

## Bayswater Arranges \$25 Million Financing for Reno Creek Acquisition

Vancouver, BC, March 3, 2010 — Bayswater Uranium Corporation (TSX-V: [BYU](#)), (OTC: [BYSWF](#)) (“Bayswater” or the “Company”) announces, the Company has arranged a US\$20,000,000 financing with the Pacific Road Resources Funds (“PRRF”) with the assistance of its financial advisor, Ricardo Campoy, and separately a CDN\$4,500,000 financing with M Partners Inc. (“M Partners”), all for the purpose of completing the acquisition of a 100% interest in the Reno Creek Property (the “Property”).

As previously announced, Bayswater will acquire the Property through the acquisition of AUC LLC, a limited liability company which holds the Property, in consideration of an aggregate payment of US\$20,000,000 to Strathmore Resources (US) Ltd., a wholly owned subsidiary of Strathmore Minerals Corp (TSX-V: [STM](#)), (“Strathmore”) of which US\$17,500,000 is payable in cash (of which US\$500,000 has already been paid) and US\$2,500,000 is payable through the issuance of common shares of the Company at a price equal to the weighted average trading price of its common shares on the TSX Venture Exchange (“TSX-V”) for the 30 day period preceding closing of the transaction. In consideration for an extensive historical data base, rights to a previous deep well injection permit and in exchange for American Uranium Corp.’s (“American”) consent to the transaction and termination of its rights pursuant to a previous joint venture on the Property, the Company shall pay to American US\$2,000,000 on the Closing Date, of which US\$1,000,000 shall be payable in cash and US\$1,000,000 shall be paid through the issuance of common shares of the Company at a deemed price equal to the price of the concurrent financing to be completed by the Company on closing.

### *PRRF Financing*

Bayswater has executed a term sheet dated February 28, 2010 pursuant to which PRRF, a mining private equity investor, will provide a US\$20,000,000 financing to fund the purchase of the Property. The financing will take place in two tranches to be completed concurrently. The first tranche is a private placement of Units (on the terms described below) to generate proceeds of US\$3,000,000 (the “PRRF Offering”).

The second tranche is a US\$17,000,000 investment into a special purpose entity (“Newco”) which will hold the Property through certain wholly-owned subsidiaries. Upon closing, PRRF will hold a 65.4% interest in Newco and the Company will hold a 34.6% interest in Newco, having regard for contributions to be made by the Company into Newco, including credit for common shares issued to Strathmore and American and deposits already paid to Strathmore as part of the purchase price for the Property. Subject to receipt of the approval of the Company’s shareholders for PRRF to become a control person of the Company, PRRF will be entitled to convert its investment in Newco into common shares of the Company within six months following the earlier of the completion of a feasibility study on the Property or receipt of all required permits for production, but in any event not later than within five years of completion of the investment. PRRF’s investment in Newco will be convertible into common shares of the Company, at PRRF’s discretion, either:

- (a) (i) as to PRRF’s initial capital contributions into Newco at closing, at a price of \$0.60 per share; (ii) as to subsequent PRRF contributions into Newco prior to such time as PRRF and the Company each hold a 50% interest in Newco, at a price equal to the 30 day volume weighted average price of the Company’s shares calculated to the day of contribution, provided that such price shall not be more than \$0.60 per share and (iii) as to subsequent PRRF contributions into Newco following such date on which the Company and PRRF each hold a 50% interest in Newco, at a price equal to the 30 day volume weighted average price of the Company’s shares calculated to the day of contribution; or



- (b) at an amount defined by multiplying the market capitalization of the Company, calculated using the 30 day volume weighted average price of the common shares of the Company on the date PRRF elects to convert by the percentage interest of the overall equity value of the Company represented by 100% of Newco (and thereby the Property), and further multiplied by the percentage interest held by PRRF in Newco, all divided by the greater of the 30 day volume average price of the common shares of the Company on the TSX-V or \$0.60.

The Company and PRRF will enter into a shareholders' agreement in respect of Newco which will permit Bayswater to contribute additional amounts to Newco in order to achieve a 50% ownership interest. In addition, the parties have agreed to appoint Bayswater as the initial project manager. If the shareholder approval for PRRF to become a control person of the company is not obtained, PRRF will have a call right to purchase all of Bayswater's shares in Newco.

