



F O R T U N A
S I L V E R M I N E S I N C .

FORTUNA SILVER MINES INC.
(the "Company")

BLACKOUTS AND SECURITIES TRADING POLICY

The Company encourages all employees, officers and directors to become shareholders of the Company on a long-term investment basis. These individuals will from time to time become aware of corporate developments or plans or other information that may affect the value of the Company's securities before these developments, plans or information are made public. Trading securities of the Company while in possession of such information before it is generally disclosed (known as "**insider trading**"), or disclosing such information to third parties before it is generally disclosed (known as "**tipping**"), is against the law and may expose an individual to criminal prosecution or civil lawsuits. Such action will also result in a lack of confidence in the market for the Company's securities, harming both the Company and its shareholders. Accordingly, the Company has established this Policy to assist its employees, consultants, officers and directors in complying with the prohibitions against insider trading and tipping.

The procedures and restrictions set forth in this Policy are only a general framework to assist Company Personnel, as defined below, in ensuring that any purchase or sale of securities occurs without actual or perceived violation of applicable securities laws. Company Personnel have the ultimate responsibility for complying with applicable securities laws and should obtain additional guidance, including independent legal advice, as may be appropriate for their own circumstances.

The CEO will designate from time to time the Insider Trading Policy Administrator for the purpose of administering this Policy.

APPLICATION

Persons who are Subject to this Policy

The following persons are required to observe and comply with this Policy:

- a. all directors, officers and employees of the Company or its subsidiaries;
- b. any other person retained by or engaged in business of professional activity with or on behalf of the Company or any of its subsidiaries (such as a consultant, independent contractor or adviser);

- c. any family member, spouse or other person living in the household or a dependent child of any of the individuals referred to in subsection 2(a) and (b) above; and
- d. partnerships, trusts, corporations, R.R.S.P.'s and similar entities over which any of the above-mentioned individuals exercise control or direction.

For the purposes of this Policy, the persons listed above are collectively referred to as "**Company Personnel**". Paragraphs (c) and (d) should be carefully reviewed by Company Personnel; those paragraphs have the effect of making various family members or holding companies or trusts of the persons referred to in paragraphs (a) and (b) subject to the Policy.

Trades that are Subject to this Policy

Under this Policy, all references to trading in securities of the Company include (i) any sale or purchase of securities of the Company, including the exercise of stock options granted under the Company's stock option plan and the acquisition of shares or any other securities pursuant to any Company benefit plan or arrangement, and (ii) any derivatives-based or other transaction or arrangement that would be required to be reported by insiders in accordance with applicable laws or regulations relating to derivatives or equity monetization transactions (including National Instrument 55-104 – *Insider Reporting Requirements and Exemptions*).

INSIDE INFORMATION

"Inside Information" means:

- a. a change in the business, operations or capital of the Company that would reasonably be expected to have a significant effect on the market price or value of the securities of the Company (which includes any decision to implement such a change by the Board of Directors or by senior management who believe that confirmation of the decision by the Board of Directors is probable);
- b. a fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of the securities of the Company; or
- c. any information which is not generally available to the public that a reasonable investor would be likely to consider important in deciding whether to buy, hold or sell securities of the Company,

in each case, which has not been generally disclosed. Examples of information that may constitute Inside Information are set out in Schedule A attached hereto. **It is the responsibility of any Company Personnel contemplating a trade in securities of the Company to determine prior to such trade whether he or she is aware of any information that constitutes Inside Information. If in doubt, the individual should consult with the Insider Trading Policy Administrator.**

PROHIBITION AGAINST TRADING ON INSIDE INFORMATION

Company Personnel must not purchase, sell or otherwise trade securities of the Company with the knowledge of Inside Information until:

- a. one full business day has elapsed after the disclosure to the public of the Inside Information, whether by way of press release or a filing made with securities regulatory authorities; or

- b. the Inside Information ceases to be material (e.g. a potential transaction that was the subject of the information is abandoned, and either Company Personnel are so advised by the Insider Trading Policy Administrator or such abandonment has been generally disclosed).

In addition, Company Personnel must not make any trades in securities of the Company during the black-out periods described under the heading “Restrictions on Trading of Company Securities” below.

