

**EARLY WARNING REPORT
FILED UNDER NATIONAL INSTRUMENT 62-103**

1. **Name and address of the offeror.**

Pacific Road Resources Fund A
Level 23, Gold Fields House
1 Alfred Street
Sydney, NSW 2000
Australia

Pacific Road Resources Fund B
Level 23, Gold Fields House
1 Alfred Street
Sydney, NSW 2000
Australia

Pacific Road Holdings NV
Avenue Louise 331-333
1050 Brussels
Belgium

Pacific Road Resources Fund A, Pacific Road Resources Fund B and Pacific Road Holdings NV are hereinafter referred to collectively as the “**Offeror**”.

2. **The designation and number or principal amount of securities and the offeror’s securityholding percentage in the class of securities of which the offeror acquired ownership or control in the transaction or occurrence giving rise to the obligation to file the news release, and whether it was ownership or control that was acquired in those circumstances.**

On January 31, 2012, the Offeror completed a subsequent USD\$8,000,000 investment in Reno Creek Holdings Inc. (“**Newco**”), which indirectly owns the Reno Creek uranium project. As a result of the investment, the Offeror now owns approximately 87% of Newco, with the balance being owned by Bayswater Uranium Corporation (the “**Company**”). As a result of the Offeror’s funding of the operating budgets for Newco, the maximum ownership interested that the Company can earn in Newco has been reduced to approximately 13%.

No shares of the Company were acquired in the transaction.

Pursuant to the definitive investment agreement dated April 7, 2010 between the Company, its subsidiary, Bayswater Holdings Inc. (“**BHI**”), and the Offeror, as amended (the “**Investment Agreement**”), the Offeror is entitled to exchange its shares in Newco for common shares of the Company within six months following the later 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 closing, which occurred on April 7, 2010. The Newco shares will be exchangeable, at PRRF’s election, either:

- (a) (i) as to the Offeror’s USD\$20,000,000 initial capital contributions into Newco at closing, at a price of \$0.60 per share; (ii) as to subsequent the Offeror contributions into Newco prior to such time as the Offeror 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 the Offeror contributions into Newco following the date on which the Company and the Offeror 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 the Offeror 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 the Offeror 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

As the number of shares of the Company issuable to the Offeror is contingent, in part, upon future values and share prices and the Offeror has not made any decision to convert, the number of such shares which the Offeror may acquire should it exercise its exchange rights, cannot be determined at this time. However, assuming exchange of the Offeror's investment in Newco on the basis of alternative (a) above, the Offeror would be entitled to receive in respect of the Newco common shares acquired on January 31, 2012, approximately 35,120,489 Company common shares (based on a conversion rate of \$0.99483 for USD\$1.00, being the Bank of Canada noon-day rate on January 31, 2012). In addition, the Offeror would be entitled to receive 44,791,792 Company common shares in respect of its initial \$20 million investment in Newco completed in April 2010 and subsequent USD\$7,000,000 investment completed in March 2011, based on alternative (a) above and the Bank of Canada noon-day rate on the applicable investment date.

3. **The designation and number or principal amount of securities and the offeror's securityholding percentage in the class of securities immediately after the transaction or occurrence giving rise to the obligation to file a news release.**

After giving effect to the subscription and including the initial subscription of USD\$20,000,000 and the subsequent investment of USD\$7,000,000 completed in 2011, and assuming full exchange of the Offeror's Newco common shares on the basis of alternative (a), the Offeror would hold approximately 79,912,281 common shares in the Company or approximately 74.8% of the common shares on a fully-diluted basis (based on conversion rates, being the Bank of Canada noon-day rate, on the applicable investment dates).

4. **The designation and number or principal amount of securities and the percentage of outstanding securities of the class of securities referred to in paragraph 3 over which:**

- (i) **the offeror, either alone or together with joint actors, has ownership and control,**

See paragraph 2 above.

- (ii) **the offeror, either alone or together with joint actors, has ownership but control is held by other persons or companies other than the offeror or any joint actor,**

Not applicable.

- (iii) **the offeror, either alone or together with joint actors, has exclusive or shared control but does not have ownership.**

Not applicable.

5. **The name of the market in which the transaction or occurrence that gave rise to the news release took place.**

Not applicable.

6. **The value, in Canadian dollars, of any consideration offered per security if the offeror acquired ownership of a security in the transaction or occurrence giving rise to the obligation to file a news release.**

The Offeror is unable to determine the exact amount per security as it is dependent on the exchange of Newco shares into Company common shares pursuant to the formula identified above.

7. **The purpose of the offeror and any joint actors in effecting the transaction or occurrence that gave rise to the news release, including any future intention to acquire ownership of, or control over, additional securities of the reporting issuer.**

The Offeror purchased the Newco common shares for investment purposes and may or may not exchange its Newco common shares for Company common shares and may or may not purchase or sell securities of the Company in the future on the open market or in private transactions, depending on market conditions and other factors.

8. **The general nature and the material terms of any agreement, other than lending arrangements, with respect to securities of the reporting issuer, entered into by the offeror, or any joint actor, and the issuer of the securities or any other entity in connection with the transaction or occurrence giving rise to the news release, including agreements with respect to the acquisition, holding, disposition or voting of any securities.**

The Newco common shares have been acquired pursuant to the Investment Agreement, which provides the Offeror with the right to exchange its Newco common shares into Company common shares.

Pursuant to, and subject to compliance with the terms of, the shareholders agreement between PRRF, the Company, the Company's wholly-owned subsidiary, Bayswater Holdings Inc., Newco, and AUC LLC (the operator of the Reno Creek project) dated April 7, 2010, the majority shareholder has the right to require the other shareholder to sell its shares to a third party purchaser if the majority shareholder has determined to sell its shares.

9. **The names of any joint actors in connection with the disclosure required by this form.**

Pacific Road Resources Fund A
Pacific Road Resources Fund B
Pacific Road Holdings NV

10. **In the case of a transaction or occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, the nature and value in Canadian dollars of the consideration paid by the offeror.**

\$7,958,615 (based on a conversion rate of \$0.99483 for USD\$1.00, being the Bank of Canada noon-day rate on January 31, 2012).

11. **If applicable, a description of any change in any material fact set out in a previous report by the entity under the early warning requirements or Part 4 of National Instrument 62-103 in respect of the reporting issuer's securities.**

Not applicable.

12. **If applicable, a description of the exemption from securities legislation being relied on by the offeror and the facts supporting that reliance.**

The Offeror is relying on section 2.10 of National Instrument 45-106 – *Prospectus and Registration Exemptions*, being that each of the three purchasers comprising the Offeror is purchasing more than \$150,000 worth of Newco common shares.

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DATED February 2, 2012

PACIFIC ROAD RESOURCES FUND A

By: *“Paul Espie”*

Name: Paul Espie

Title: Director

PACIFIC ROAD RESOURCES FUND B

By: *“Louis Rozman”*

Name: Louis Rozman

Title: Director

PACIFIC ROAD HOLDINGS NV

By: *“Ann Lavrysen”*

Name: Ann Lavrysen

Title: Director