

# Prospero and Fortuna Revise 2018 Work Program and Amend Strategic Cooperation Agreement

Vancouver, British Columbia--(Newsfile Corp. - May 9, 2018) - Prospero Silver Corp. (TSXV: PSL) (the "Company" or "Prospero") announces that it has amended its planned work program for 2018 following discussions and agreements with its strategic partner, Fortuna Silver Mines Inc. ("Fortuna" or "FVI"). Prospero and Fortuna have also agreed to amend their May 8, 2017 strategic financing agreement (the "2017 Strategic Cooperation Agreement"), including an agreement for the repricing and exercise of Fortuna's 5,357,142 share purchase warrants (the "Fortuna Warrants") to provide additional funding for the 2018 drill program.

## ***Amended Work Program.***

Further to Prospero's project update of April 26, 2018, the Prospero-Fortuna Technical Committee has now settled upon a 6,000 metre drill program to test three additional Prospero targets, in the following order of priority: Buenavista, Bermudez and Trias (the "2018 Drill Program"). The Technical Committee may make further changes to the program subject to on-site logistics and the timing of issuance of the required regulatory permits for Trias. The Company anticipates that final titles for its concession covering Trias will be granted shortly.

Tawn Albinson, Prospero's President & CEO said: *"Prospero is an explorer; our aim is to find and test new precious metals discoveries. It is very encouraging to have this renewed commitment by Fortuna for first-pass drilling and rapid assessment of as many of our projects as possible. In the context of the current market, the repricing and exercising Fortuna's warrants is a non-dilutive way for us to secure additional funding for the planned work. It removes warrant overhang and provides a premium-to-market financing."*

*In discussions with Fortuna, and drawing on advice from our field crews, we've rejigged our program slightly to take into account the availability of water for drilling and the general conditions at the Buenavista project. We are approaching a perfect window for drilling at Buenavista and we plan to get underway before the rigours of the rainy season in the high Altiplano. The team is moving as fast as it can to get started at Buenavista and generate results for our shareholders."*

## ***Amendments to 2017 Strategic Cooperation Agreement***

In conjunction with their revised technical approach to the 2018 Drill Program, Prospero and Fortuna have agreed to amend their 2017 Strategic Cooperation Agreement to: reprice and trigger the prompt exercise of the Fortuna Warrants to provide initial funding for the 2018 Drill Program; fix the deadline for Fortuna to exercise its project selection options; and confirm future financing plans to complete the 2018 Drill Program.

Prospero will amend the Fortuna Warrants to reduce the exercise price to Cdn.\$0.15 per share (the "Warrant Amendment"), on the condition that, within 3 business days of the exercise price reduction becoming effective, FVI will fully exercise the Fortuna Warrants for gross proceeds to Prospero of Cdn.\$803,571. These funds will be applied toward the initial phases of work under the 2018 Drill Program. To fund the remainder of the 2018 Drill Program, by the end of September 2018, Prospero has agreed with Fortuna that it will undertake an additional private placement financing with Fortuna as the only subscriber, and at a price per Prospero share equal to then-current market price, to raise US\$570,000 (approximately Cdn. \$730,000 based on the current US\$-Cdn\$ exchange rate) (the "Follow-On Financing").

Presently, Prospero is in the process of completing a separate private placement financing of up to \$1,000,000, first announced on April 16, 2018, the proceeds of which will be used by Prospero for general working capital purposes, its generative exploration programs, and exploration expenditures on its existing property portfolio in Mexico. Fortuna has waived its *pro rata* right to participate in this financing.

In addition, Fortuna and Prospero have agreed to a November 30, 2018 deadline for Fortuna to exercise its option rights to select up to two Prospero projects for option to joint venture agreements as per terms defined in the original May 2017 agreement.

The amendments to the 2017 Strategic Cooperation Agreement, including the Warrant Amendment and the Follow-On Financing are subject to Prospero receiving the acceptance of the TSX Venture Exchange, including any conditions that might be imposed by the Exchange.

## ***Qualified Person***

Tawn Albinson, M.Sc., President & CEO of the Company, is a Qualified Person, as defined in NI 43-101, and is responsible for the technical content of this news release. Mr. Albinson is a Member of the American Institute of Professional Geologists and a Certified Professional Geologist (CPG) No. 11368.

## ***About Fortuna Silver Mines Inc.***

Fortuna is a growth-oriented, precious metals producer focused on mining opportunities in Latin America. The company's primary assets are the Caylloma silver mine in southern Peru, the San Jose silver-gold mine in Mexico and the Lindero gold project in Argentina.

*About Prospero Silver Corp.*

Prospero is a Mexico-focused project generator listed on the TSX-V under the symbol PSL. Prospero's aim is to discover world-class precious metal projects in the major mineral belts of Mexico. The Company applies a unique blend of practical exploration experience, cutting-edge mineral deposit science, and an extensive knowledge of Mexico's geology to find new gold and silver systems. Its exploration programs are run by a small but highly-focused geological team based in Mexico.

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**Forward-Looking Statement Cautions:**

This press release contains certain "forward-looking statements" within the meaning of Canadian securities legislation, relating to, among other things, plans to fund and complete a 6,000 metre drill program on Company projects in 2018, amendments to a 2017 Strategic Cooperation Agreement with Fortuna, including the repricing and subsequent exercise of outstanding share purchase warrants held by Fortuna, the completion of a \$1.0M private placement financing first announced on April 16, 2018, and plans to undertake a subsequent financing by the end of September 2018. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are statements that are not historical facts; they are generally, but not always, identified by the words "expects," "plans," "anticipates," "believes," "intends," "estimates," "projects," "aims," "potential," "goal," "objective," "prospective," and similar expressions, or that events or conditions "will," "would," "may," "can," "could" or "should" occur, or are those statements, which, by their nature, refer to future events. The Company cautions that Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made and they involve a number of risks and uncertainties. Consequently, there can be no assurances that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Except to the extent required by applicable securities laws and the policies of the TSX Venture Exchange, the Company undertakes no obligation to update these forward-looking statements if management's beliefs, estimates or opinions, or other factors, should change. Factors that could cause future results to differ materially from those anticipated in these forward-looking statements include, possible, accidents and other risks associated with mineral exploration operations, the risk that the Company will encounter unanticipated geological factors, the possibility that the Company may not be able to secure permitting and other governmental clearances necessary to carry out the Company's exploration plans, the risk that the Company will not be able to raise the additional funds in the future to continue to complete its current or future financing plans and, in turn, to carry out its business plans, the refusal of the TSX Venture Exchange to permit the Company to amend its agreements with Fortuna as presently proposed, and the risk of political uncertainties and regulatory or legal changes that might interfere with the Company's business and prospects. The reader is urged to refer to the Company's disclosure record, publicly available through the Canadian Securities Administrators' System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com) for a more complete discussion of such risk factors and their potential effects.

This news release does not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of any of securities of the Company in any jurisdiction in which such offer, solicitation or sale would be unlawful, including any of the securities in the United States of America. The Company's securities have not been and will not be registered under the United States Securities Act of 1933 (the "1933 Act") or any state securities laws and may not be offered or sold within the United States or to, or for account or benefit of, U.S. Persons (as defined in Regulation S under the 1933 Act) unless registered under the 1933 Act and applicable state securities laws, or an exemption from such registration requirements is available.

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

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