

Bayhorse Silver Announces US\$, Convertible, Silver-Convertible, Debenture Offering

Vancouver, British Columbia--(Newsfile Corp. - August 10, 2017) - **Bayhorse Silver Inc. (TSXV: BHS)** (the "**Company**" or "**Bayhorse**") announces, subject to TSX-Venture Exchange (TSXV) approval, a financing consisting of a three year Convertible, Silver-Convertible, Debenture (the "Debenture") for gross proceeds of up to US\$750,000.

The Debenture shall bear interest at a rate of twelve (12%) percent per annum, payable annually in arrears. Additionally, at the election of the Holders, the Debenture will be convertible into common shares of the Company at C\$0.20 cents per share in accordance with the policies of the TSX-V, or, conditional upon notification by the Corporation of silver production, the Debenture holder may elect to convert the Debenture principal and accrued interest into ounces of silver at a conversion rate of US\$17.50 an ounce.

The Company may, twelve months after the date of issue, elect to redeem the US\$5,000 Debentures, in part or in full, at a price of US\$5,600 per each redeemed Debenture. Each Debenture shall entitle the Holder to twenty thousand Warrants (the "Debenture Warrants") exercisable into common shares of the Company at Canadian \$0.30 per Debenture Warrant Share until three years from the date of issue.

Purchasers of the Debentures shall be granted pre-emptive rights during the time they hold the Debentures to participate in any future issuance of debt securities of the Company where the principal purpose of the financing is to mine and/or upgrade mineralized material to direct shipping material on any other patented ground properties it identifies, where it is permitted to do so under existing permitting exemptions.

Proceeds from the Debenture are to be used for the Bayhorse Silver Mine for further mine development of the Big Dog zone that was drilled, but not mined, during the 1984 mining program, to install the Steinert Ore-Sorter that is due for delivery on-site, and for processing mined silver mineralized material from the Big Dog and Sunshine Zones to a direct shipping grade.

In addition to any other exemption available to the Company, participation in the Debenture financing is also open to all existing shareholders, even if not accredited investors, under the "existing shareholder" exemption of National Instrument 45-106 as promulgated in Multilateral CSA notice 45-313 in participating jurisdictions. Finder fees may be payable on a portion of the financing according to the policies of the TSX-V.

The Company advises it is not basing any decision to produce on a feasibility study of mineral reserves demonstrating economic and technical viability and also advises there is increased uncertainty and specific economic and technical risks of failure associated with any production decision.

This News Release has been prepared on behalf of the Bayhorse Silver Inc. Board of Directors, which accepts full responsibility for its contents.

On Behalf of the Board.

Graeme O'Neill, President
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Bayhorse Silver Inc., a junior exploration company, has earned an 80% interest in the historic Bayhorse Silver Mine, Oregon, USA. Bayhorse is also earning a 75% interest in the past producing Bridging the Gap Project, consisting of ASARCO's historic Crown Point, Silver King, Ranger, Wyoming, Curlew, and Blackhawk silver/lead/zinc mines in Idaho's Silver Valley. The Company has an experienced management and technical team with extensive exploration and mining expertise.

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.