



FORTUNA
SILVER MINES INC.

Séguéla Gold Project

A STANDARD BEARER
FOR COTE D'IVOIRE'S MINING INDUSTRY





SGP

SÉGUÉLA GOLD PROJECT

A standard bearer for Cote d'Ivoire's Mining Industry

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In its five-year outlook for Cote d'Ivoire, the International Monetary Fund projects growth of over six percent in each of the years to the end of 2028. If this growth comes to pass - and there is no guarantee that it will - Cote d'Ivoire's economy will have grown by over a third in a short period of time. One of the drivers for this growth is a government refocuses on the country's extensive mines, the latest of which to come into operation is the Séguéla gold project.

The Séguéla gold project is an open pit operation, located in the western part of Cote d'Ivoire, and consists of the Antenna, Koula, Agouti, Boulder, Ancien, and Sunbird deposits, which is co-owned by Fortuna Silver Mines Inc and Roxgold (90%) and the Ivorian government (10%). In May 2023, the mine poured its first gold, both on time and on budget, marking the latest small victory in Cote d'Ivoire's journey to build a world-class mining industry. Business Excellence made a return to West Africa to cast an eye over another prospective mining asset.

Overview


The genesis of the Séguéla gold project, at least from a mining perspective, was when Roxgold acquired 11 exploration permits, with an area covering 3,298 square kilometres, in Cote d'Ivoire from Newcrest Mining in 2019 for \$30 million, composed of \$20 million upfront and \$10 million upon the first gold production. Even at that time, Séguéla was considered the most exciting component of the acquisition, with inferred resources of 430,000 (oz) ounces of gold.

From there, under Roxygold's management, things began to move

quickly. The Ministry of Environment and Sustainable Development in Cote d'Ivoire approved the environmental and social impact assessment (ESIA) of the project in September 2020, and just three months later, in December 2020, the mining permit was secured from the Government of Cote d'Ivoire. The feasibility study of the project was completed in April 2021.

In the same year 2021, Fortuna Silver Inc. and Roxgold announced a business combination between both companies to create a global premier growth-oriented intermediate gold and silver producer. President and CEO of Fortuna Jorge A. Ganoza at the time expressed satisfaction with the successful completion of the





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business combination, which has formed a cost-effective intermediate producer of gold and silver. This newly formed company boasts four operational mines including the Seguela Gold Mine, a development project with permits in place, and an advantageous exploration portfolio. Additionally, it has expanded its footprint in the thriving precious metals production regions of the Americas and West Africa. The preproduction capital cost worked out at approximately \$140 million, and the mine life is estimated to be 8 to 10 years. Its production is projected at an annual average of 143,000 ounces of gold in the first three years of production, and more than 100,000 ounces per year during the remaining mine life. Most significantly, the Séguéla gold project is one of the highest-grade open-pit gold projects in the world.

In May 2023, Séguéla poured its first gold, and Jorge A. Ganoza, expressed an exceptionally positive outlook for the Seguela project, emphasizing its remarkable achievements. Notably, the project has not only met but exceeded the company's high expectations, being delivered on time and within the budgeted cost framework. Furthermore, the Seguela project's economic performance is truly outstanding. With a cost of production well below the industry median, sustaining costs under \$1,000, rapid payback in less than 2 years, and an internal rate of return in the robust range of the low to mid-forties, it stands as a testament to the project's strong financial health. Ganoza underscores that this investment is not only financially

sound but also strategically located in a favorable jurisdiction, ensuring its long-term sustainability. The successful integration of both companies has played a pivotal role in these achievements, further solidifying the Seguela project's positive outlook as it continues to shine brightly in the mining landscape.

Social Economic Impact

Fortuna Silver Mines Inc., under the leadership of CEO Jorge A. Ganoza, is committed to being a responsible and community-oriented neighbor in the Seguela area. Beyond merely impacting the community, their objective is to leave a lasting legacy. Situated in a relatively remote location (approximately a 10-hour drive from the capital city), their initial focus is on identifying community priorities, with a significant emphasis on training. Currently, 40% of the workforce hails from the local area, and Fortuna's goal is to increase this to 60-70%. Furthermore, they are dedicated to addressing the gender gap by doubling female employment from 8% to 16-20% in the near future. Recognizing educational gaps, Fortuna is collaborating with local authorities to provide educational opportunities for children, women, and



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the elderly, thereby enriching the lives of those in the community while fostering a sustainable and mutually beneficial relationship.

In a section of its latest sustainability report, titled 'Embedding sustainability into the Séguéla gold project', the company outlines its approach to sustainability for the project. This began by engaging with local communities, conducting detailed inventories of the physical and economic assets of project-affected people (PAPs) providing compensation for land and

crops, and the establishment of a Mining Project Monitoring Committee (MPMC).

