by converting other metal production to its silver equivalent using relative metal/silver metal prices at realized prices and adding the converted metal production expressed in silver ounces to the ounces of silver production.	Silver Ounces Sold	Management believes this provides a consistent way to measure costs and performance
Cash Costs	Cash costs include all direct and indirect operating cash costs related directly to the physical activities of producing metals, including mining and processing costs, third-party refining and treatment charges, on-site general and administrative expenses, applicable production taxes and royalties which are not based on sales or taxable income calculations, net of by-product credits, but are exclusive of the impact of non-cash items that are included as part of the cost of sales that is calculated in the consolidated Income Statement including depreciation and depletion, reclamation, capital, development and exploration costs.	Cost of Sales	Management believes that cash cost and AISC measures provide useful information regarding the Company's ability to generate operating earnings and cash flows from its mining operations, and uses such measures to monitor the performance of the Company's mining operations. In addition, the Company believes that each measure provides useful information to investors in comparing, on a mine-by-mine basis, our operations relative performance on a period-by-period basis, against our competitors operations

Fortuna Silver Mines Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2022

(in US Dollars, tabular amounts in millions, except where noted)

Non-IFRS Financial Measure or Ratio	Definition	Most Directly Comparable IFRS Measure	Why we use this measure and why it is useful to investors
Cash Cost Per Tonne	This ratio is calculated by dividing Cash Costs by the number of tonnes milled in the period		
Cash Cost Per Ounce	This ratio is calculated by dividing cash costs by gold or silver equivalent ounces sold in the period		
All-In Sustaining Costs (AISC)	<p>The Company, in conjunction with an initiative undertaken within the gold mining industry, has adopted AISC and all-in sustaining cost measures based on guidance published by World Gold Council ("WGC"). The Company conforms its AISC and all-in cash cost definitions to that set out in the guidance and the Company has presented the cash cost figures on a sold ounce basis.</p> <p>We define All-in Sustaining Costs as total production cash costs incurred at the applicable mining operation but excludes mining royalty recognized as income tax within the scope of IAS-12, as well as non-sustaining capital expenditures. Sustaining capital expenditures, corporate selling, general and administrative expenses, and brownfield exploration expenditures are added to the cash cost. AISC is estimated at realized metal prices.</p>		
AISC per Ounce Sold	This ratio is calculated by dividing AISC by gold or silver equivalent ounces sold in the period.		
All-In Costs	All-In Costs is calculated consistently with AISC but is inclusive of non-sustaining capital.		
Free cash Flow From Ongoing Operations	Free cash flow from ongoing operations is defined as net cash provided by operating activities, including Lindero commissioning, less sustaining capital expenditures and current income tax expense and adding back income taxes paid, changes in long-term receivable sustaining capital expenditures, one time transaction costs, payments of lease liabilities and other non-recurring items	Net Cash Provided by Operating Activities	This non-IFRS measure is used by the Company and investors to measure the cash flow available to fund the Company's growth through investments and capital expenditures
Adjusted Net Income	Adjusted net income excludes the after-tax impact of specific items that are significant, which the Company believes are not reflective of the Company's underlying performance for the reporting period, such as foreign exchange gains (losses) related to the construction of the Séguéla Mine, gains and losses and other one-time costs related to acquisitions, impairment charges (reversals), and certain non-recurring items. Although some of the items are recurring, such as; loss on disposal of assets and non-hedge derivative gains and losses, the Company believes that they are not reflective of the underlying operating performance of its current business and are not necessarily indicative of future operating results	Net Income	Management believes that in addition to conventional measures prepared in accordance with IFRS, the Company and certain investors and analysts use this information and information obtained from conventional IFRS measures to evaluate the Company's performance.

Fortuna Silver Mines Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2022

(in US Dollars, tabular amounts in millions, except where noted)

Non-IFRS Financial Measure or Ratio	Definition	Most Directly Comparable IFRS Measure	Why we use this measure and why it is useful to investors
Adjusted EBITDA	Adjusted EBITDA is a non-IFRS measure which is calculated as net income before interest, taxes, depreciation, and amortization, adjusted to exclude specific items that are significant, but not reflective of the Company's underlying operations, such as foreign exchange gains (losses) related to the construction of the Séguéla Mine, gains and losses and other one-time costs related to acquisitions, impairment charges (reversals), unrealized gains (losses) on derivatives and certain non-recurring items, included in "Other expenses" on the Consolidated Income Statement. Other companies may calculate Adjusted EBITDA differently.	Net Income	Management believes that adjusted EBITDA provides valuable information as an indicator of the Company's ability to generate operating cash flow to fund working capital needs, service debt obligations and fund capital expenditures. Adjusted EBITDA is also a common metric that provides additional information used by investors and analysts for valuation purposes based on an observed or inferred relationship between adjusted EBITDA and market value.
Working Capital	Working capital is non-IFRS measure which is calculated by subtracting current liabilities from current assets.	Current Assets, Current Liabilities	Management believes that working capital is a useful indicator of the liquidity of the Company

Fortuna Silver Mines Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2022

(in US Dollars, tabular amounts in millions, except where noted)

Cash Cost per Ounce of Gold Sold

The following tables presents a reconciliation of cash cost per ounce of gold sold to the cost of sales in the September 30, 2022 unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2022 and 2021:

Lindero Mine (Expressed in \$'000's, except unit costs)	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Cost of sales	43,928	29,508	121,122	75,974
Changes in doré inventory	(107)	1,456	605	2,458
Inventory adjustment	-	(1,743)	-	(1,743)
Export duties	(3,900)	(3,137)	(12,192)	(8,519)
Depletion and depreciation	(14,898)	(9,092)	(41,203)	(24,512)
By product credits	(232)	(55)	(232)	(183)
Production cash cost ¹	24,791	16,937	68,100	43,475
Changes in doré inventory	107	(1,456)	(605)	(2,458)
Realized gain in diesel hedge	(1,696)	(272)	(3,515)	(525)
Cash cost applicable per gold ounce sold	A	23,202	15,209	63,980
Ounces of gold sold	B	30,052	23,549	89,193
Cash cost per ounce of gold sold ¹ (\$/oz)	=A/B	772	646	717

¹ September 30, 2021 restated, Sustaining leases moved to All-In Sustaining

Yaramoko Mine (Expressed in \$'000's, except unit costs)	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Cost of sales	47,481	38,431	129,762	38,431
Changes in doré inventory	-	823	(1,320)	823
Inventory net realizable value adjustment	(1,050)	-	(5,077)	-
Export duties	(2,817)	(2,975)	(8,898)	(2,975)
Depletion and depreciation	(18,356)	(15,739)	(47,010)	(15,739)
Refining charges	-	-	(329)	-
By product credits	-	(61)	(25)	(61)
Production cash cost	25,258	20,479	67,103	20,479
Changes in doré inventory	-	(823)	1,320	(823)
Refining charges	-	138	329	138
Cash cost applicable per gold ounce sold	A	25,258	19,794	68,752
Ounces of gold sold	B	27,055	27,475	81,183
Cash cost per ounce of gold sold (\$/oz)	=A/B	934	720	847

The Yaramoko Mine was acquired as part of the acquisition of Roxgold which completed on July 2, 2021. Comparative figures in 2021 are included from July 2, 2021 onward.

