

Bayswater to Acquire Reno Creek Uranium Project, Wyoming

One of the Best Undeveloped Uranium Deposits in the Western United States, as Stated by Tom Pool, a Leading US Uranium Industry Mining Engineer

Vancouver, BC, August 24, 2009 — Bayswater Uranium Corporation (TSX-V: [BAY](#)), (OTC: [BYSWF](#)) is pleased to announce that it has signed letters of intent with Strathmore Resources (US) Ltd., a wholly owned subsidiary of Strathmore Minerals Corp (TSX-V: [STM](#)), and American Uranium Corp (OTC: [ACUC](#)) to acquire the Reno Creek Uranium Project (“the Project”) and its holding company, AUC LLC. Reno Creek is an advanced, near-surface uranium project at the permitting/feasibility stage located in the Powder River Basin in northeastern Wyoming, a well established uranium development region. The Project comprises NI 43-101 compliant resources of 10.96 million pounds of U₃O₈ at an average grade of 0.066% U₃O₈ measured and indicated and 4.73 million pounds of U₃O₈ at an average grade of 0.063% U₃O₈ inferred. In addition, Reno Creek contains approximately 8.41 million pounds of U₃O₈ in historical resources grading approximately 0.083% U₃O₈. The Project also has excellent potential to significantly increase resources through low-risk exploration. An extensive database, deep well injection permit and a disposal well are being acquired in conjunction with the resources.

The Reno Creek Project encompasses approximately 17,500 acres of claims and leases, including 563 unpatented mining claims, four Wyoming State mineral leases, four fee (private) mineral leases, and five surface access agreements. As the deposits at Reno Creek are considered to be highly amenable to In-Situ Recovery (ISR) production, and are located in close proximity to major infrastructure, power, and other operating ISR facilities, the Project economics appear to be very robust. The near-ideal geological characteristics of the uranium deposits which make the resources conducive to low-cost, minimal-impact ISR mining, combined with the benefits of nearby infrastructure within a highly favorable political jurisdiction for uranium mining, are among the chief reasons that the Reno Creek Project is one of the best undeveloped major uranium properties in the western United States as stated independently by Tom Pool, a leading US uranium industry mining engineer. These factors allow for a fairly predictable 5 year development schedule to production, a timeline the Company will aggressively pursue.

The aggregate purchase price for a 100% interest in the Reno Creek Uranium Project is US\$32 million. The acquisition price is equivalent to about US\$2.04 per pound of NI 43-101 U₃O₈ compliant resources. No finder’s fees are payable in respect of the acquisition. The transaction is subject to, among other things, financing, approval of applicable regulatory authorities, and approval of Bayswater shareholders, if required, and is projected to close by mid-December, 2009. Of the aggregate purchase price, US\$30 million in cash is payable to Strathmore for a 100% interest in the property, AUC LLC and all related assets, and US\$2 million, payable US\$1 million in cash and US\$1 million through the issuance of common shares of Bayswater, is payable to American Uranium in exchange for its option rights to the property and a large data base plus a UIC (deep well injection) permit. A non-refundable deposit of US\$250,000 in cash has been paid to Strathmore in conjunction with the signing of the letter of intent, which is credited against the US\$30 million purchase price.

Strathmore and American Uranium had entered into a joint venture agreement in 2007 to develop the property, under which American Uranium was required to spend US\$33 million over six years to earn a 60% interest. American Uranium has invested in the Joint Venture and in separate but related asset acquisitions, as above, of approximately US\$3 million since the commencement of the joint venture which is currently in good standing. Bayswater’s purchase of the Project will terminate the Strathmore/American Uranium joint venture.



Bayswater has conducted a preliminary in-house economic evaluation of the Reno Creek Project, including an ISR facility and central processing plant producing up to 2 million pounds of U3O8 per year. Based on this preliminary study, utilizing current long term contract prices for U3O8, the Company has decided to complete an independent Pre-Feasibility Report on the deposit prior to closing of the transaction.

