

 **December 10, 2018**

## **Fortuna Silver Mines Exercises Its Right to Enter into an Option Agreement on the Pachuca Southeast project, Hidalgo, Mexico**

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December 10, 2018 - Vancouver, B.C. - Prospero Silver Corp. (TSXV: PSL) ("**Prospero**" or "the Company") is pleased to announce that further to the strategic cooperation agreement between Prospero and Fortuna Silver Mines ("Fortuna" or "FVI") dated May 10, 2017 as subsequently amended (see Prospero press releases dated May 9, 2018), Fortuna has exercised its right to be granted an option to acquire up to a 70% interest in the Pachuca SE Project, located close to the historic mining city of Pachuca in Hidalgo State, Mexico by spending a total of US\$8.0 million in qualifying expenditures and completing a preliminary economic assessment, with a minimum spend of \$1 million in the first year. The parties are proceeding to prepare a definitive option and joint venture agreement substantially on the terms set out in the Company's press release dated April 17, 2017.

Tawn Albinson, the President of Prospero said: "We're happy that Fortuna has exercised its right to be granted an interest in Pachuca SE. The Prospero team is excited to be returning for a second round of drilling on the project. We hope to recommence work in January 2019, subject to completion of a definitive option and joint venture agreement with Fortuna. There are several distinct targets that we hope to test and planning will begin shortly with Fortuna's technical team."

The 6,669 hectare Pachuca SE land package is 24km SE of the city of Pachuca, Hidalgo along strike from the historic Pachuca-Real del Monte epithermal vein camp, one of the world's largest epithermal precious metal deposits. The local geology at Pachuca SE is typical of the high-level epithermal environment seen over the Pachuca-Real del Monte mines. Prospero's land package covers at least 6-7km of linear, structurally-controlled argillic alteration caps at surface, which Prospero's team considers are the surface expression of blind, low-sulfidation epithermal-style veining. Infrastructure is excellent with nearby major power lines and a major freeway.

In Q1 2018, Prospero, with funding provided by Fortuna, completed a 1,800m drill program (3 holes) testing 3 distinct targets with deep, angled holes. Drill collar maps and draft sections for the Pachuca drill holes are available on Prospero's website at this link. Holes 1 and 3 each cut the possible tops of new vein systems. Hole 2 intersected 3 argillic caps in the shallow portion of the hole, and 3 mineralized veins at depth. For full results of the drill program please see the Company's press releases dated March 14, 2018 and March 29, 2018. A summary of the results are set out below:

### **Hole PSE-18-01**

Hole 1, was drilled to a total downhole depth of 454m, north to south across a fault structure in a small clay-mining pit. Surface geochemistry of the fault zone and quartz veinlets is negligible in the pit, where all selected samples ran less than 1 ppm Ag. However silver grades increase significantly in drill core from within the argillic alteration cap at depths of less than 200 vertical meters from surface suggest proximity to the top of potentially mineralized veins at depth.

The hole cut argillic alteration from 141.5m to 164.5m associated with fault gouge and breccia zones, with moderate to strong argillic alteration and quartz veinlets, and disseminated pyrite. This zone returned 1.35m @ 227Ag between 147.4m and 148.8m. The fault zone projects down from a

fault noted in the clay pit. A zone between 161.5m to 162.3m (0.8m) returned 16.9ppm Ag, and from 206m a 1.05m interval runs 23.8ppm Ag. A second argillic alteration zone was intersected from 220.5m to 239.7m, also associated with gouge fault zones, moderate to weak patches of silicification, and disseminated pyrite. This second zone projects vertically to the fault zone at surface which outcrops in the clay pit.

### Hole PSE-18-02

PSE-18-02 was drilled to test the El Varal target. It was collared at a dip of -51°, azimuth 175°. The hole cut strongly altered felsic to intermediate volcanics for most of its 933m length, and cut 3 zones of precious metal mineralization, which appear to correlate with the down dip continuation of structures seen at surface:

From (m)	To (m)	Downhole Interval (m)*	Au ppm	Ag ppm
657.2	657.5	0.3	1.04	193
660.0	671.2	12.2	0.39	33
695.2	695.95	0.75	5.89	72

\*True thickness estimated at approximately 80% of the downhole interval

The most significant intercept is from approximately 657m to 671m downhole. Two veins were cut. The first graded 1ppm Au and 193ppm Ag over 30cm, from 657.2m, and contains visible argentite grains in white epithermal quartz. The sulfide was tentatively identified using optical microscopy.

The second vein zone is over 12m long down hole from 660m, but is probably closer to 8-10m true thickness. Silver assays for this interval ranged from 6.4ppm to 90.6ppm over 1.2m, and gold ranged from 0.08ppm to 0.76ppm over 85cm. The grades are encouraging and demonstrate the presence of a precious metal-bearing multi-stage banded vein system. The highest gold grades were encountered in a 75cm interval of silicified and brecciated dacite dyke with crystalline quartz and 1% pyrite, from 695.2m downhole which returned 6.4 ppm Au and 72ppm Ag.

### Hole PSE-18-03

PSE-18-03 was drilled with azimuth 180 ° across the northern Aguayutla structure under small clay pits at surface. Three pyritised argillic alteration zones were cut, 2 of which carry anomalous values including 0.3m @ 18ppm Ag from 201m downhole, and 0.2m at 1.7ppm Au and 870ppm Ag from 408m downhole.

### Bermudez Drilling

A 1,573m drill program (3 holes) was completed at Bermudez this Fall. Hole 2 intercepted 3 robust vein systems with low-grade (<0.5ppm) gold mineralization between approximately 200 to 500 vertical meters from surface. No further work is currently planned at Bermudez.

### 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.

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**View News Release in PDF Format:**

File: <http://www.prosperosilver.com/i/pdf/2018-12-10-NR.pdf>

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