

Bayhorse Silver Signs Letter Agreement to Earn a 50% Interest in the Harrison High Grade Gold Project, British Columbia, Canada

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Vancouver, September 14, 2020 - [Bayhorse Silver Inc.](#) (TSXV: BHS) (the "Company" or "Bayhorse") has entered into an Option Agreement with Bear Mountain Gold Mines Ltd, (BMGM) a British Columbia (BC) private corporation, to earn a 50% interest in its Harrison Gold Project, Harrison, British Columbia, Canada.

The Harrison Gold Property (the "Property") is an advanced stage gold exploration project focused on a seven kilometer long ridge called Bear Mountain located on the southeast side of Harrison Lake, 130 kilometers east of Vancouver. BMGM has an option to acquire a 100% interest in the Property from TSX.V listed [Omineca Mining and Metals Ltd.](#) ("Omineca").

Harrison Gold Project Highlights

- Historic gold resources of 220,300 ounces contained in 2,458,674 tons was reported by Norman (1989) for two of the known intrusions (referred to as the Jenner and Portal Zones) with an average grade of 2.79 g/t gold, at a 2 g/t cutoff grade.
- The RN Mine was intermittently mined from 1972 until 1982. Historic smelter reports indicate that a total of 642.82 tonnes (708.58 tons) of ore was shipped from the RN Zone. This material contained 30,443 grams of gold (978.89 ounces), and 616 kilograms of copper. The average recovered grade is 47.4 grams of gold per tonne (1.38 ounces of gold per ton) (Allen, 1983).
- Ministry of Mines Permits approved for surface drilling and lateral development work at the former RN Mine.
- Gold mineralization consists of free milling 0.2 to 2.0 mm size gold grains within quartz veins ranging from less than a cm to several tens of cm in width.
- Significant historic mineralized intercepts reported for the Jenner Zone included: DDH 85-36 with 102 meters averaging 3.54 g/t gold; DDH 86-48 which averaged 5.28 g/t over 24 meters; and DDH 84-28 which averaged 4.12 g/t gold over 63.2 meters.
- For the Portal Zone, located 150 m east of the RN Mine, historic results included DDH 86-43, that averaged 9.78 g/t over 7 meters, and DDH 88-76 that averaged 21.4 g/t over 7 meters.

The Company advises that the above drill intersections, grades and estimates above is of a historic nature. Historic drill intersections, grades and resource estimates reported have not been verified. A qualified person has not done sufficient work to verify the historical estimates nor classify the historic estimates as current mineral resources or mineral reserves, and the Company is not treating the historical estimates as current mineral resources or mineral reserves. Resampling of underground workings, and confirmation drilling by a Qualified Person will be required to designate a resource under National Instrument 43-101 requirements.

The Property is located off paved roads at low elevations, with power, water and services locally available.

Immediate Diamond Drilling and Underground Exploration Program

An initial 1,500 meter drilling program to twin several of the historic drill holes at the Jenner and Portal Zones including the mineralization identified within the RN mine workings (proposed drill site DS-1); the intercept reported in DDH JNUG-121 (proposed drill site DS-2 - referred to as the Jenner Deeps Zone); the mineralization intersected by DDH PT 86-43, (proposed drill site DS-3), and the intercept reported in DDH PT 88-76 (proposed drill site DS-4 (referred to as the Easter Egg Zone).

Rehabilitate and extend the historic RN Mine workings, where historic smelter reports indicate that a total of 642.82 tonnes (708.58 tons) of ore was shipped from with an average reported grade of 47.4 g/t gold. Complete sufficient underground bulk sampling and offsite processing to confirm that waste rock from the known mineralized zones is not acid generating.

Follow up drilling from both surface and underground locations is planned to extend the known mineralized zones.

Recent metallurgical work by BMGM to confirm historic gold recovery included five samples consisting of approximately 10 kg each of vein material collected from the RN adit, which were submitted to Metsolve Metallurgical Lab, Langley, BC, Canada. A composite sample of 25.5 kg was made with a calculated head grade of 43.2 g/t Au and an assayed head grade of 46.5 g/t Au. The RN composite responded well to gravity concentration with a recovery of 90.7% with a final concentrate grade of 1,088 g/t Au from a calculated head grade of 43.2 g/t Au (BMGM, 2020).

The Bayhorse/BMGM Agreement

In order to exercise the Option, Bayhorse shall (i) assume all the outstanding obligations of Bear due to Omineca, (ii) pay \$50,000 in cash and issue 500,000 common shares in the capital of Bayhorse ("Shares") to Bear, and (iii) incur, including the required expenditures under the Omineca Option, not less than C\$1,100,000 of expenditures on the Property (subject to the receipt of drilling and exploration work permits for the Property from the BC Ministry of Energy, Mines & Petroleum Resources, or confirmation that surface drilling and underground development work can commence immediately).