Fortuna Silver Mines Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2022

(in US Dollars, tabular amounts in millions, except where noted)

All-in Sustaining Cash Cost and All-in Cash Cost per Ounce of Gold Sold

The following tables shows a breakdown of the all-in sustaining cash cost per ounce of gold sold and all-in cash cost per ounce of gold sold for the three and nine months ended September 30, 2022 and 2021:

Lindero Mine (Expressed in \$'000's, except unit costs)	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Cash cost applicable	23,202	15,209	63,980	40,492
Export duties and mining taxes	3,900	3,137	12,192	8,519
General and administrative expenses (operations)	2,044	1,387	6,497	4,003
Adjusted operating cash cost	29,146	19,733	82,669	53,014
Sustaining leases	563	740	1,831	1,796
Sustaining capital expenditures ¹	4,814	9,385	14,062	20,040
Brownfields exploration expenditures ¹	314	47	1,104	489
All-in sustaining cash cost	34,837	29,905	99,666	75,339
Non-sustaining capital expenditures ¹	-	-	169	-
All-in cash cost	34,837	29,905	99,835	75,339
Ounces of gold sold	30,052	23,549	89,193	63,762
All-in sustaining cash cost per ounce of gold sold	1,159	1,270	1,117	1,182
All-in cash cost per ounce of gold sold	1,159	1,270	1,119	1,182

¹ Presented on a cash basis

Yaramoko Mine (Expressed in \$'000's, except unit costs)	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Cash cost applicable	25,258	19,794	68,752	19,794
Inventory net realizable value adjustment	1,170	2,975	3,125	2,975
Export duties and mining taxes	2,817	-	8,898	-
General and administrative expenses (operations)	688	439	1,570	439
Adjusted operating cash cost	29,933	23,208	82,345	23,208
Sustaining leases	1,419	1,467	4,273	1,467
Sustaining capital expenditures ¹	10,225	7,398	26,671	7,398
Brownfields exploration expenditures ¹	2,530	560	3,018	560
All-in sustaining cash cost	44,107	32,633	116,307	32,633
All-in cash cost	44,107	32,633	116,307	32,633
Ounces of gold sold	27,055	27,475	81,183	27,475
All-in sustaining cash cost per ounce of gold sold	1,630	1,188	1,433	1,188
All-in cash cost per ounce of gold sold	1,630	1,188	1,433	1,188

The Yaramoko Mine was acquired as part of the acquisition of Roxgold which completed on July 2, 2021. Comparative figures in 2021 are included from July 2, 2021 onward.

¹ Presented on a cash basis

Fortuna Silver Mines Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2022

(in US Dollars, tabular amounts in millions, except where noted)

Production Cash Cost per Tonne and Cash Cost per Payable Ounce of Silver Equivalent Sold

The following tables present a reconciliation of production cash cost per tonne and cash cost per payable ounce of silver equivalent sold to the cost of sales in the unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2022 and 2021:

San Jose Mine (Expressed in \$'000's, except unit costs)	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Cost of sales	32,936	29,980	94,313	90,051
Changes in concentrate inventory	(209)	(31)	(137)	63
Depletion and depreciation in concentrate inventory	68	54	49	21
Inventory adjustment	312	(35)	266	46
Royalties and mining taxes	(1,261)	(1,641)	(4,002)	(4,368)
Workers participation	(979)	(1,218)	(1,876)	(4,573)
Depletion and depreciation	(9,659)	(7,808)	(27,265)	(23,468)
Cash cost ³	A	21,208	19,301	61,348
Total processed ore (tonnes)	B	267,198	248,984	770,090
Production cash cost per tonne ³ (\$/t)	=A/B	79.37	77.52	79.66
Cash cost ³	A	21,208	19,301	61,348
Changes in concentrate inventory		209	31	137
Depletion and depreciation in concentrate inventory		(68)	(54)	(49)
Inventory adjustment		(312)	35	(266)
Treatment charges		(173)	(2,622)	(228)
Refining charges		997	3,539	2,789
Cash cost applicable per payable ounce sold ³	C	21,861	20,230	63,731
Payable ounces of silver equivalent sold ¹	D	2,254,673	2,024,487	6,159,782
Cash cost per ounce of payable silver equivalent sold ^{2,3} (\$/oz)	=C/D	9.70	9.99	10.35
Mining cost per tonne ³		37.72	38.00	37.48
Milling cost per tonne		17.49	17.22	18.74
Indirect cost per tonne		16.09	14.79	15.48
Community relations cost per tonne		2.68	3.08	2.55
Distribution cost per tonne		5.39	4.43	5.41
Production cash cost per tonne ³ (\$/t)		79.37	77.52	79.66

¹ Silver equivalent sold for Q3 2022 is calculated using a silver to gold ratio of 90.0:1 (Q3 2021: 73.8:1). Silver equivalent sold for YTD 2022 is calculated using a silver to gold ratio of 83.5:1 (YTD 2021: 69.7:1).

² Silver equivalent is calculated using the realized prices for gold and silver. Refer to Financial Results – Sales and Realized Prices

³ September 30, 2021 restated, Sustaining leases moved to All-In Sustaining

Fortuna Silver Mines Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2022

(in US Dollars, tabular amounts in millions, except where noted)

Caylloma Mine (Expressed in \$'000's, except unit costs)	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Cost of sales	17,512	17,302	50,815	49,332
Changes in concentrate inventory	135	(670)	11	(899)
Depletion and depreciation in concentrate inventory	(30)	133	(196)	155
Inventory adjustment	(491)	-	(179)	-
Royalties and mining taxes	(218)	(68)	(686)	(157)
Provision for community support	123	-	97	-
Workers participation	(455)	(412)	(1,389)	(1,624)
Depletion and depreciation	(3,619)	(4,549)	(10,952)	(12,575)
Cash cost ³	A	12,957	11,736	37,521
Total processed ore (tonnes)	B	139,143	136,410	407,695
Production cash cost per tonne ³ (\$/t)	=A/B	93.12	86.04	92.03
Cash cost	A	12,957	11,736	37,521
Changes in concentrate inventory		(135)	670	(11)
Depletion and depreciation in concentrate inventory		30	(133)	196
Inventory adjustment		491	-	179
Treatment charges		3,028	4,378	11,195
Refining charges		389	459	1,153
Cash cost applicable per payable ounce sold ³	C	16,760	17,110	50,233
Payable ounces of silver equivalent sold ¹	D	1,480,688	1,341,997	4,101,900
Cash cost per ounce of payable silver equivalent sold ^{2,3} (\$/oz)	=C/D	11.32	12.75	12.25
Mining cost per tonne		41.38	33.82	39.04
Milling cost per tonne		14.57	15.95	15.24
Indirect cost per tonne		28.46	28.05	29.50
Community relations cost per tonne		1.30	0.51	0.93
Distribution cost per tonne		7.43	7.71	7.34
Production cash cost per tonne ³ (\$/t)		93.14	86.04	92.05

¹ Silver equivalent sold for Q3 2022 is calculated using a silver to gold ratio of 0.0:1 (Q3 2021: 72.5:1), silver to lead ratio of 1:21.4 pounds (Q3 2021: 1:23.3), and silver to zinc ratio of 1:13.0 pounds (Q3 2021: 1:18.1). Silver equivalent sold for YTD 2022 is calculated using a silver to gold ratio of 84.8:1 (YTD 2021: 69.4:1), silver to lead ratio of 1:22.2 pounds (YTD 2021: 1:26.3), and silver to zinc ratio of 1:13.3 pounds (YTD 2021: 1:19.7).

² Silver equivalent is calculated using the realized prices for gold, silver, lead, and zinc. Refer to Financial Results - Sales and Realized Prices

³ September 30, 2021 restated, Sustaining leases moved to All-In Sustaining

Fortuna Silver Mines Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2022

(in US Dollars, tabular amounts in millions, except where noted)

All-in Sustaining Cash Cost and All-in Cash Cost per Payable Ounce of Silver Equivalent Sold

The following tables show a breakdown of the all-in sustaining cash cost per silver equivalent ounce payable for the three and nine months ended September 30, 2022 and 2021:

San Jose Mine (Expressed in \$'000's, except unit costs)	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Cash cost applicable ⁴	21,861	20,230	63,731	60,362
Royalties and mining taxes	1,261	1,641	4,002	4,368
Workers' participation	1,224	1,522	2,345	5,716
General and administrative expenses (operations)	1,606	1,719	4,845	5,022
Adjusted operating cash cost ⁴	25,952	25,112	74,923	75,468
Sustaining leases ⁴	183	184	489	447
Sustaining capital expenditures ³	4,410	3,553	12,036	9,525
Brownfields exploration expenditures ³	1,548	2,547	4,645	6,437
All-in sustaining cash cost	32,093	31,397	92,093	91,878
Non-sustaining capital expenditures ³	-	745	869	1,776
All-in cash cost	32,093	32,142	92,962	93,654
Payable ounces of silver equivalent sold ¹	2,254,673	2,024,487	6,159,782	6,501,691
All-in sustaining cash cost per ounce of payable silver equivalent sold ²	14.23	15.51	14.95	14.13
All-in cash cost per ounce of payable silver equivalent sold ²	14.23	15.88	15.09	14.40

¹ Silver equivalent sold for Q3 2022 is calculated using a silver to gold ratio of 90.0:1 (Q3 2021: 73.9:1). Silver equivalent sold for YTD 2022 is calculated using a silver to gold ratio of 83.5:1 (YTD 2021: 69.7:1).

