



RIO SILVER, VIRGINIA MINES AND ALTIUS RESOURCES
SECURE DEAL ON RIO SILVER'S KAN PROPERTY

January 31, 2014, Toronto, Ontario – Rio Silver Inc. (“**Rio Silver**” or the “**Corporation**”) (TSX.V: RYO) is pleased to announce the execution of an agreement between Rio Silver, Virginia Mines Inc. (TSX: VGQ) (“**Virginia**”), Altius Resources Inc. (“**Altius**”), a wholly-owned subsidiary of Altius Minerals Corporation (TSX: ALS) and Les Ressources Tectonic Inc. (“**Tectonic**”) to acquire Rio Silver’s KAN project (the “**Project**”) located in the Nunavik Territory in Northern Québec.

Under the proposed transaction, which is subject to the approval of the TSX Venture Exchange (the “**TSX-V**”), Rio Silver will transfer its 100% interest in the Project in consideration for (i) the issuance by Virginia of 3,571 of its common shares to Rio Silver at a deemed price of \$14.00 per share (the “**Virginia Shares**”); (ii) a cash payment equal to \$25,000 to be paid by Virginia; (iii) a cash payment equal to \$75,000 to be paid by Altius; (iv) the issuance by Rio Silver of 400,000 of its common shares to Tectonic (the “**Rio Silver Shares**”); and (iv) a cash payment of \$40,000 to be paid by Rio Silver to Tectonic.

The Rio Silver Shares to be issued to Tectonic and the cash payment to be paid by Rio Silver are required under the option agreement (the “**Option Agreement**”) between Rio Silver and Tectonic dated March 2, 2011, pursuant to which Rio Silver has the option to acquire from Tectonic 209 of the mining claims forming part of the Project.

Pursuant to the contemplated transaction, Virginia and Altius will grant a two percent (2 %) net smelter returns royalty affecting certain of the claims forming part of the Project to Tectonic, of which one percent (1 %) may be purchased by Virginia and Altius for cash or cash equivalent share payments in the amount of \$500,000 on or before April 2, 2015 or in the amount of \$1,500,000 thereafter.

Upon closing of the contemplated transaction, Rio Silver will be wholly released and forever discharged from the observance and performance of its covenants and agreements in and under the Option Agreement.

The Rio Silver Shares and the Virginia Shares to be issued will be issued under a private placement exemption and subject to a four-month restricted period stipulated in a legend, before becoming freely tradable.

The contemplated transaction is expected to close on or before February 6, 2014, subject to final regulatory approvals, including the TSX-V for Rio Silver and the Toronto Stock Exchange for Virginia.

For further information, please contact

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This news release includes certain information that may constitute "forward-looking information" under applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, statements about planned operations. Forward-looking information is necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking information, including the risks identified in the annual information forms, management discussion and analysis and other securities regulatory filings by Rio Silver on SEDAR (including under the heading "Risk Factors" therein). There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such forward-looking information. Accordingly, readers should not place undue reliance on forward-looking information. All forward-looking information contained in this press release is given as of the date hereof and is based upon the opinions and estimates of Rio Silver's management and information available to management as at the date hereof. Rio Silver disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.

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