FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Bayhorse Silver Inc. (formerly, Kent Exploration Inc.) ("**Bayhorse**")
#410, 744 West Hastings Street
Vancouver, BC V6C 1A5

Item 2. Date of Material Change

February 12, 2014

Item 3. News Release

A news release was issued on February 12, 2014 and disseminated through the facilities of Stockwatch and Market News.

Item 4. Summary of Material Change

Bayhorse is pleased to announce that it has completed its previously announced plan of arrangement (the "Arrangement") with Silcom Systems Inc. Shareholder and final court approval for the Arrangement were obtained on December 13, 2013 and January 24, 2014, respectively and the effective date of the plan of arrangement was February 12, 2014.

Item 5.1. Full Description of Material Change

See attached Schedule "A".

Item 5.2. Disclosure for Restructuring Transactions

Not applicable.

Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102

This Report is not being filed on a confidential basis.

Item 7. Omitted Information

None.

Item 8. Executive Officer

Graeme O'Neill, President
Tel No. 604.684.3394

Item 9. Date of Report

February 12, 2014

February 12, 2014 **BHS2014-05**

BAYHORSE SILVER ANNOUNCES COMPLETION OF ARRANGEMENT

BAYHORSE SILVER INC. (the "**Company**") is pleased to announce that it has completed its previously announced plan of arrangement (the "**Arrangement**") with Silcom Systems Inc. ("**Silcom**"). Shareholder and final court approval for the Arrangement were obtained on December 13, 2013 and January 24, 2014, respectively and the effective date of the plan of arrangement was February 12, 2014. Refer to the Company's Information Circular dated November 15, 2013, for additional information concerning the Arrangement.

The purpose of the Arrangement is to restructure the Company by creating a company, Silcom, which the Company believes will be beneficial to the shareholders of the Company, as it is expected that Silcom will enter into a definitive agreement to acquire a business upon completion of the Arrangement. Management also believes that by creating this new company and providing the Company's shareholders with an interest in this company, shareholder value will be enhanced.

Pursuant to the Arrangement, a total of 4,797,128 common shares in the capital of Silcom have been issued, on a pro-rata basis, to the Company's shareholders.

ABOUT BAYHORSE SILVER INC.

Bayhorse Silver Inc. is a junior exploration company with a 100% interest in its three major high grade New Zealand gold prospects (Alexander River, Paparoa and Lyell), in the highly prolific West Coast South Island gold fields of New Zealand, where it offers investors the potential for a major gold discovery and is earning an 80% interest in its newly acquired historic Bayhorse Silver Mine that has the potential for a substantial silver discovery. The Company has an experienced management and technical team with extensive exploration expertise.

BAYHORSE SILVER INC.

For further information, please contact:

Graeme O'Neill
President and Chief Executive Officer
Bayhorse Silver Inc.
Telephone: (604) 684-3394

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

Caution Regarding Forward-Looking Statements – This news release contains certain forward-looking statements, including statements regarding the business of the Company. These statements are subject to a number of risks and uncertainties. Actual results may differ materially from results contemplated by the forward-looking statements. When relying on forward-looking statements to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and should not place undue reliance on such forward-looking statements. The Company does not undertake to update any forward looking statements, oral or written, made by itself or on its behalf except as required by law.