The Company shall have a right of first offer to repurchase or arrange for the purchase of securities of the Company invested by PRRF in Units pursuant to the first tranche described above such that in the event that PRRF wishes to dispose of more than 1,000,000 common shares of the Company in any 30 day period, it shall notify the Company which shall have five business days to arrange for a purchase.

PRRF shall have the right to participate in any future equity financings of the Company on a pro rata basis based on its ownership of shares, on a fully diluted basis, for so long as it holds common shares or securities of Newco as would represent at least 10% of the Company's shares.

The Company intends to seek shareholder approval for PRRF to become a control person of the Company on conversion of its equity interest in Newco at its next annual general meeting, expected to occur in July 2010.

The Company will pay to Pacific Road Capital Management Pty Ltd. ("PRCM"), which manages and advises PRRF, an establishment fee in the amount 3.5% of the gross proceeds of all funds contributed by PRRF payable in cash on closing.

On closing, PRRF shall be entitled to nominate one member to the Company's board and following conversion of all or part of PRRF's investment in Newco into shares, such number of directors as equates to its percentage interest in the Company, to a maximum of three directors out of a total of six.

#### *About PRRF*

The Pacific Road Resources Funds are private equity funds investing in the global mining industry. PRRF provides expansion and buyout capital for mining projects, mining-related infrastructure and mining services businesses located throughout resource-rich regions of the world. The PRCM team, located in Sydney, Australia and San Francisco and New York, USA, is comprised of experienced investment professionals that have extensive knowledge and experience in the mining and infrastructure sectors, including considerable operating, project development, transactional and investment banking experience. For further information about PRRF and PRCM, please go to their website at [www.pacroad.com.au](http://www.pacroad.com.au).

#### *M Partners Financing and PRRF Offering*

Additionally, Bayswater has engaged M Partners as agent for a brokered private placement on a best efforts basis, of up to 8,181,818 units (the "Units") of the Company at a price of \$0.55 per Unit to raise gross proceeds of up to \$4,500,000 (the "Unit Offering" and collectively with the PRRF Offering, the "Offering").

Each Unit issued pursuant to the Offering shall consist of one common share and one half of one transferable common share purchase warrant (each whole such purchase warrant, a "Warrant"). Each Warrant will be



exercisable into one additional common share at an exercise price of \$0.75 per common share for a period of 24 months from closing.

The Company has also granted to M Partners an option to cover over allotments which will allow M Partners to offer up to 1,227,272 additional Units (the “Over-allotment Option”).

M Partners will receive a cash commission of 7.0% of the gross proceeds of the Unit Offering, including any Units issued or sold pursuant to the exercise of the Over-Allotment Option, and the Agent may elect to receive some or all of this commission in Units. M Partners will also receive agent’s warrants (the “Agents Warrants”) equal to 7% of the number of Units placed by M Partners under the Unit Offering, including any Units issued or sold pursuant to the exercise of the Over-Allotment Option. Each Agents Warrant is exercisable into one Unit at an exercise price of \$0.55 for a period of 24 months from closing.

Ricardo Campoy’s engagement as financial advisor to the Company has been renewed. Mr. Campoy will receive a cash commission of 5.0% of the PRRF Offering and investment in Newco.

Completion of the PRRF Offering and the Unit Offering is subject to, among other things, the approval of the TSX-V and receipt of all other required regulatory approvals, execution of definitive documentation, satisfactory completion of ongoing due diligence and requisite board approvals. As stated above, net proceeds of the Offering and investment in Newco by PRRF will be used to complete the acquisition of the Property as well as to fund exploration on the Property and for general working capital purposes.

Please see the Company’s news releases dated August 24, 2009, September 18, 2009, October 5<sup>th</sup>, 20<sup>th</sup>, and 22<sup>nd</sup>, 2009, December 8<sup>th</sup> and 29<sup>th</sup>, 2009, and January 7, 2010, for additional information concerning the Property and the related transactions. Bayswater has until April 6, 2010 to complete the transaction on the Property.

### **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 “BYU”. For further information visit [www.bayswateruranium.com](http://www.bayswateruranium.com).

On behalf of the Board of:

### **BAYSWATER URANIUM CORPORATION**

George M. Leary  
President

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*Statements in this news 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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