² Silver equivalent is calculated using the realized prices for gold and silver. Refer to Financial Results - Sales and Realized Prices

³ Presented on a cash basis

⁴ September 30, 2021 restated, Sustaining leases moved from Cash Cost

Caylloma Mine (Expressed in \$'000's, except unit costs)	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Cash cost applicable ⁴	16,760	17,110	50,233	47,392
Royalties and mining taxes	218	68	686	157
Workers' participation	522	465	1,607	1,886
General and administrative expenses (operations)	890	630	3,135	2,700
Adjusted operating cash cost ⁴	18,390	18,273	55,661	52,135
Sustaining leases ⁴	841	780	2,505	2,170
Sustaining capital expenditures ³	3,764	3,480	11,506	7,930
Brownfields exploration expenditures ³	198	1,168	729	2,777
All-in sustaining cash cost	23,193	23,701	70,401	65,012
All-in cash cost	23,193	23,701	70,401	65,012
Payable ounces of silver equivalent sold ¹	1,480,688	1,341,997	4,101,900	3,577,778
All-in sustaining cash cost per ounce of payable silver equivalent sold ²	15.66	17.66	17.16	18.17
All-in cash cost per ounce of payable silver equivalent sold ²	15.66	17.66	17.16	18.17

¹ Silver equivalent sold for Q3 2022 is calculated using a silver to gold ratio of 0.0:1 (Q3 2021: 72.5:1), silver to lead ratio of 1:21.4 pounds (Q3 2021: 1:23.3), and silver to zinc ratio of 1:13.0 pounds (Q3 2021: 1:18.2). Silver equivalent sold for YTD 2022 is calculated using a silver to gold ratio of 84.8:1 (YTD 2021: 69.4:1), silver to lead ratio of 1:22.2 pounds (YTD 2021: 1:26.3), and silver to zinc ratio of 1:13.3 pounds (YTD 2021: 1:19.7).

² Silver equivalent is calculated using the realized prices for gold, silver, lead, and zinc. Refer to Financial Results - Sales and Realized Prices

³ Presented on a cash basis

⁴ September 30, 2021 restated, Sustaining leases moved from Cash Cost

Fortuna Silver Mines Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2022

(in US Dollars, tabular amounts in millions, except where noted)

Free Cash Flow from Ongoing Operations

In 2022, the Company changed the method for calculating Free Cash Flow from Ongoing Operations. The calculation now uses taxes paid as opposed to the previous method which used current income taxes. While this may create larger quarter over quarter fluctuations due to the timing of income tax payments, management believes the revised method is a better representation of the Free Cash Flow generated by the Company's ongoing operations. Comparative values from 2021 have been restated in this MD&A using the change in methodology.

The following table presents a reconciliation of free cash flow from ongoing operations to net cash provided by operating activities, the most directly comparable IFRS measure, for the three and nine months ended September 30, 2022 and 2021:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Net cash provided by operating activities	64.7	39.4	144.6	90.1
<i>Adjustments</i>		(Restated)		(Restated)
Roxgold transaction costs	-	3.5	-	3.5
Additions to mineral properties, plant and equipment	(27.8)	(13.8)	(73.8)	(23.2)
Progresso royalty payment	-	-	3.0	-
Other adjustments	(2.9)	-	(9.0)	-
Free cash flow from ongoing operations	34.0	29.1	64.8	70.4

Figures may not add due to rounding

Adjusted Net Income

The following table presents a reconciliation of the adjusted net income from net income, the most directly comparable IFRS measure, for the three and nine months ended September 30, 2022 and 2021:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Net income	(4.1)	0.2	24.5	42.8
<i>Adjustments, net of tax:</i>				
Community support provision and accruals ¹	-	-	-	0.1
Foreign exchange loss, Lindero Mine ²	-	1.2	-	3.8
Foreign exchange loss, Séguéla Project	0.3	-	1.2	-
Write off of mineral properties	3.4	-	4.9	-
Unrealized loss (gain) on derivatives	1.7	-	(0.5)	-
Roxgold transaction costs	-	10.5	-	14.1
SGM Royalty settlement	-	6.7	-	6.7
Inventory adjustment	0.9	-	4.2	-
Accretion on right of use assets	0.6	-	1.8	-
Other non-cash/non-recurring items	(0.5)	3.9	(0.7)	4.0
Adjusted net income	2.3	22.5	35.4	71.5

¹ Amounts are recorded in Cost of sales

² Amounts are recorded in General and Administration

Figures may not add due to rounding

Fortuna Silver Mines Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2022

(in US Dollars, tabular amounts in millions, except where noted)

Adjusted EBITDA

The following table presents a reconciliation of Adjusted EBITDA from net income, the most directly comparable IFRS measure, for the three and nine months ended September 30, 2022 and 2021:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Net income	(4.1)	0.2	24.5	42.8
<i>Adjustments:</i>				
Community support provision and accruals	-	-	-	(0.1)
Inventory adjustment	1.1	1.8	5.1	1.7
Foreign exchange loss, Lindero Mine	-	1.2	-	3.8
Foreign exchange loss, Séguéla Project	0.3	-	1.2	-
Net finance items	2.4	4.0	8.9	8.5
Depreciation, depletion, and amortization	46.9	37.8	127.4	77.5
Income taxes	5.8	8.9	26.1	34.2
Roxgold transaction costs	-	10.5	-	14.1
SGM Royalty settlement	-	9.6	-	9.6
Other non-cash/non-recurring items	2.0	1.3	(3.5)	(1.0)
Adjusted EBITDA	54.4	75.3	189.7	191.1

Figures may not add due to rounding

Working Capital

The following table presents a calculation of working capital for the nine months ended September 30, 2022 and 2021:

	Nine months ended September 30,	
	2022	2021
Current Assets	\$ 251,851	\$ 255,601
Current Liabilities	130,753	203,916
Working Capital	\$ 121,098	\$ 51,685

Qualified Person

Eric Chapman, P.Geo (EGBC #36328), Senior Vice-President of Technical Services for the Company, is a Qualified Person (as defined by National Instrument 43-101—Standards of Disclosure for Mineral Projects) (“NI 43-101”). Mr. Chapman has reviewed and approved the scientific and technical information pertaining to the production results for each of the Lindero, Yaramoko, San Jose and Caylloma mines contained in this MD&A and has verified the underlying data.

Raul Espinoza, F.AusIMM CP, Director of Technical Services for the Company is a Qualified Person as defined by NI 43-101, and has reviewed and approved the scientific and technical information pertaining to the Séguéla Project contained in this MD&A and has verified the underlying data.

Other Information, Risks and Uncertainties

For further information regarding the Company's operational risks, please refer to the section entitled “Description of the Business - Risk Factors” in the Company's most recent Annual Information Form that is available at www.sedar.com and www.sec.gov/edgar.shtml.

RISKS AND UNCERTAINTIES

The Company is exposed to many risks in conducting its business, including but not limited to metal price risk as the Company derives its revenue from the sale of silver, gold, lead and zinc; credit risk in the normal course of business; foreign exchange risk as the Company reports its financial statements in U.S. dollars whereas the Company operates in jurisdictions that conducts its business in other currencies; the inherent risks of uncertainties in estimating mineral reserves and mineral resources; the risks related to the construction of an open pit gold mine at the Séguéla Gold Project and the anticipated timing of production at the mine; rising rates of inflation which impact the costs of production; risks related to widespread epidemics or pandemics such as further outbreaks of COVID-19; political risks, capital controls risk and the limitations on the repatriation of operating cash flows, environmental risks; risks related to the ability of the Company to obtain permits for its operations, including the reconfirmation of the 12 year extension of the EIA at the San Jose mine; and risks related to its relations with employees. These and other risks are described below and in the 2021 Financial Statements, its Annual Information Form which is available on SEDAR at www.sedar.com, and its Form 40-F filed with the SEC. Readers are encouraged to refer to these documents for a more detailed description of some of the risks and uncertainties inherent to the Company's business.

