



RIO SILVER INC.

Rio completes VTEM survey and stakes additional 5,867 hectares of favourable SEDEX stratigraphy at KAN

January 11, 2012, Toronto, Ontario, Canada- Rio Silver Inc. (TSX-V: RYO) (the "Company") is pleased to announce that Geotech Ltd. of Aurora, Ontario has completed a proprietary Versatile Time-Domain Electromagnetic ("VTEM") survey at the KAN project located in the northern part of the Labrador Trough, Nunavik Territory, Quebec. The Company expanded the original VTEM survey to 1,227 line kilometres to cover the Dunes area immediately adjacent to the iron formation which was the priority focus for the 2011 exploration program. The preliminary survey results identified several untested VTEM conductors which may warrant follow-up diamond drill testing.

The Company also worked with geophysical consultants TerraNotes Ltd. of Toronto, Ontario and they identified a cluster of geophysical targets which follow two parallel linear structures running adjacent to the iron formation on the KAN property. (See attached geophysical survey maps). These new conductive targets are approximately 10 km south of Xstrata's KOKE massive sulphide deposit which has a reported historical, non NI 43-101 compliant, resource of: 1.06 million tonnes grading 6.86% zinc, 1.03% lead, 0.70% copper, 54.5 g/t silver and 1.03 g/t gold.

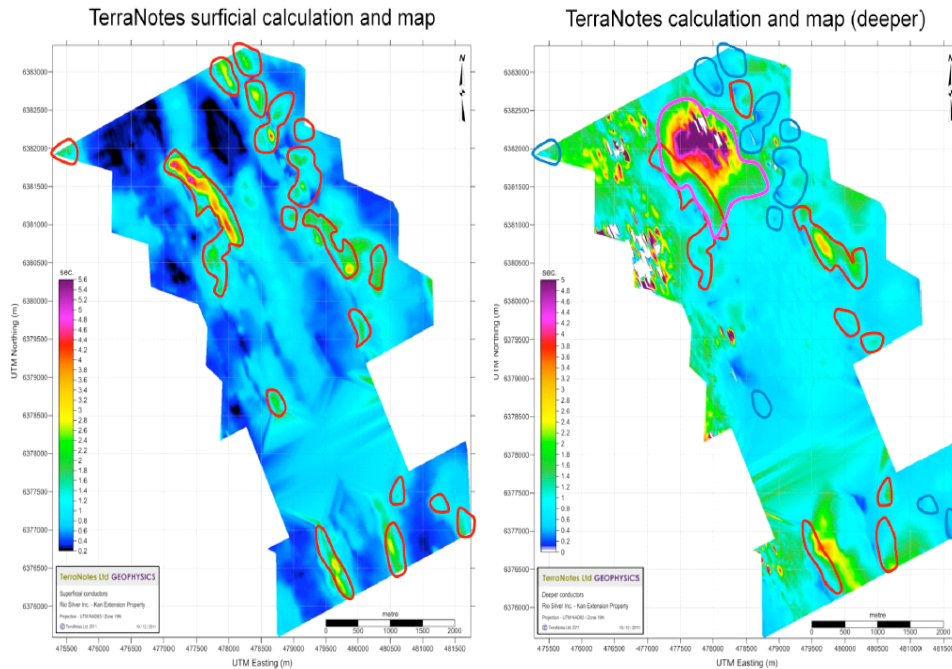
As a result of its findings, the Company has staked additional claims totalling 5,867 hectares of favourable stratigraphy expanding its land package to over 18,800 hectares along an emerging exploration district continuous over 31 kilometers of strike length.

On November 21, 2011, the Company reported that the sampling of forty one previously identified massive sulphide boulders on the KAN property returned average grades of 9.03 % zinc, 6.94% lead, 270 g/t silver and 0.65 g/t gold. The size and angularity of the boulders and the fact that they exist in three known clusters seems to point to various sources for the boulders. Some boulders exceed two metres in diameter which suggest a proximal source and the results will be used to identify structural trends and the potential for massive sulphide mineralization beyond the original KAN base metal showing. Prior to this, on October 31, 2011, the Company reported the discovery of a new massive sulphide boulder approximately 5.4 km south of the original KAN showing. Two grab samples from this new massive sulphide boulder averaged 12.23% zinc, 2.29% lead, 80 g/t silver and 0.35 g/t gold. The distinct zinc/lead ratios and silver values compared to the previously identified KAN boulders suggest a different massive sulphide source.

QA/QC protocols:

A strict quality assurance/quality control program was applied to all samples, which includes mineralized standards and blank samples for each batch of 30 samples. All samples were sent to ALS Chemex in Val d'Or, Quebec, an accredited commercial laboratory. The gold analyses were completed by fire assay with an atomic absorption finish on 30 grams of material.

VTEM conductor's identified by TerraNotes Ltd.



T. John Magee, P.Geo., President and CEO of the Company is the Qualified Person who has reviewed and is responsible for the technical data contained in this news release.

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

John Magee
Director

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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.

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