



Rio Silver Announces Private Placement

December 17, 2012, Toronto, Ontario, Canada- Rio Silver Inc. (TSX-V: RYO) (the "**Company**") is pleased to announce a non-brokered private placement of up to 10,000,000 units ("**Units**") at \$0.09 per Unit for gross proceeds of up to \$900,000 (the "**Offering**"). Each Unit will consist of one common share of the Company and one common share purchase warrant of the Company. Each warrant entitles the holder to acquire one common share of the Company at a price of \$0.12 per share for a period of one year from closing. The proceeds from the sale of the Units will be used to continue the exploration program at the Company's Niñobamba silver and gold project in Peru and for working capital.

The Company will pay certain finders' fees in connection with a portion of the Offering subject to the policies of the TSX Venture Exchange (the "**Exchange**"). The securities issued herein will be subject to a four month statutory hold period. The closing of the Offering is subject to the approval of the Exchange.

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

Dwight Walker
CFO

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) 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.

For more information contact:

Dwight Walker, CFO
Tel: (416) 567-2785
Website: www.riosilverinc.com