Foreign Jurisdiction Risk

As at the date of the MD&A, the Company currently conducts its operations in Argentina, Burkina Faso, Côte d'Ivoire, Mexico, and Peru. All these jurisdictions are potentially subject to a number of political and economic risks, including those described in the following section. The Company is unable to determine the impact of these risks or its future financial position or results of operations and the Company's exploration, development, and production activities may be substantially affected by factors outside of the Company's control. These potential factors include but are not limited to royalty and tax increases or claims by governmental bodies, expropriation or nationalization, lack of an independent judiciary, foreign exchange controls, capital and currency controls, import and export regulations, cancellation or renegotiation of contracts, and environmental and permitting regulations. The Company has no political risk insurance coverage against these risks

The majority of the Company's production and revenue to September 30, 2022 was derived from its operations in Argentina, Mexico, Burkina Faso and Peru. As the Company's business is carried on in a number of developing countries, it is exposed to a number of risks and uncertainties, including the following: expropriation or nationalization without adequate compensation especially in Argentina which has a history of expropriation where the Company operates the Lindero Mine; changing political and fiscal regime, including the military coups in Burkina Faso in January and September 2022, and economic and regulatory instability; the unexpected change of Government in Côte d'Ivoire in April 2022; unanticipated changes to royalty and tax regulations; unreliable and undeveloped infrastructure, labour unrest, and labour scarcity; difficulty procuring key equipment and components for equipment; import and export regulation and restrictions; the imposition of capital controls which may affect the repatriation of funds; high rates of inflation; extreme fluctuations in foreign exchange rates and the imposition of currency controls; inability to obtain fair dispute resolution or judicial determination because of bias, corruption or abuse of power; difficulties enforcing judgments; difficulties understanding and complying with regulatory and legal framework with respect to ownership and maintenance of mineral properties, mines and mining operations, local opposition to mine development projects, which include the potential for violence, property damage and frivolous or vexatious claims; terrorism and hostage taking; military repression and increased likelihood of international conflicts or aggression; increased public health concerns. Certain of these risks and uncertainties are prevalent in the jurisdictions where the Company operates.

There can be no assurance that these measures will not be extended or that more restrictive measures will be put in place in the countries in which the Company operates, which may result in the suspension of operations or construction at the Company's mines on a short or long-term basis.

Estimating Mineral Resources and Mineral Reserves

There is a degree of uncertainty attributable to the estimation of Mineral Resources, Mineral Reserves, and expected mineral grades. Until mineral deposits are actually mined and processed, Mineral Resources and Mineral Reserves must be considered as estimates only. Any such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices.

Mineral Resources and Mineral Reserves may require revision based on actual production experience. Market fluctuations in the price of metals, as well as increased production costs and reduced metallurgical recovery rates, may render certain Mineral Reserves uneconomic and may ultimately result in a restatement of Mineral Resources and/or Mineral Reserves. Short-term operating factors relating to the Mineral Resources and Mineral Reserves, such as the need for sequential development of ore bodies, may adversely affect the Company's profitability in any accounting period. Estimates of operating costs are based on assumptions including those relating to inflation and currency exchange, which may prove incorrect. Estimates of mineralization can be imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable. In addition, the grade and/or quantity of precious metals ultimately recovered may differ from that indicated by drilling results. There can be no assurance that precious metals recovered in small scale tests will be duplicated in large scale tests under onsite conditions or in production scale. Amendments to mine plans and production profiles may be required as the amount of Mineral Resources changes or upon receipt of further information during the implementation phase of the project. Extended declines in market prices for gold, silver and other metals may render portions of the Company's mineralization uneconomic and result in reduced reported mineralization. Any material reduction in estimates of mineralization, or in the Company's ability to develop its properties and extract and sell such minerals, could have a material adverse effect on the Company's results of operations or financial condition.

Mining Operations

The capital costs required by the Company's projects may be significantly higher than anticipated. Capital and operating costs, production and economic returns, and other estimates contained in the Company's current technical reports, may differ significantly from those provided for in future studies and estimates and from management guidance, and there can be no assurance that the Company's actual capital and operating costs will not be higher than currently anticipated. In addition, delays to construction and exploration schedules may negatively impact the net present value and internal rates of return of the Company's mineral properties as set forth in the applicable technical report. Similarly, there can be no assurance that historical rates of production, grades of ore processed, rates of recoveries or mining cash costs will not experience fluctuations or differ significantly from current levels over the course of the mining operations. In addition, there can be no assurance that the Company will be able to continue to extend the production from its current operations through exploration and drilling programs.

Uncertainties related to new mining operations

Without limiting the generality of the foregoing, Fortuna is in the process of the development and construction of an open pit mine at the Séguéla Project. Any such development or expansion project which is progressed to commercial operations will face a number of risks inherent in new mining operations.

The successful completion of the Company's development and expansion projects requires the construction and operation of mines, processing plants and related infrastructure. As a result, the Company is and will continue to be subject to all of the risks associated with establishing new mining operations, including:

- the timing and cost, which can be considerable, of the construction of mining and processing facilities;
- the availability and cost of skilled labour, mining equipment and principal supplies needed for operations;
- the availability and cost of appropriate smelting and refining arrangements;

- the need to maintain necessary environmental and other governmental approvals and permits;
- the availability of funds to finance construction and development activities;
- potential opposition from governments, non-governmental organizations, environmental groups, local groups or other stakeholders, which may delay or prevent development activities; and
- potential increases in construction and operating costs due to changes in the cost of labour, fuel, power, materials and supplies.

It is not unusual in the mining industry for new mining operations to experience unexpected difficulties during the start-up phase or the initial production phase, resulting in production suspensions, delays and requiring more capital than anticipated. It is also common in new mining operations to experience unexpected problems, delays and costs during mine development and ramp-up to full production capacity. Such factors can add to the costs of the mine development, production and operations and/or impair production and mining activities, thereby affecting the Company's cashflows and profitability. Any unexpected complications and delays in the completion and successful functioning of these operational elements may result in additional costs being incurred by the Company beyond those already incurred and budgeted. There can be no assurance that current or future development and expansion plans in respect of the Yaramoko Mine and the Séguéla Project will be successful or completed on time or on budget.

Environmental Uncertainties

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. These laws address emissions into the air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, antiquities and endangered species, and reclamation of lands disturbed by mining operations. The Company's operations generate chemical and metals depositions in the form of tailings. The Company's ability to obtain, maintain and renew permits and approvals, and to successfully develop and operate mines may be adversely affected by real or perceived impacts associated with the Company's activities or of other mining companies that affect the environment, human health and safety. Environmental hazards may exist on the Company's properties which are unknown to the Company at present and were caused by previous or existing owners or operators of the properties, for which the Company could be held liable.

Environmental legislation is evolving in a manner which is imposing stricter standards and enforcement, increased fines and penalties for non-compliance, in addition to more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. Compliance with environmental laws and regulations may require significant capital outlays on behalf of the Company and may cause material changes or delays in the Company's intended activities. Failure to comply with applicable environmental laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities, causing operations to cease or be curtailed. Such enforcement actions may include the imposition of corrective measures requiring capital expenditure, installation of new equipment or remedial action. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

The activities of the Company require licenses and permits from various governmental authorities. The Company currently has been granted the requisite licenses and permits to enable it to carry on its existing business and operations. On December 20, 2021, the Company announced that SEMARNAT had granted a 12-year extension to the EIA for the San Jose Mine. Subsequently on February 4, 2022, the Company announced that it had received a notice from SEMARNAT which advised that SEMARNAT had made a typographical error in the extension to the term of the EIA for the San Jose Mine and that the correct term was two years. The Company initiated legal proceedings in the Mexican Federal Administrative Court (the "Court") to challenge the notice, and also obtained an injunction in favour of the Company, which suspended the reduction of the term of the EIA from 12 years to two years during the course of the legal proceedings. On November 7, 2022, the Company received notice that the Court had issued a judgment in favour of the Company, which revoked the alleged "typographical error" of the term of the EIA, and re-confirms the period of a 12 year extension for the EIA.

In addition, there can be no assurance that the Company will be able to obtain all the necessary licenses and permits which may be required to carry out exploration, development and mining operations for its projects in the future. The Company might find itself in situations where the state of compliance with regulation and permits can be subject to interpretation and challenge from authorities that could carry risk of fines or temporary stoppage.

