

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Aug. 17, 2015) - [Bayhorse Silver Inc.](#) (TSX VENTURE:BHS) (the "Company" or "Bayhorse") has closed, subject to TSX-Venture Exchange (TSX-V) approval, a first tranche of its previously announced financing consisting of 50, three year, Convertible, Silver-Convertible, Net Revenue Participation Debentures (the "Debenture") of US\$5,000 per Debenture Unit for gross proceeds of US\$250,000.

The Debenture proceeds are to complete the Bayhorse Silver Mine adit rehabilitation and to mine up to 5,000 cu/yds (approximately 15,000 tons) from the historic workings, where high to bonanza grade silver has been identified (news release BHS2014-01). American Mining & Tunnelling of Elko, Nevada has been contracted to conduct the adit safety work, which is estimated to take 17 days from mobilization to complete, to access a mineralized zone reported to be up to 85 feet wide and 22 feet thick. The zone extends approximately 840 feet and is estimated to contain 160,000 tons with an estimated grade of 17-20 ounces of silver/ton at a 7.5 ounce per ton cut off (Herdrick 1981, see Company's National Instrument 43-101 report dated February 2014 and news release BHS2015-10, February 2015).

The Company advises that a qualified person has not done sufficient work to verify the historical estimates nor classify the historical estimates as current mineral resources or mineral reserves and the Company is not treating the historical estimates as current mineral resources or mineral reserves.

The Debenture shall bear interest at a rate of twelve (12%) percent per annum, payable bi-annually in arrears. Additionally, at the election of the Holders, the Debenture will be convertible into common shares of the Company at C\$0.125 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\$15.50 an ounce.

The Debenture Holders (the "Holders") shall also be entitled to a pro-rata payment representing an aggregate of 2% of net revenues from any silver production from the Bayhorse Silver Mine during the term of the Debenture.

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, plus payment of all accrued amounts due in respect of the redeemed Debentures. Each Debenture shall entitle the Holder to twenty thousand Warrants (the "Debenture Warrants") exercisable into common shares of the Company at Canadian \$0.25 per Debenture Warrant Share until three years from the date of issue. 1,000,000 Debenture Warrants are to be issued to the first tranche Debenture holders on closing.

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.

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.

[Bayhorse Silver Inc.](#) is a junior exploration company that is earning an 80% interest in the historic Bayhorse Silver Mine in Oregon, USA that has the potential for a substantial silver discovery. It has also entered into a Farm-In Agreement with Saturn Minerals to acquire a 25% interest in the Little Swan oil project in Saskatchewan, Canada. The Company has an experienced management and technical team with extensive exploration expertise. This News Release has been prepared on behalf of the [Bayhorse Silver Inc.](#) Board of Directors, which accepts full responsibility for its contents.

The technical content of this press release has been reviewed by Dr. S. A. Jackson, PGeo., a Qualified Person and Technical Advisor to the Company.

On Behalf of the Board

Graeme O'Neill, President

*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.*

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