The Reno Creek Project comprises NI 43-101 compliant resources of 10.96 million pounds of U3O8 at an average grade of 0.066% U3O8 measured and indicated in 8.27 m tons and 4.73 million pounds of U3O8 at an average grade of 0.063% U3O8 inferred in 3.80 m tons in the Reno Creek and Southwest Reno Creek deposits based on separate reports on the Reno Creek and Southwest Reno Creek Uranium Properties dated January 30, 2009 by Charles D. Snow, P.G. In addition, the Project contains approximately 8.41 million pounds of U3O8 in historical resources grading approximately 0.083% U3O8 in the adjoining Pine Tree Trend as documented by Pathfinder Resources Ltd. in a 1980 report and Rocky Mountain Energy in a report dated April, 1986. This historical resource estimate is not compliant with NI 43-101 and should not be relied upon. The Company believes there is good potential for converting the historical resources to NI 43-101 compliant resources and for additional resources in the immediate vicinity of the known deposits within the property.

The Reno Creek deposits average about 320 feet deep, ranging from 170 feet to 450 feet in depth, are below the water table and are considered to be highly amenable to In-Situ Recovery (ISR) of uranium. Extensive metallurgical and engineering studies and a pilot plant operation during the 1980s and 1990s projected recoveries of up to 76%. The deposits have excellent ISR characteristics including compact shape, good strike and lateral continuity, average thickness of about 12 feet (3.66 m) and excellent permeability, porosity and transmissivity. The Project is also well located with respect to paved road and power access. The climate of the Project area is semi-arid; and typically the terrain of the Project area and underlying stratigraphy are both relatively flat which also provides for ideal conditions for permitting and ISR mining of uranium. The Project is in the permitting/pre-feasibility stage, with portions of the environmental baseline, hydrologic testing, and mine and process engineering completed.

The Project assets being acquired also include a deep well injection permit (i.e. UIC Permit in the renewal process) for two disposal wells for the wastes from the ISR operation, plus an abandoned dry oil well that will serve as one of the deep injection wells. Also included in the Project assets are complete electronic and paper logs on approximately 1100 drill holes, additional data on up to 900 more drill holes, and several geologic, hydrologic, and engineering studies on the Reno Creek and Reno Creek Southwest deposits. Additional drill hole data is also available for historical drilling on the Pine Tree Trend.

The regional setting of the Reno Creek Project is highly favourable—located in close proximity to other major uranium developments in the western part of the Powder River Basin in central northeastern Wyoming. Other projects in the vicinity, within 20 miles to the northwest and 40 miles to the southeast, include the Christensen Ranch resource project and permitted ISR and satellite plants, recently announced as sold to Uranium One Inc. (TSX: [UUU](#)) for US\$35 million; the Nichols/Hank deposits and ISR facility under development by Uranerz Energy Corp (AMEX: [URZ](#)); the Moore Ranch deposits and ISR facility under development by Uranium One; and the operating Smith Ranch/Highland deposits and ISR plant of Cameco Corporation (TSX: [CCO](#)), and a number of past producing conventional mills in the area. Historically, this portion of the Powder River Basin has produced in excess of 100 million pounds U3O8.

The Reno Creek and Pine Tree Trend deposits were discovered and drilled extensively in the 1970s and 1980s by Utah International (a predecessor of Areva) and Rocky Mountain Energy (RME) with its partners Mono Power and Halliburton. RME and partners also conducted extensive metallurgical testing, demonstrating recoveries up to 76% using a bicarbonate leaching solution or lixiviant. During the early 1980s, RME and its partners licensed, through the Nuclear Regulatory Commission (NRC) and the Wyoming Department of Environmental Quality (WDEQ), and then constructed and operated an ISR pilot plant to demonstrate the technical and economic



feasibility of the project. At the conclusion of the demonstration, the aquifer was successfully restored in accordance with NRC and WDEQ regulations and the project was decommissioned and the license terminated. RME also prepared a feasibility study at the time, showing that the project was economical using a 71% recovery rate and uranium prices at \$22 per pound of U3O8. In 1992, Energy Fuels acquired the property from RME & partners and during the late 1990s, Energy Fuels merged with International Uranium Corporation who prepared a confirmatory feasibility study and advanced the project close to full licensing, but abandoned the effort due to very low uranium prices. Prior feasibility studies by RME and Energy Fuels, although useful, do not indicate current economic viability of the Project. In 2001, IUC sold the property to Rio Algom who in turn sold it to Power Resources, a wholly owned subsidiary of Cameco Corporation. Cameco dropped the property in 2003 due to low uranium prices and Strathmore subsequently staked the current claims covering the deposits. Strathmore entered into a joint venture with American Uranium on the project in 2007. American Uranium then acquired a data base and deep well injection permit from Cameco on the Reno Creek deposit.