Diseases, epidemics and pandemics (including the COVID-19 pandemic) may adversely impact the Company's operations, financial condition and share price.

The Company's operations and financial performance are dependent on it being able to operate at each of its mines and projects. In view of the constantly changing situation regarding COVID-19 pandemic, including further waves of the virus and the emergence of variant forms of the virus, it is difficult to predict the exact nature and extent of the impact the pandemic may have on the Company's operations and its business. Outbreaks of COVID-19 in areas where the Company operates or restrictive directives of government and public health authorities could cause delays or disruptions in the Company's supply chain, restrict access to its mine sites, restrict its ability to transport and ship gold doré and/or metal concentrates, restrict access to processing and refinery facilities, or impediments to market logistics. Suspensions of operations or curtailment of construction activities at the Company's mines remains a significant risk to its business and operations.

Risks Associated with the Integration of the Company and Roxgold

The completion of the business combination of Roxgold is expected to result in among other benefits, a combination of quality assets resulting in increased gold production; a complementary and diversified portfolio of assets in West Africa and the Americas; multiple brownfields and greenfields options across the Americas and West Africa, and a low-cost platform of precious metals production and growth. The ability of the Company to realize the benefits of the acquisition will depend in part on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner, as well as the Company's ability to realize the anticipated growth opportunities and synergies from integrating Roxgold's business. This integration will require the dedication of management effort, time and resources which may divert management's focus and resources from other strategic opportunities available to the Company, and from operational matters during this process.

In addition, the integration process could result in the disruption of existing relationships with suppliers, employees, customers and other constituencies of Fortuna and Roxgold. There can be no assurance that management will be able to integrate the operations of each of the businesses successfully or achieve any of the synergies or other benefits that are anticipated to result from the acquisition. It is possible that the integration process could result in the loss of key employees, the disruption of the respective ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect the ability of management to maintain relationships with customers, suppliers, employees or to achieve the anticipated benefits of the acquisition. Any inability of management to successfully integrate the operations could have a material adverse effect on the Company's business, financial condition and results of operations.

Risks of Operating in West Africa

Certain of our operations are currently conducted in West Africa, with the Yaramoko Mine in Burkina Faso and the Séguéla Project in Côte d'Ivoire, and as such as is common in other mining jurisdictions, the Company's operations are exposed to various political, economic, and other risks and uncertainties. The Company is subject to risks associated with operating in West Africa with its Yaramoko Mine in Burkina Faso and the Séguéla Project in Côte d'Ivoire. These risks and uncertainties include but are not limited to: civil and ethnic unrest, war (including in neighbouring countries), terrorist actions, hostage taking or detainment of personnel, military repression, criminal activity, nationalization, invalidation of governmental orders, failure to enforce existing laws, labour disputes, corruption, sovereign risk, political instability, the failure of foreign parties, courts or governments to honour or enforce contractual relations or uphold property rights, changing

government regulations with respect to mining (including royalties, environmental requirements, labour, taxation, land tenure, foreign investments, income repatriation and capital recovery), fluctuations in currency exchange and inflation rates, import and export restrictions, the expropriation of property interests, as well as by laws and policies of Canada affecting foreign trade, investment and taxation.

As African governments continue to struggle with deficits and depressed economies, the strength of commodity prices has resulted in the gold mining sector being targeted as a source of revenue. Governments are continually assessing the terms for a mining company to exploit resources in their country.

Operations may also be impacted to varying degrees by the lack of certainty with respect to foreign legal systems, which may not be immune from the influence of political pressure, corruption, or other factors that are inconsistent with the rule of law. Businesses can become involved in lengthy court cases over simple issues when rulings are not clearly defined, and the poor drafting of laws and excessive delays in the legal process for resolving issues or disputes compound such problems.

Any of the above events could delay or prevent the Company from operating, developing, or exploring its properties even if economic quantities of minerals are found and could have a material adverse impact upon the Company's operations.

Safety and Security

The Company's Yaramoko Mine is located in Burkina Faso and the advanced exploration Séguéla Gold Project is located in Côte d'Ivoire. Following instability in recent years in several West African countries, the prevailing security environment in these countries has deteriorated due to the presence of various militant secessionist and Islamist paramilitary groups, as well as the result of the January and September 2022 military coups in Burkina Faso. While additional measures have been implemented in response to ensure the security of its various assets, personnel and contractors, and the Company continues to cooperate with regional governments, their security forces and third parties, there can be no assurance that these measures will be successful. Any failure to maintain the security of its assets, personnel and contractors may have a material adverse effect on the Company's business, prospects, financial condition, and results of operations. To date, neither employees nor operations have been impacted by the security situation in Burkina Faso.

While there is no reason to believe that the Company's employees or operations will be targeted by criminal and/or terrorist activities in the countries in which we operate, risks associated with conducting business in the region, along with the increased perception that such incidents are likely to occur, may disrupt the Company's operations, limit its ability to hire and keep qualified personnel, and impair its access to sources of capital or insurance on terms and at rates that are commercially viable. Furthermore, although the Company has developed procedures regarding the mitigation of such risks, due to the unpredictable nature of criminal and/or terrorist activities, there is no assurance that its efforts will be able to effectively mitigate such risks and safeguard the Company's personnel and assets.

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. All of our trade receivables from concentrate sales are held with large international metals trading companies.

The Company's cash and cash equivalents and short-term investments are held through large financial institutions. These investments mature at various dates within one year.

Fortuna Silver Mines Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2022

(in US Dollars, tabular amounts in millions, except where noted)

The Company's maximum exposure to credit risk as at September 30, 2022 and December 31, 2021 is as follows:

As at	September 30, 2022	December 31, 2021
Cash and cash equivalents	90.9	107.1
Derivative assets	1.3	1.5
Trade and other receivables	63.3	76.5
Income tax receivable	2.4	1.7
Other non-current receivables	6.4	6.0
	164.3	192.8

Figures may not add due to rounding

The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk. We limit our exposure to counterparty credit risk on cash and term deposits by only dealing with financial institutions with high credit ratings and through our investment policy of purchasing only instruments with a high credit rating. Almost all of our concentrate is sold to large well-known concentrate buyers.

Metal Price Risk

The Company derives its revenue from the sale of silver, gold, lead, and zinc. The Company's sales are directly dependent on metal prices, and metal prices have historically shown significant volatility that is beyond the Company's control.

The following table illustrates the sensitivity to a +/-10% change in metal prices on the Company's outstanding trade receivables as at September 30, 2022:

Metal	Change	Effect on Sales
Silver	+/- 10%	0.9
Gold	+/- 10%	0.5
Lead	+/- 10%	0.2
Zinc	+/- 10%	0.5

Changes in the market prices of the precious metals that the Company produces affects the Company's profitability and cashflow. Metals prices can fluctuate due to many factors including, demand, the strength of the United States dollar, currency exchange rates, inflation, global mine production levels, other general price instability. Decrease in the market price of metals can also significantly affect the value of the Company's metal inventory, stockpiles and leach pads, and it may be necessary to record a write-down to the net realizable value as well as significantly impact the carrying value of Company's assets.

From time to time, the Company mitigates the price risk associated with its base metal production by entering into forward sale and collar contracts for some of its forecasted base metal production and non-metal commodities.

Refer to the Company's 2021 Financial Statements for details of contracts entered into.

The zinc, lead, and fuel contracts are derivative financial instruments and are not accounted for as designated hedges. They were initially recognized at fair value on the date on which the related derivative contracts were entered into and are subsequently re-measured to estimated fair value. Any gains or losses arising from changes in the fair value of the derivatives are credited or charged to profit or loss.

Currency Risk

The Company is exposed to fluctuations in foreign exchange rates as a portion of our expenses are incurred in Canadian dollars, Peruvian soles, Argentine pesos, Mexican pesos, Euro, Australian dollar, and West African CFA francs. A significant

Fortuna Silver Mines Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2022

(in US Dollars, tabular amounts in millions, except where noted)

change in the foreign exchange rates between the United States dollar relative to the other currencies could have a material effect on the Company's profit or loss, financial position, or cash flows.

