

Bayswater Receives Positive Pre-Feasibility Study on Reno Creek Uranium Project, Wyoming

Demonstrates Excellent Technical and Economic Feasibility for Development

Vancouver, BC, October 5, 2009 — Bayswater Uranium Corporation (TSX-V: [BAY](#)), (OTC: [BYSWF](#)) is pleased to announce that it has received a positive NI 43-101 compliant Pre-Feasibility Study report (PFS) from TREC, Inc. on the technical and economic feasibility of the Reno Creek Uranium Project (the Project) in Wyoming. The PFS is based on the Project's NI 43-101 measured and indicated resources of 10.9 million pounds with an *in situ* recovery mine (ISR) and central processing plant facility (CPP) designed to produce up to 2 million pounds per year of U3O8. The design will also allow for the processing of uranium-containing leach solutions or loaded resin from other nearby resources within the Reno Creek Project not incorporated into this study.

The economic analysis demonstrates the following:

- Expected start of production no later than the beginning of 2015, subject to approval by State and Federal government authorities.
- Recovery of approximately 7.6 million pounds, based on an estimated 70% recovery factor.
- Production is planned to occur over six years.
- Capital Cost: US\$48.2 million.
- Cash Operating Costs: US\$13.72 per pound U3O8
- Operating Costs (Includes all-in operating & capital costs): US\$26.39 per pound U3O8.
- Operating Cash Flow: US\$311 million, or US\$41.18 per pound U3O8, based on average product price of US\$67.57.
- Internal Rate of Return (IRR): 79%
- Net Present Value (NPV): US\$164 million using an 8% discount rate.

TREC prepared the designs and economic evaluation based on the development of five wellfields surrounding a central processing plant. The wellfields will be connected to the plant via pipelines. The initial capital cost, including the initial two wellfields, central processing plant, and pre-production capital costs related to environmental, permitting, and engineering is projected to be US\$48.2 million. Operating costs, including return of capital and reclamation/decommissioning, are expected to be approximately US\$26/lb U3O8. The uranium price projection for long term contracts used in the study is based on UxC's U3O8 Price Projection Comparison for the period 1987 to 2020, as published in their Uranium Market Outlook report for the first Quarter of 2009. The average projected price for the period of production, from 2015 through 2020, was estimated to be US\$67.57.

The NPV for the project, at a discount rate of 8% is projected to be approximately US\$164 million, and the IRR is 79%. Payback is expected to take approximately two years from commencement of construction. The PFS incorporates a sensitivity analysis, which demonstrates that:

- The Project's economics are highly sensitive to the price of uranium. For example, the NPV for an average price of uranium of \$80 is approximately US\$204 million.
- The Project's economics are only slightly sensitive to variations in capital and operating costs. For example, a five percent variation in the capital costs changes the NPV by approximately US\$2 million and a five percent variation in operating costs changes the NPV by approximately US\$2.3 million.



The PFS does not assess the economics of the 4.73 MM lb of 43-101 compliant inferred resources nor the 8.4 MM lb of historical resources that are also part of the Reno Creek Project, and which are located within approximately five miles of the proposed location of the central processing plant. This historical resource estimate is not compliant with NI 43-101 and should not be relied upon. Bayswater's plans are to mine these additional resources and process them at the CPP.

Following closing of the acquisition by the Company of the Reno Creek Project as announced August 24, 2009, 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 previously 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.

The Pre-Feasibility Study, dated September 28, 2009, was prepared by TREC, Inc., and authored by Douglass H. Graves, P.E., who is a Qualified Person as defined by National Instrument 43-101 and has reviewed the contents of this News Release. The Company intends to file the 43-101 compliant report with the TSX on SEDAR and post a summary of the PFS on its website.

As reported earlier, Bayswater 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. The Project comprises NI 43-101 compliant resources of 10.96 million pounds of U₃O₈ contained in 8,268,872 tons at an average grade of 0.066% U₃O₈ measured and indicated and 4.73 million pounds of U₃O₈ contained in 3,796,930 tons at an average grade of 0.063% U₃O₈ inferred. In addition, Reno Creek contains approximately 8.41 million pounds of U₃O₈ in historical resources contained in 5,066,265 tons grading approximately 0.083% U₃O₈ (Pathfinder Resources, 1980; Rocky Mountain Energy, 1986). 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 Reno Creek property and 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. 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 and lowest cost undeveloped major uranium deposits in the western United States.

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.

Bayswater has a strong management and technical team, cumulatively with over 120 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.



George M. Leary, President of Bayswater stated, “TREC’s Pre-Feasibility Study demonstrates the robust economic viability of the Reno Creek Project. The report’s recommendations are consistent with the Company’s proposed development schedule and it affirms the work of our in-house staff. The Project will form the basis, once the acquisition as announced closes, for building a major uranium company.”

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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Statements in this press release other than purely historical information, including statements relating to the Company’s future plans and objectives or expected results, constitute forward-looking statements. Forward-looking statements are based on numerous assumptions and are subject to all of the risks and uncertainties inherent in the Company’s business, including risks inherent in mineral exploration, development and mining. There can be no assurance that such forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on such statements. The Company does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws.

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