



Rio Silver: 2017 Exploration Program at Niñobamba Silver/Gold Project, Peru to Commence with the Outlining of Priority Silver/Gold Targets

(February 27, 2017: Toronto, Canada) Rio Silver Inc. (TSX.V: RYO) (“Rio Silver” or the “Company”) and its project partner, Magellan Gold Corporation (OTCQB: MAGE) (“Magellan”), jointly (“the Partners”) announce that they have initiated exploration work on the expanded Niñobamba Project, located 330 km southeast of Lima in the Department of Ayacucho, Peru. Recent strategic additions to the land package have created a large, contiguous property consisting of 3100 hectares and another 553 hectare concessions pending title confirmation. (See news releases of September 8, 2016 and January 10, 2017). Magellan will be spending US\$2 million at the Niñobamba project to earn its 50% interest.

Project History: Significant historical exploration work has been conducted at several of the Niñobamba concessions over many years by previous property owners; AngloGold, Bear Creek Mining, Newmont Gold and Southern Peru Copper Corp. This historical work provides the project with much exploration data and numerous gold, silver and combined silver/gold targets in an historic silver mining district with positive infrastructure in mining-friendly Peru. A geologic environment that suggests the potential for high sulphidation, epithermal precious metal deposits has the Company’s geologists focusing first on the area trenched earlier by the Company. Two subparallel zones of silver/gold and silver mineralization; the “Niñobamba North Zone” and the “Niñobamba South Zone,” exhibited good continuity, substantial widths at surface and strike extents of 400+ meters as outlined by the results of the 17 trenches completed in the 2012 program. Mineralization demonstrates the potential for an outcropping, bulk-tonnage, and disseminated-silver/gold resource. Surface trenches were cut perpendicular to the mineralized zones and highlights of the trench assay results from the “Niñobamba North Zone” include; 56 metres of 1.03 g/t Au and 98.9 g/t silver in trench TR-01; 21 metres of 121 g/t Ag in trench TR-04; and 108 metres of 62.4 g/t Ag in trench TR-05. Highlights of the trench assay results from the “Niñobamba South Zone” include; 42 metres of 131 g/t Ag in trench TR-02; 29 metres of 119.3 g/t Ag in TR-03; and 23 metres of 92.1 g/t Ag in TR-11. All trench samples were rock saw cut channel samples and are summarized in the Company’s news release dated January 14, 2013 and are posted at the Company’s website.

2017 Program: With the recent property additions, there are potential strike extensions to the southwest of the Niñobamba North and South Zones. Additionally, there are new targets to the west on the newly added concessions that were the focus of previous gold exploration programs by Newmont Gold and Southern Peru Copper Corp. The Partners have initiated a compilation of the available new data. The review of this new data will help guide exploration that is additional to the further definition of the Niñobamba North and South Zones that will be the target of diamond drilling during the 2017 year as part of the requirements of the Magellan option to earn its property interest. The extent and timing of the 2017

exploration program will be determined shortly once all compilation materials have been reviewed by the Technical Committee that has been established by the Partners. Rio Silver's Executive Co-Chairman, Steve Brunelle states, "The drilling of the Niñobamba Zones will be a very exciting part of our 2017 exploration effort. We anticipate a progressive outlining of a silver/gold resource at these targets. Additionally, we now possess a significant surrounding property portfolio with several intriguing gold targets to build upon. This year should be very positive for the Partners and all our shareholders."

Magellan has established its Peruvian subsidiary, and as Operator of the program, will rely upon the 20+ years of Peruvian exploration experience of the Rio Silver geological team. Magellan's President, Pierce Carson states, "We are excited by the high quality of the exploration targets being generated, which include potentially bulk-minable disseminated precious metals as well as high grade veins. With our expanded ground position and multitude of untested or only partially tested precious metals anomalies, we believe chances are excellent for discovery of one or more economic ore deposits."

Jeffrey Reeder, P.Geo., and a qualified person as defined in National Instrument 43-101, has prepared, supervised the preparation, or approved the scientific and technical disclosure contained in this news release.

ON BEHALF OF THE BOARD OF DIRECTORS OF RIO SILVER INC.

Steve Brunelle

Executive Co-Chairman

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