The following table summarizes the sensitivity to a +/-10% change in foreign currency exchange rates on the Company's foreign currency exposure as at September 30, 2022:

Currency of foreign denominated items	Change	Effect
Mexican pesos	+/- 10%	0.3
Peruvian soles	+/- 10%	0.3
Argentine pesos	+/- 10%	0.2
Canadian dollars	+/- 10%	1.0
West African CFA franc	+/- 10%	1.6
Australian Dollar	+/- 10%	0.1
Euro	+/- 10%	0.1

Due to the volatility of the exchange rate for Argentine peso, the Company is applying additional measures in cash management to minimize potential losses arising from the conversion of funds. As discussed below in the capital management section, the Company is required to convert the equivalent value into Argentine peso from the export sale of all gold doré from the Lindero Mine. In addition, the Company would be required to obtain the prior consent of the Argentine Central Bank for the payment of cash dividends and distributions of profits out of Argentina.

The following tables summarizes the Company's exposure to currency risk through the following assets and liabilities denominated in foreign currencies:

As at September 30, 2022 <i>(In millions of local currency)</i>	West						
	Canadian dollars	Peruvian soles	Mexican pesos	Argentine pesos	African CFA Franc	Australian Dollars	Euro
Cash and cash equivalents	0.7	4.4	46.6	11.8	13,584.0	-	-
Marketable securities	0.4	-	-	-	-	-	-
Restricted cash	-	-	-	-	2,030.1	-	-
Trade and VAT receivables	1.0	3.4	134.8	2,062.9	11,230.9	-	-
Income tax receivable	-	20.3	49.0	-	-	-	-
VAT - long term receivable	-	-	70.5	-	-	-	-
Trade and other payables	(16.4)	(18.6)	(193.1)	(1,429.4)	(15,332.4)	(0.4)	(1.2)
Provisions, current	-	(8.4)	(13.4)	(387.9)	-	-	-
Income tax payable	0.1	-	(71.0)	-	(750.9)	-	-
Other liabilities	(0.4)	-	(6.5)	-	-	-	-
Provisions, non current	-	(13.3)	(81.6)	-	-	-	-
Total foreign currency exposure	(14.6)	(12.2)	(64.7)	257.4	10,761.7	(0.4)	(1.2)
US\$ equivalent of foreign currency exposure	(10.7)	(3.1)	(3.2)	1.7	17.1	(0.4)	(1.2)

Figures may not add due to rounding

Fortuna Silver Mines Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2022

(in US Dollars, tabular amounts in millions, except where noted)

As at December 31, 2021 <i>(In millions of local currency)</i>	West						
	Canadian dollars	Peruvian soles	Mexican pesos	Argentine pesos	African CFA Franc	Australian Dollars	Euro
Cash and cash equivalents	1.7	5.5	18.1	4.3	11,494.9	-	-
Marketable securities	0.5	-	-	-	-	-	-
Restricted cash	-	-	-	-	1,167.0	-	-
Trade and VAT receivables	0.7	2.1	174.2	1,526.5	13,433.4	-	-
Income tax receivable	-	20.7	-	-	-	-	-
VAT - long term receivable	-	-	70.5	-	-	-	-
Trade and other payables	(3.8)	(17.5)	(400.7)	(1,174.0)	(10,094.2)	(0.9)	(1.4)
Provisions, current	(0.1)	(4.4)	(13.5)	(95.4)	-	-	-
Income tax payable	-	-	(87.9)	-	-	-	-
Other liabilities	-	-	(6.2)	-	-	-	-
Provisions, non current	-	-	(87.3)	-	-	-	-
Total foreign currency exposure	(1.0)	6.4	(332.8)	261.4	16,001.1	(0.9)	(1.4)
US\$ equivalent of foreign currency exposure	(0.8)	1.7	(16.8)	2.7	28.5	(0.7)	(1.2)

Figures may not add due to rounding

Liquidity Risk

Liquidity risk is the risk that we will not be able to meet our financial obligations as they come due. We manage our liquidity risk by continually monitoring forecasted and actual cash flows. We have in place a planning and budgeting process to help determine the funds required to support our normal operating requirements and our development plans. We aim to maintain sufficient liquidity to meet our short term business requirements, taking into account our anticipated cash flows from operations, our holdings of cash and cash equivalents, and our committed and anticipated liabilities.

The Company manages its liquidity risk by continuously monitoring forecasted and actual cashflows. A rigorous reporting, planning, and budgeting process are in place to help facilitate forecasting funding requirements, to support operations on an ongoing basis and with expansion plans, if any. See also "Liquidity and Capital Resources".

As at September 30, 2022, the Company expects the following maturities of its financial liabilities, lease obligations, and other contractual commitments, excluding payments relating to interest:

	Expected payments due by year as at September 30, 2022				
	Less than 1 year	1 - 3 years	4 - 5 years	After 5 years	Total
Trade and other payables	105.3	-	-	-	105.3
Debt	-	60.9	150.0	-	210.9
Income taxes payable	12.9	-	-	-	12.9
Lease obligations	11.4	5.4	1.1	17.6	35.5
Other liabilities	-	2.2	-	-	2.2
Capital commitments, Séguéla	20.3	5.2	-	-	25.5
Closure and reclamation provisions	3.0	10.5	18.9	28.0	60.4
Total	152.9	84.2	170.0	45.6	452.7

Figures may not add due to rounding

Capital Management

The Company's objective when managing its capital is to maintain its ability to continue as a going concern while at the same time maximizing the growth of its business and providing returns to its shareholders. The Company manages its capital structure and makes adjustments based on changes to its economic environment and the risk characteristics of the Company's assets.

Effective December 23, 2019, changes to Argentina's tax laws proposed by the new Argentine Government were implemented. The changes ratified and extended legislation which was to expire on December 31, 2019 and allow the Argentine Central Bank to regulate funds coming into and flowing out of Argentina in order to maintain stability and support the economic recovery of the country. The Argentine Government has not set an expiry date for these restrictions, and they currently remain in place. These capital controls together with additional temporary controls enacted on May 29, 2020, have the effect of: requiring exporters to convert the equivalent value of foreign currency received from the export into Argentine Pesos; requiring the prior consent of the Argentine Central Bank to the payment of cash dividends and distributions of currency out of Argentina; requiring Argentine companies to convert foreign currency loans received from abroad into Argentine Pesos; and restricting the sale of Argentine Pesos for foreign currency. These provisions restrict the Company from holding funds in Argentina in United States dollars. Further, effective June 27, 2022 additional capital controls were imposed on the import of goods and services in Argentina by the addition of annual quotas on imports calculated on the value of imports from previous periods. In the event a company exceeds its annual quota of imports it is restricted from pre-paying for imports and is required to defer payment for 180 days.

Certain of the costs and expenses to fund the construction at the Lindero Mine were advanced by way of intercompany loans. Under the terms of the Argentine Central Bank regulation, any funds in foreign currency which were advanced by the Company as a loan to its Argentine subsidiary in connection with the payment of construction costs and expenses at the Lindero Mine, are to the extent that the funds were advanced in foreign currency, required to be converted into Argentine Pesos at a conversion rate negotiated at the foreign exchange market within five business days from the date of the receipt of the funds in Argentina. When the loan is to be repaid, the regulation requires proof that the loan was advanced in foreign currency and converted into local currency in order to repay the loan in foreign currency. Due to the volatility of the exchange rate for Argentine Pesos, the Company will apply additional measures in cash management to minimize potential gains or losses arising from the conversion of funds. In addition, the Argentine Central Bank has also issued a temporary measure in effect until December 31, 2023, which requires the consent of the Argentine Central Bank to the repayment of certain types of intercompany loans. There can be no assurance that the temporary measure will not be extended.

As part of the structure used to fund the construction of the Lindero project and the operation of the Lindero Mine, Fortuna has implemented a series of intercompany revolving pre-export financing facilities in an aggregate of \$110 million. This allows exporters to apply the proceeds of sales directly towards payment of principal and interest under the facility. The facilities are not impacted by the regulations described above, and the Company expects that it can continue to repatriate funds during 2022 and into the first quarter of 2023 through this mechanism. Once the loan has been repaid, any repatriation of funds out of Argentina by way of cash dividends or other distributions of currency out of Argentina will be required to be made accordance with the capital control restrictions of the Argentine Central Bank. The Company continues to monitor the foreign currency exposure risk.