The MPMC ensures that everything at the mine occurs in a participatory and transparent manner. It is chaired by the Prefect of Worodougou Region and includes a broad range of participants, including youth leaders and women from the local communities. It has also being essential in directing local investments by Fortuna, which have included the construction of six classrooms in the villages of Bangana and Kouégo, and local literacy training.

Partners and Suppliers

One of the offshoots of the government's National Development Plan (Plan National de Development, PND) 2021-25, was that mining was to become a central pillar of the Ivorian economy, doubling its share of GDP by 2026. In order to achieve this, it



introduced more accommodating terms for mining companies to be established within the country. This is reflected in the partners and suppliers for the Séguéla gold project.

This begins with machinery and equipment, which is provided by Geodrill All-terrain Services & Equipment, Dieci





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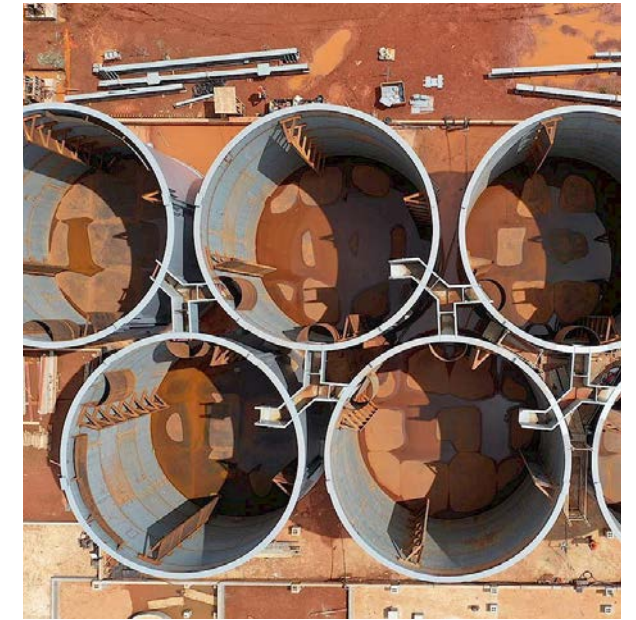
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Telehandlers Southern Africa, Manutention Africaine Cote d'Ivoire, a large CAT dealer in western Africa, and Metso Outotec, the Finnish maker of heavy machinery. On the construction side, Mota-Engil Côte d'Ivoire Mining, an offshoot of the Portuguese construction conglomerate, and EROV Côte d'Ivoire, one of the largest construction companies in the country.

There are a range of auxiliary service providers, both Ivorian and international that handle the rest of the mine's requirements. These include Sateco International, a Swiss company focusing on the precision molded silicone parts and sensors used in the mine's operations, SMD Drilling Fluids Supplier, and Knight Piésold Consulting, which has been a trusted engineering consultant throughout the Séguéla gold project since the outset.

A Prospective Future

In conclusion, the future of Fortuna Silver Inc.'s Seguela gold project shines brightly, with promising prospects for both production and exploration. The anticipated gold output of 60,000-75,000 ounces in 2023 is just the beginning, as the region demonstrates remarkable productivity. The Sunbird discovery, showcasing high-grade potential, is just one of the positive explorations discoveries opening up exciting possibilities for the project, possibly extending its life beyond the initial 10-year projection. The project's flexibility, with multiple high-grade options



"We have a (good) problem adjusting to the upside that's inherent in the project."



Mining in Cote d'Ivoire is expected to yield 60 tonnes of gold in 2023, up from a little over 38.2 tonnes in 2020. This is the fastest growth of gold production, over an admittedly short period, of any country in the world

for mill feed, ensures production stability even in the face of unforeseen challenges. As Senior Advisor Paul Criddle aptly puts it, "We have a (good) problem adjusting to the upside that's inherent in the project." Séguéla gold Project is indeed on an upward trajectory, continually expanding and evolving as explorations yield positive results. The strategic infrastructure investments made in anticipation of this growth reaffirm Fortuna's commitment to a flourishing future for the project.



The Cote d'Ivoire has outstanding exploration potential for gold as it is



home to more than a third of the West African Birimian Greenstone Belt, which is considered one of the world's last great unexplored mining frontiers. The success of the Séguéla gold project will encourage more investment in the area. Fortune Silver Mines has already begun drilling in other areas of the region, and all have been productive to greater or lesser extents.

a central part of its economic output are coming together, creating employment, generating investment, and prosperity. For this, the Séguéla gold project is the new standard bearer.

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