ANTI-HEDGING POLICY - PROHIBITED AND LIMITED TRANSACTIONS

Certain types of trades in securities of the Company by Company Personnel can raise particular concerns about potential breaches of applicable securities law or that the interests of the persons making the trade are not aligned with those of the Company. Company Personnel are therefore prohibited at any time, or are subject to pre-clearance in certain circumstances, from, directly or indirectly, undertaking any of the following activities, even if they do not possess material non-public information:

Speculating in securities of the Company. This may include:

- a. buying with the intention of quickly reselling such securities, or selling securities of the Company with the intention of quickly buying such securities (other than in connection with the acquisition and sale of shares issued under the Company’s stock option plan or any other Company benefit plan or arrangement);
- b. “put” or “call” options where you have the right to sell or purchase, respectively, a specific number of shares at a specific price per share before a set date; and
- c. “short sales” which are transactions where you borrow shares and then sell them, with the intention of buying the shares at a later date at a lower price to replace the borrowed shares.

Hedging transactions. Hedging or monetization transactions can be accomplished through the use of various financial instruments, including prepaid variable forwards, equity swaps, collars and exchange funds. Any person wishing to enter into such an arrangement or any other arrangement that is designed or would have the effect of hedging securities granted to or held by such person or that could reduce such person’s economic risk with respect to their holdings, ownership or interest in or to securities of the Company, must first obtain written pre-clearance from the CEO, as described in “Restrictions on Trading of Company Securities - Exemptions” below. However, if any hedging transaction is considered a short-sale, it will be prohibited. In any event, no director or officer of Fortuna is permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of any Company securities granted as compensation or held, directly or indirectly, by such director or officer.

Margin accounts and pledged securities. Securities held in a margin account or pledged as collateral can be sold without your consent in certain circumstances. This means that a margin sale or foreclosure sale may occur at a time when the pledgor is aware of material non-public information. Consequently, any person wishing to enter into such an arrangement must first obtain written pre-clearance from the CEO, as described in “Restrictions on Trading of Company Securities - Exemptions” below.

Managed accounts. If you have a managed account (where another person has been given discretion or authority to trade without your prior approval), you should advise your broker or investment adviser not to trade in Fortuna securities at any time without your prior approval. This restriction does not apply to investments in publicly available mutual funds.

RESTRICTIONS ON TRADING OF COMPANY SECURITIES

Scheduled Black-out Periods

Directors, officers and certain other Company Personnel who are designated by management from time to time shall not trade in securities of the Company:

- a. during the period commencing on the 30th day following each of the Company's first, second and third fiscal quarters and ending on after one full business day has elapsed following the date on which a press release has been issued in respect of the Company's interim financial statements; and
- b. during the period commencing on the 31st day following the Company's fiscal year end and ending on after one full business day has elapsed following the date on which a press release has been issued in respect of the Company's annual financial statements;

The trading restrictions described above (each a "Black-Out Period") also apply to the exercise of stock options granted under the Company's stock option plan and any other securities that may be acquired pursuant to any Company benefit plan or arrangement.

Extraordinary Black-out Periods

Additional Black-Out Periods may be prescribed from time to time by the CEO at any time at which it is determined there may be undisclosed Inside Information concerning the Company that makes it inappropriate for certain Company Personnel who are designated by the CEO to be trading. In such circumstances, the Insider Trading Policy Administrator will issue a notice instructing these individuals not to trade in securities of the Company until further notice. This notice will contain a reminder that the fact that there is a restriction on trading may itself constitute inside information or information that may lead to rumours and must be kept confidential.

Exemptions

Individuals subject to a Black-Out Period who wish to trade Company securities may apply to the Insider Trading Policy Administrator for approval to trade securities of the Company during the Black-Out Period. Any such request should describe the nature of and reasons for the proposed trade. The CEO will consider such requests and the Insider Trading Policy Administrator will inform the requisitioning individual whether or not the proposed trade may be made. The requisitioning individual may not make any such trade until he or she has received the specific notification from the Insider Trading Policy Administrator that the trade has been approved.

PROHIBITION AGAINST TIPPING

Company Personnel are prohibited from communicating Inside Information to any person outside the Company, unless: (i) disclosure is in the necessary course of the Company's business provided that the person receiving such information first enters into a confidentiality agreement in favour of the Company (which should contain, among other things, an acknowledgement by the recipient of the requirements of applicable securities laws relating to such recipient trading securities with knowledge of a material fact or material change in respect of the Company that has not been generally disclosed and to such recipient information another person or company such a material fact or material change) and the disclosure is made pursuant to the proper performance by such Company Personnel of his or her duties on behalf of the Company; (ii) disclosure is compelled by judicial process; or (iii) disclosure is expressly authorized by notification from the Insider Trading Policy Administrator.