The Company's capital requirement is effectively managed based on the Company having a thorough reporting, planning, and forecasting process to help identify the funds required to ensure the Company is able to meet its operating and growth objectives.

Fortuna Silver Mines Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2022

(in US Dollars, tabular amounts in millions, except where noted)

The Company's capital structure consists of equity comprising of share capital, reserves, and retained earnings as well as debt consisting of credit facilities and convertible debentures, lease obligations less cash and cash equivalents.

As at	September 30, 2022	December 31, 2021
Equity	1,388.3	1,375.1
Debt	204.2	157.5
Lease obligations	24.0	29.4
Less: cash and cash equivalents	(90.9)	(107.1)
	1,525.6	1,454.9

Figures may not add due to rounding

As discussed above, the Company operates in Argentina where the new Argentine government has ratified and extended legislation to allow the Argentine Central Bank to regulate funds coming into and flowing out of Argentina. Other than the restrictions related to these capital controls and complying with the debt covenants under the credit facilities, the Company is not subject to any externally imposed capital requirements. As at September 30, 2022, the Company was in compliance with its debt covenants. See also "Liquidity and Capital Resources".

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Currently, our interest rate exposure mainly relates to interest earned on our cash and cash equivalents balances, interest paid on its LIBOR-based debt, and the mark-to-market value of derivative instruments which depend on interest rates.

Key Personnel

The Company is dependent on a number of key management and employee personnel. The Company's ability to manage its exploration, development, construction, and operating activities, and hence its success, will depend in large part on the ability to retain current personnel and attract and retain new personnel, including management, technical, and unskilled employees. The loss of the services of one or more key management personnel, as well as a prolonged labor disruption, could have a material adverse effect on the Company's ability to successfully manage and expand its affairs.

Claims and Legal Proceedings

The Company is subject to various claims and legal proceedings covering a wide range of matters that arise in the normal course of business. The Company may be subject to claims by local communities, indigenous groups, or private land owners relating to land and mineral rights and such claimants may seek sizable monetary damages or seek the return of surface or mineral rights that may be valuable to the Company which may significantly impact operations and profitability, if lost. These matters are subject to various uncertainties and it is possible that some of these matters may be resolved with an unfavorable outcome to the Company. The Company does carry liability insurance coverage, but such coverage does not cover all risks to which the Company may be exposed to.

On August 16, 2022, the Argentine Tax Authority ("AFIP") published General Resolution No.5248/2022 (the "Resolution") which established a one-time "windfall income tax prepayment" for companies that have obtained extraordinary income derived from the general increase in international prices. The Resolution was published by AFIP without prior notice.

The windfall income tax prepayment applies to companies that meet certain income tax or net income tax (before the deduction of accumulated tax losses) thresholds for 2021 or 2022. The aggregate amount of the windfall income tax prepayment payable by Mansfield calculated in accordance with the Resolution is approximately \$5.5 to \$6 million.

Fortuna Silver Mines Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2022

(in US Dollars, tabular amounts in millions, except where noted)

The windfall income tax prepayment is to be paid in three equal and consecutive monthly instalments, starting on October 22, 2022, and is payable in addition to income tax instalments currently being paid by corporate taxpayers on account of their income tax obligations. The windfall income tax prepayment is an advance payment of income taxes due to be paid in 2023.

Based on the historical accumulated losses of Mansfield for fiscal 2021 which can be carried forward for 2022, Mansfield was not liable for income tax, and based upon current corporate income tax laws and the ability of the Company to deduct historical accumulated losses, it is projected that no income tax will be required to be paid for fiscal 2022.

To protect Mansfield's position from having to pay the windfall income tax prepayment as an advance income tax for 2023, which based on management's projections is not payable, Mansfield applied to the Federal Court of Salta Province for a preliminary injunction to prevent the AFIP from issuing a demand or other similar measure for the collection of the Windfall Income Tax Prepayment. On October 3, 2022, Mansfield was notified that the Court had granted the preliminary injunction. As a result, Mansfield did not pay the instalment due on October 22, 2022. In addition, Mansfield also filed an administrative claim with the AFIP to challenge the constitutionality of the Resolution, which was rejected by AFIP on November 2, 2022.

Mansfield intends to protect its position and challenge the rejection of its administrative claim, by filing legal proceedings against the AFIP with the Federal Court. In addition, Mansfield has requested that the preliminary injunction previously obtained remain in effect. It is expected that the Court will make a determination on the maintenance of the injunction within the next 10 days. In the event, that the Court does not maintain the injunction, the Company will file for a new injunction concurrent with the filing of the legal proceedings in the Federal Court.

CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each period end. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

For further information on our significant judgements and accounting estimates, refer to note 4 of our audited annual consolidated financial statements for the years ended December 31, 2021 and 2020. There have been no subsequent material changes to these significant judgements and accounting estimates.

Changes in Accounting Policies

The accounting policies applied in our unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2022 are the same as those applied in the audited consolidated financial statements for the years ended December 31, 2021 and 2020. A number of new standards and amendments to standards are effective for annual periods beginning on or after January 1, 2022 and earlier application is permitted; however, we have not early adopted and continue to evaluate the impact of the forthcoming or amended standards in preparing our condensed consolidated interim financial statements.

CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures have been designed to provide reasonable assurance that all material information related to the Company is identified and communicated to management on a timely basis. Management of the Company,

Fortuna Silver Mines Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2022

(in US Dollars, tabular amounts in millions, except where noted)

under the supervision of the President and Chief Executive Officer and the Chief Financial Officer, is responsible for the design and operation of disclosure controls and procedures in accordance with the requirements of National Instrument 52-109 of the Canadian Securities Administrators and as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended.

Management's Report on Internal Control over Financial Reporting

The Company's internal control over financial reporting ("ICFR") is designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external reporting purposes in accordance with IFRS as issued by the International Accounting Standards Board. However, due to its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements and fraud.

There have been no changes in the Company's internal control over financial reporting during the three months ended September 30, 2022 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS

This MD&A and any documents incorporated by reference into this MD&A contain forward-looking statements which constitute forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and Section 21E of the United States Securities Exchange Act of 1934, as amended, and forward-looking information within the meaning of applicable Canadian securities legislation (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 MD&A include, without limitation, statements relating to:

- mineral "reserves" and "resources" as they involve the implied assessment, based on estimates and assumptions that the reserves and resources described exist in the quantities predicted or estimated and can be profitably produced in the future;
- production rates and forecasted production for 2022 at the Company's properties;
- cash cost estimates;
- forecasted cash costs and all-in sustaining costs estimates at the Company's mines;
- timing for delivery of materials and equipment for the Company's properties;
- the sufficiency of the Company's cash position and its ability to raise equity capital or access debt facilities;
- the Company's planned Greenfields exploration programs including related activities and the costs and timing thereof;
- the Company's planned capital expenditures and brownfields exploration at each of the Company's mines;
- the Company's ability to manage challenges presented by pandemics, such as COVID 19, epidemics, and public health crises which may adversely affect the Company's business and operations, and financial condition, including the Company's ability to operate or to continue operating at its sites;
- the ability to successfully integrate the acquisition of Roxgold into the operations of the Company, and risks that the anticipated benefits of the Roxgold acquisition will not be realized or fully realized;
- undisclosed risks and liabilities relating to the acquisition of Roxgold and the loss of key employees related to same;
- the Company's ability to manage challenges presented by COVID-19 and the impact of COVID-19 on the Company's business and operations, and financial condition, including the Company's ability to operate or to continue operating at its sites;
- the effectiveness of the preventative measures and safety protocols put in place by the Company to curb the spread of COVID-19;
- maturities of the Company's financial liabilities, finance leases and other contractual commitments;
- expiry dates of bank letters of guarantee;
- the effectiveness and impact of, and Fortuna's commitment to, the Sustainability Framework and related disclosure, ESG policies and targets and other operational and governance policies;
- complying with anti-corruption laws and internal controls;
- litigation matters;
- estimated mine closure costs and timing; and
- the Company's plans and expectations for its material properties and future exploration, development and operating activities including, without limitation, capital expenditure and production estimates, exploration activities and budgets, forecasts and schedule estimates, as well as their impact on the results of operations or financial condition of the Company.