Bayswater plans to bring Reno Creek into production by 2015 subject to positive feasibility results. This lead time is based on current environmental and regulatory processes for permitting and licensing ISR operations in Wyoming. Following closing of the acquisition, the Company plans detailed scoping sessions with the regulatory agencies in preparation for completing baseline environmental, hydrological, and engineering activities during 2010 and 2011. Environmental baseline studies that have been previously started and will be completed by the Company include flora and fauna, soils, archaeological and cultural resources, surface and ground water hydrology, wetlands, water and air quality and meteorology. The Project has already received a permit to install baseline ground water monitoring wells which will be used for both hydrologic and water quality studies, including any necessary pump tests. Additional mine and plant facility engineering required for licensing will be completed during the time period. The Company plans to submit its applications for permits and licenses by the end of 2011. The Project should advance to the feasibility stage during 2014 with construction to follow and production to commence in 2015.

Bayswater has a strong management and technical team, cumulatively with over 100 years of combined experience in exploration, permitting, development and operation of uranium production, plus a group of industry-leading consultants with uranium experience in the U.S.A, Canada, and overseas. Upon closing, the Company plans to immediately begin the process of building out its environmental, engineering and production staff to serve the Reno Creek Project and to complement its existing management team.

George M. Leary, President of Bayswater stated, “The acquisition of the Reno Creek Uranium Project is a strategic and important growth step for the Company commensurate with our stated goals of acquiring advanced uranium projects with near-term production potential and building a major uranium company. The Reno Creek Project is at the permitting/pre-feasibility stage and will be Bayswater’s flag-ship project with a time-line to production within 5 years—commencing with completion of base line environmental and engineering studies to be initiated upon closing of the acquisition. The Company also plans to bring its nearby Elkhorn/Alzada Project to the feasibility stage over the same period of time.”

In connection with the acquisition, Bayswater will enter into a consulting agreement until closing of the transaction with American Uranium for services to facilitate the completion of the transaction at a cost of US\$30,000 per month and intends to enter into a further consultancy agreement with American Uranium for the marketing of uranium produced from the Reno Creek Uranium Project.

Financing of up to CDN\$50 million is required to complete the acquisition of the Reno Creek Project and for related working capital in order to advance the Project pursuant to the production time-line. To raise the needed capital, Bayswater plans to undergo a restructuring, including a consolidation of the Company’s share capital. Any consolidation of Bayswater’s share capital will be subject to regulatory and shareholder approval.



Bayswater's exploration activities are conducted under the supervision of George M. Leary, M.Sc. P. Eng. (BC), President of the Company, and Victor Tanaka, B.Sc. P.Geo. (B.C.), Chief Operating Officer of the Company. Both are qualified persons under NI 43-101. George Leary is the qualified person responsible for the technical information in this news release.

About Bayswater Uranium Corporation - The Super Junior Uranium Company™

Bayswater Uranium Corporation is an international uranium exploration and development company. The Company owns several advanced uranium properties in the United States with significant historical resources that may be amenable to ISR and/or conventional mining. As well, Bayswater is the only uranium company to have major landholdings in each of Canada's most important producing and exploration regions - the Athabasca Basin, the Central Mineral Belt, and the Thelon Basin. Bayswater combines a balanced portfolio of advanced and exploration projects with the uranium expertise of its technical and managerial teams. To capitalize on current market conditions and strong growth of the nuclear industry, the Company is pursuing acquisition opportunities of advanced-stage uranium projects with near-term production potential. Bayswater's vision is to build a major international uranium company. Shares of the Company are listed on the TSX Venture Exchange under the symbol "BAY". For further information visit www.bayswateruranium.com.

On behalf of the Board of:

BAYSWATER URANIUM CORPORATION

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