MATERIAL CHANGE REPORT

FORM 51-102F3

National Instrument 51-102

This is a Material Change Report Under Section 7.1 of National Instrument 51-102.

ITEM 1: NAME AND ADDRESS OF COMPANY

Fortuna Silver Mines Inc.
355 Burrard Street, Suite 840
Vancouver, BC V6C 2G8

ITEM 2: DATE OF MATERIAL CHANGE

August 14, 2008

ITEM 3: NEWS RELEASE

August 14, 1008, Vancouver, British Columbia by Marketwire.

ITEM 4: SUMMARY OF MATERIAL CHANGE

An agreement has been reached whereby the Company will acquire (the "Acquisition") all of the issued and outstanding securities of Continuum Resources Ltd.

ITEM 5: FULL DESCRIPTION OF MATERIAL CHANGE

An agreement has been reached whereby the Company will acquire (the "Acquisition") all of the issued and outstanding securities of Continuum Resources Ltd. The shares of both companies are listed on the TSX Venture Exchange.

The companies currently hold jointly the San Jose Project in Mexico (Fortuna 76%; Continuum 24%). As a result of the Acquisition, the Company will own 100% of the Project, thus strengthening its position in that country.

Continuum has 124,052,503 shares outstanding, and the Company will issue to the Continuum shareholders a total of 7.0 million shares, which is an exchange ratio of approximately 0.0564 of a share of the Company for every one Continuum share held. Stock options in Continuum held by non-insiders totaling 285,000 shares will be converted to options to purchase Fortuna shares, at the same ratio. No other rights to purchase Continuum shares will be outstanding at closing of the Acquisition.

The Acquisition is subject to regulatory and other approvals on behalf of both companies, and the recently announced private placement financing of Continuum has been cancelled. There will be no change of control or management of the Company.

ITEM 6: RELIANCE OF SUBSECTION 7.1(2) of NATIONAL INSTRUMENT 51-102

Not applicable.

ITEM 7: OMITTED INFORMATION

Not applicable.

ITEM 8: EXECUTIVE OFFICER

Jorge Ganoza Durant, President & CEO
Telephone: 604-484-4085

ITEM 9: DATE OF REPORT

August 15, 2008
Date

"Jorge Ganoza Durant"
Signature

Jorge Ganoza Durant
Name of Executive Officer

President & CEO
Title of Officer

Vancouver, British Columbia
Place of Making the above statement