



## **RIO SILVER ANNOUNCES PRIVATE PLACEMENT**

July 22, 2016, Toronto, Ontario, Canada – Rio Silver Inc. (“Rio Silver” or the “Company”) (TSX.V: RYO) is pleased to announce that, further to its previous news release on July 4, 2016, the first of two financings contemplated in its transaction (“**Transaction**”) with Magellan Gold Corporation (“**Magellan**”) (OTCQB – MAGE) will consist of a non-brokered private placement of 1,500,000 units (“**Units**”) at \$0.05 per Unit for gross proceeds of \$75,000 (the “**Offering**”). Each Unit will consist of one common share of the Company and one common share purchase warrant (the “**Warrant**”) entitling the holder to acquire one common share of the Company at a price of \$0.05 for a period of eighteen months from the date of issue. Pursuant to the letter of intent with Magellan, it is intended that Magellan will subscribe for the entire Offering.

No finder’s fees are expected in connection with the Offering. The closing of the Offering remains subject to regulatory approval and is expected to occur on or before the execution of a definitive agreement for the Transaction. The securities issued will be subject to a four month statutory hold period. The proceeds from the Offering will be used for working capital and general and administrative purposes.

The Company will make additional announcements relating to the second financing when all the terms have been finalized.

The closing of the Transaction remains subject to a number of conditions including the entering into of the definitive agreement, satisfactory completion of due diligence by the parties, completion of the first private placement, receipt of all required approvals and consents, including TSX Venture Exchange approval, and satisfaction of other customary closing conditions. The Transaction cannot close until the required approvals are obtained. There can be no assurance that the Transaction will be completed as proposed or at all.

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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