Subject to the above, Inside Information is to be kept strictly confidential by all Company Personnel until after it has been generally disclosed. Discussing Inside Information within the hearing of, or leaving it exposed to, any person who has no need to know is to be avoided at all times. Company Personnel with knowledge of Inside Information shall not encourage any other person or company to trade in the securities of the Company, regardless of whether the Inside Information is specifically communicated to such person or company.

If any Company Personnel has any doubt with respect to whether any information is Inside Information or whether disclosure of Inside Information is in the necessary course of business, the individual is required to contact the Insider Trading Policy Administrator.

SECURITIES OF OTHER COMPANIES

In the course of the Company's business, Company Personnel may obtain information about another publicly traded company that has not been generally disclosed. Securities laws generally prohibit such Company Personnel from trading in securities of that other company while in possession of such information or communicating such information to another person. The restrictions set out in this Policy apply to all Company Personnel with respect to both trading in the securities of another company while in possession of such information, and communicating such information.

REPORTING REQUIREMENTS

Certain persons related to the Company, including its directors, senior officers, persons who receive material information and direct its operations, persons who are responsible for a principal business unit and significant shareholders are "reporting insiders" under applicable securities laws. Reporting insiders are required to file reports with securities regulators of any direct or indirect beneficial ownership of, or control or direction over, securities of the Company and of any change in such ownership, control or direction

It is the responsibility of each reporting insider (and not the Company) to comply with these reporting requirements, and reporting insiders are required to provide the Corporate Secretary of the Company with a copy of any insider report completed by the reporting insider concurrent with or in advance of its filing. The Company will assist any reporting insider in the preparation and filing of insider reports upon request.

PENALTIES AND CIVIL LIABILITY

The applicable securities laws that impose insider trading and tipping prohibitions also impose substantial penalties and civil liability for any breach of those prohibitions, namely:

- (a) Criminal fines of up to \$5,000,000 and three times the profit made or loss avoided;
- (b) Prison sentence of up to five years less a day; and
- (c) Civil liability of up to three times the profit made or loss avoided by reason of the contravention.

Where a company is found to have committed an offence, the directors, officers and supervisory Company Personnel of the company may be subject to the same or additional penalties.

ENFORCEMENT

It is a condition of the appointment, employment or engagement of all Company Personnel that they at all times abide by the standards, requirements and procedures set out in this Policy unless a written authorization to proceed otherwise is received from the Insider Trading Policy Administrator. Any such person who violates this Policy may face disciplinary action up to and including termination of his or her employment or appointment with or engagement by the Company without notice. The violation of this Policy may also violate certain securities laws. If it appears that a Company Personnel may have violated such securities laws, the Company may refer the matter to the appropriate regulatory authorities, which could lead to penalties, fines or imprisonment.

Should you have any questions or wish information concerning the above, please contact the Insider Trading Policy Administrator at TradingPolicy@fortunasilver.com.

EFFECTIVE DATE

This Policy was approved by the Board on March 11, 2021.

SCHEDULE A**Common Examples of Inside Information**

The following examples are not exhaustive.

- A. Proposed changes in capital structure including stock splits and stock dividends
- B. Proposed or pending financings
- C. Material increases or decreases in the amount of outstanding securities or indebtedness
- D. Proposed changes in corporate structure including amalgamations and reorganizations
- E. Proposed acquisitions of other companies including take-over bids or mergers
- F. Material acquisitions or dispositions of assets
- G. Material changes or developments in products or contracts which would materially affect earnings upwards or downwards
- H. Material changes in the business of the Company
- I. Changes in senior management or control of the Company
- J. Bankruptcy or receivership
- K. Changes in the Company's auditors
- L. the financial condition and results of operations of the Company
- M. indicated changes in revenues or earnings upwards or downwards of more than recent average size
- N. material legal proceedings
- O. defaults in material obligations
- P. proposed transactions with directors, officers or principal securityholders
- Q. proposed granting of options or payment of other compensation to directors or officers outside of the publicly disclosed compensation policy