



**RIO SILVER ANNOUNCES TERMINATION OF NIÑOBAMBA PROPERTY OPTION
AGREEMENT AND EXTENSION OF WARRANTS**

January 5, 2018, Toronto, Ontario, Canada – Rio Silver Inc. (“Rio Silver” or the “Company”) (TSX.V: RYO) announces that the Company and Magellan Gold Corporation have agreed to mutually terminate the property option agreement signed on October 24, 2016, and relating to the Company’s 100% owned Niñobamba Silver/Gold Project in Peru. The additional details of the option agreement were previously announced on October 24, 2016.

The Company also announces that it intends to apply to the TSX Venture Exchange to amend the terms of a total of 1,250,000 outstanding share purchase warrants issued pursuant to a private placement that closed on January 19, 2017. These warrants are exercisable at a price of \$0.06 per share and are currently set to expire on July 19, 2018, as set out in the press release of the Company on January 19, 2017. The proposed amendment is limited to the extension of the expiry date of the warrants without changes to the exercise price of \$0.06 per warrant share. Subject to regulatory approval, the proposed new date for expiry of the warrants is January 19, 2020.

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

Jeffrey Reeder

President and Chief Executive Officer

Neither the TSX Venture Exchange nor its Regulation Services Provider accepts responsibility for the adequacy or accuracy of this release.

This news release includes forward-looking statements that are subject to risks and uncertainties. All statements within, other than statements of historical fact, are to be considered forward looking. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing, and general economic, market or business conditions. There can be no assurances that such statements will prove accurate and, therefore, readers are advised to rely on their own evaluation of such uncertainties. We do not assume any obligation to update any forward-looking statements except as required by applicable laws.

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