Often, but not always, these Forward-looking Statements can be identified by the use of words such as "anticipates", "believes", "plans", "estimates", "expects", "forecasts", "scheduled", "targets", "possible", "strategy", "potential",

Fortuna Silver Mines Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2022

(in US Dollars, tabular amounts in millions, except where noted)

"intends", "advance", "goal", "objective", "projects", "budget", "calculates" or statements that events, "will", "may", "could" or "should" occur or be achieved and similar expressions, including negative variations.

The forward-looking statements in this MD&A also include financial outlooks and other forward-looking metrics relating to Fortuna and its business, including references to financial and business prospects and future results of operations, including production, and cost guidance and anticipated future financial performance. Such information, which may be considered future oriented financial information or financial outlooks within the meaning of applicable Canadian securities legislation (collectively, "FOFI"), has been approved by management of the Company and is based on assumptions which management believes were reasonable on the date such FOFI was prepared, having regard to the industry, business, financial conditions, plans and prospects of Fortuna and its business and properties. These projections are provided to describe the prospective performance of the Company's business. Nevertheless, readers are cautioned that such information is highly subjective and should not be relied on as necessarily indicative of future results and that actual results may differ significantly from such projections. FOFI constitutes forward-looking statements and is subject to the same assumptions, uncertainties, risk factors and qualifications as set forth below.

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:

- operational risks relating to mining and mineral processing;
- uncertainty relating to Mineral Resource and Mineral Reserve estimates;
- uncertainty relating to capital and operating costs, production schedules and economic returns;
- uncertainty relating to new mining operations and development projects such as the Lindero Mine and the Séguéla Gold Project, including the possibility that actual capital and operating costs and economic returns will differ significantly from those estimated for such projects prior to production;
- uncertainty relating to the costs of the construction, the financing of construction and timing for the completion of the Séguéla Project;
- risks relating to the Company's ability to replace its Mineral Reserves;
- risks associated with mineral exploration and project development;
- uncertainty relating to the repatriation of funds as a result of currency controls;
- environmental matters including maintaining, obtaining or renewing environmental permits and potential liability claims;
- uncertainty relating to nature and climate conditions;
- risks associated with political instability and changes to the regulations governing the Company's business operations;
- changes in national and local government legislation, taxation, controls, regulations and political or economic developments in countries in which the Company does or may carry on business;
- risks associated with war, hostilities or other conflicts, such as the Ukrainian – Russian conflict, and the impact it may have on global economic activity;
- risks relating to the termination of the Company's mining concessions in certain circumstances;
- risks related to International Labor Organization ("ILO") Convention 169 compliance;
- developing and maintaining good relationships with local communities and stakeholders;
- risks associated with losing control of public perception as a result of social media and other web-based applications;
- potential opposition to the Company's exploration, development and operational activities;

Fortuna Silver Mines Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2022

(in US Dollars, tabular amounts in millions, except where noted)

- risks related to the Company's ability to obtain adequate financing for planned exploration and development activities;
- substantial reliance on the Lindero Mine, the Yaramoko Mine and the San Jose Mine for revenues;
- property title matters;
- risks relating to the integration of businesses and assets acquired by the Company;
- impairments;
- risks associated with climate change legislation;
- reliance on key personnel;
- uncertainty relating to potential conflicts of interest involving the Company's directors and officers;
- risks associated with the Company's reliance on local counsel and advisors and the experience of its management and board of directors in foreign jurisdictions;
- adequacy of insurance coverage;
- operational safety and security risks;
- risks related to the Company's compliance with the United States Sarbanes-Oxley Act;
- risks related to the foreign corrupt practices regulations and anti-bribery laws;
- legal proceedings and potential legal proceedings;
- uncertainties relating to general economic conditions;
- risks relating to a global pandemic, which until contained could continue to cause a slowdown in global economic growth and impact the Company's business, operations, financial condition and share price;
- risks relating to pandemics, such as COVID-19, epidemics and public health crises; the impact of COVID-19 on the Company's business, operations and financial condition; the Company's ability to access its supply chain; the ability of the Company to transport its products; and impacts on the Company's employees and local communities all of which may affect the Company's ability operate;
- competition;
- fluctuations in metal prices;
- regulations and restrictions with respect to imports;
- high rates of inflation;
- risks associated with entering into commodity forward and option contracts for base metals production;
- fluctuations in currency exchange rates and restrictions on foreign exchange and currencies;
- failure to meet covenants under its Credit Facilities, or an event of default which may reduce the Company's liquidity and adversely affect its business;
- tax audits and reassessments;
- risks relating to hedging;
- uncertainty relating to concentrate treatment charges and transportation costs;
- sufficiency of monies allotted by the Company for land reclamation;
- risks associated with dependence upon information technology systems, which are subject to disruption, damage, failure and risks with implementation and integration;
- risks associated with climate change legislation;
- our ability to manage physical and transition risks related to climate change and successfully adapt our business strategy to a low carbon global economy;
- our plan to release climate-related goals in 2022 and the anticipated nature and effect of climate related risks;
- risks related to the volatility of the trading price of the Company's common shares and the Company's Debentures (as defined herein);
- dilution from further equity or convertible debenture financings; and

Fortuna Silver Mines Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2022

(in US Dollars, tabular amounts in millions, except where noted)

- risks related to future insufficient liquidity resulting from a decline in the price of the Common Shares or Debentures;
- uncertainty relating to the Company's ability to pay dividends in the future;
- risks relating to the market for the Company's securities;
- risks relating to the Debentures of the Company; and
- uncertainty relating to the enforcement of U.S. judgments against the Company.

as well as those factors referred to in the "Risks and Uncertainties" section in this MD&A and in the "Risk Factors" section in our Annual Information Form filed with the Canadian Securities Administrators and available at www.sedar.com and filed with the U.S. Securities and Exchange Commission as part of the Company's Form 40-F and available at www.sec.gov/edgar.shtml. 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 not to be as anticipated, estimated or intended.

Forward-looking Statements contained in this MD&A are based on the assumptions, beliefs, expectations and opinions of management, including but not limited to:

- all required third party contractual, regulatory and governmental approvals will be obtained and maintained for the exploration, development, construction and production of its properties;
- the ability to successfully integrate the operations of Roxgold into the operations of the Company;
- there being no significant disruptions affecting operations, whether relating to labour, supply, power, damage to equipment or other matter;
- the world-wide economic and social impact of COVID-19 is managed, and the duration and extent of the coronavirus pandemic is minimized or not long-term;
- there being no material and negative impact to the various contractors, suppliers and subcontractors at the Company's mine sites as a result of the Ukrainian – Russian conflict, COVID-19 or otherwise that would impair their ability to provide goods and services;
- permitting, construction, development, expansion, and production continuing on a basis consistent with the Company's current expectations;
- expected trends and specific assumptions regarding metal prices and currency exchange rates;
- prices for and availability of fuel, electricity, parts and equipment and other key supplies remaining consistent with current levels;
- production forecasts meeting expectations;
- management's expectation that any investigations, claims, and legal, labor and tax proceedings arising in the ordinary course of business will not have a material effect on the results of operations or financial condition of the Company; and
- the accuracy of the Company's current mineral resource and reserve estimates.

These Forward-looking Statements are made as of the date of this MD&A. 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, readers are cautioned not to place undue reliance on Forward-looking Statements. Except as required by law, the Company does not assume the obligation to revise or update these forward looking-statements after the date of this document or to revise them to reflect the occurrence of future unanticipated events.

Fortuna Silver Mines Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2022

(in US Dollars, tabular amounts in millions, except where noted)

CAUTIONARY NOTE TO UNITED STATES INVESTORS CONCERNING ESTIMATES OF RESERVES AND RESOURCES

The Company is a Canadian "foreign private issuer" as defined in Rule 3b-4 under the United States Securities Exchange Act of 1934, as amended, and is permitted to prepare the technical information contained herein in accordance with the requirements of the securities laws in effect in Canada, which differ from the requirements of the securities laws currently in effect in the United States.

Technical disclosure regarding the Company's properties included herein was prepared in accordance with National Instrument 43-101 — Standards of Disclosure for Mineral Projects ("NI 43-101"). NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. NI 43-101 differs significantly from the disclosure requirements of the SEC generally applicable to U.S. companies. Accordingly, information contained herein is not comparable to similar information made public by U.S. companies reporting pursuant to SEC disclosure requirements.