The terms of the BMGM option agreement with Omineca require that BMGM incur \$2,000,000 in exploration expenditures (\$900,000 of which have been incurred to date), pay \$500,000 in cash or shares (\$100,000 of which has been paid) and issue 3,166,000 shares on or before December 31, 2020 (1,166,000 of which have been issued). In addition, Omineca is entitled to a 2% NSR (50% of which can be purchased for \$1,000,000) and up to \$500,000 in annual \$100,000 special royalty payments on the occurrence of certain trigger events.

In recognition that Omineca is entitled to an underlying 2% NSR on the Property, the parties agree that the Omineca NSR including the purchase of 1% of the NSR for \$1 million, shall be apportioned according to each Party's interest in the Property.

Property History

Local prospectors discovered gold on Bear Mountain in the early 1970's. then explored and mined a high grade quartz vein.(the RN Mine) Between 1982 and 1990, Bema International (Bema) and Kerr Addison completed extensive drill testing on the Property, (16,000 meters) and constructed 350 meters of underground drifts and raises. Historic drilling identified widespread, sub-horizontal quartz veins associated with finger like diorite intrusions 100 to 500 meters in diameter. Also discovered were additional multiple intrusions and several potentially economic mineralized zones.

A bulk sampling program was conducted approximately 50 meters below the surface outcrop of the Jenner Zone (referred to as the Jenner 187 Level); and possible mining options for the Jenner Zone were assessed.

Dr. Clay Conway, P.Geol and Carl von Einsiedel, P.Geol examining gold-bearing quartz veins underground

To view an enhanced version of this graphic, please visit:

https://orders.newsfilecorp.com/files/5015/63743_b9dac9c304583b9a_001full.jpg

Based on surface and underground drilling completed by Bema above the 50 meter ASL level, Norman (1989), using a one gram cut off grade for the Jenner Zone and a 2 gram cut-off grade for the Portal Zone, estimated that the Jenner and Portal Zones contain 2,458,674 tonnes at an average grade of 2.79 g/t gold,

for 220,300 ounces. (Please refer to the accompanying illustration of drilling and development work on the Jenner and RN Zones.)

Zone	Category	Resource Tonnes	Grade g/t Au	Grams	Ounces
Jenner zone	"Probable and Possible"	1,801,134	2.71	4,876,635	156,710
Portal zone	"Probable and Possible"	657,753	3.02	1,984,324	63,766

The Company advises that the resource estimate by Norman (1989) above is of a historic nature. Historic drill holes, resource estimates and grades reported have not been verified. A qualified person has not done sufficient work to verify the historical estimates nor classify the historic estimates as current mineral resources or mineral reserves, and the Company is not treating the historical estimates as current mineral resources or mineral reserves. Additional resampling and drilling by a Qualified Person will be required to designate a current resource under National Instrument 43-101 standards.

Historic Jenner & RN Gold Workings

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In 2010, Omineca compiled available technical data for the Property (Price, 2010) and reported that previous mining companies spent more than seven million dollars exploring the northern part of Bear Mountain after local prospectors mined a high grade quartz vein during the 1970's in the RN Mine.

Exploration work by BMGM has confirmed the presence of multiple diorite stocks which exhibit similar styles of gold mineralization, and demonstrated that the central and southern parts of Bear Mountain exhibit "gold in soil" anomalies along a structural corridor that extends for over six kilometers through the Property.

The five samples collected from the RN Mine by BMGM for gravity recovery test work were also tested for metallic gold which essentially involves comparing conventional fire assay results with Total Gold Content results. The results of this metallic gold assay test showed that all five regular fire assays under-report the amount of gold contained in the submitted samples. Total gold values were under-reported by 19 to 41%. It is important to note that Norman (1989) reported that the results of muck sampling from three underground raises driven along drill holes to assess the accuracy of drill hole assays, showed that the reported drill hole assays appear to under-report gold contents. Rigorous metallic gold assay procedures will be utilized as part of the planned Bayhorse program to ensure accurate determination of gold values..

Bayhorse CEO Graeme O'Neill comments: "Now that the Bayhorse Silver Mine in Oregon has started producing silver concentrate, the acquisition of a 50% interest in Bear Mountain, a known historic producer of free milling gold, is a step forward in precious metals involvement, and development, by Bayhorse. We look forward to working with Bear Mountain to verify the historic drilling results and extend the existing RN adit to confirm the historic mined grades. A ZTEM airborne survey is planned at an early date to delineate and evaluate the multiple potentially mineralized diorite stocks along the structural belt that runs the length of the property."

This News Release has been prepared on behalf of the [Bayhorse Silver Inc.](#) Board of Directors, which accepts full responsibility for its content. Dr. Stewart Jackson, P.Geo., a Qualified Person and Consultant to the Company has prepared, supervised the preparation of, and approved the technical content of this press release.

On Behalf of the Board,
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About Bayhorse Silver Inc.

[Bayhorse Silver Inc.](#) is an exploration and production company with a 100% interest in the historic Bayhorse Silver Mine located in Oregon, USA, and an option on the Brandywine, precious metals rich, volcanogenic massive sulphide property located in B.C., Canada. The Company has an experienced management and technical team with extensive mining expertise surrounding exploration and building mines.

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