

Bayswater Affiliate AUC LLC Files Application for Source Material License with Nuclear Regulatory Commission for Reno Creek Uranium Project, Wyoming

AUC Achieves Major Milestone in Reno Creek's Development Plan

Vancouver, BC, October 18, 2012 – Bayswater Uranium Corporation (TSX-V: [BYU](#)), (OTC: [BYSWF](#)) is pleased to report that AUC LLC (“AUC”) has filed its application with the U.S. Nuclear Regulatory Commission (NRC) for a combined Source and 11e.(2) Byproduct Materials License for the Reno Creek Project, located in the Powder River Basin of Wyoming. This is a major milestone in AUC’s ongoing effort to bring the Reno Creek Project into production, and the culmination of nearly two years of intensive environmental baseline study and evaluation.

The application demonstrates that the Reno Creek Project can be constructed and operated with minimal environmental effects, while directly employing up to 65 local Wyoming residents. The Reno Creek Project occurs 90% on private property and 10% on State land, with no BLM lands. No Threatened or Endangered Species are present, and the site is more than 20 miles from any Sage Grouse Core Area. The Production Zone sandstone is geologically confined across the entire project. Project logistics are ideal, with the Project located near all-weather public roads, high voltage power lines, and natural gas. The Plant Site will be located on land owned by AUC.

NRC is initiating its process to evaluate the application for completeness, and then conduct a technical and environmental review. NRC will prepare a Safety Evaluation Report and a Site Specific Environmental Impact Statement during the License issuance process.

In order to optimize the efficiency of the review process, AUC had previously arranged for NRC to conduct a pre-submission field investigation and an audit of AUC’s draft application. AUC incorporated in its final application responses to all of NRC’s comments and questions. In addition, AUC reviewed and incorporated in its application all of the most effective “best practices” that other ISR uranium companies had implemented in their applications.

AUC is now preparing the formal application for a Permit to Mine, to be submitted soon to the Wyoming Department of Environmental Quality.

AUC anticipates that it will commence production in 2015, as previously reported.

Bayswater and Pacific Road Resources Funds (“PRRF”) are developing the Reno Creek Uranium Project through Reno Creek Holdings Inc. (“RCHI”), which owns 100% of the Project through RCHI’s wholly owned subsidiary AUC. Bayswater currently owns a 13.47% interest in RCHI. PRRF is entitled to convert its investment in RCHI into common shares of Bayswater at any time up to six months following the later of completion of a feasibility study or receipt of all requisite mining permits, but in any event PRRF shall convert its investment not later than April 7, 2015, provided certain conditions are met. Upon conversion of PRRF’s investment, Bayswater will own a 100% interest in RCHI which holds the Reno Creek property.

The Company’s exploration activities are conducted under the supervision of George M. Leary, M.Sc. P. Eng. (B.C.), President of the Company, and Victor Tanaka, B.Sc. P.Geo. (B.C.), Executive VP and 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

Bayswater Uranium Corporation is a uranium exploration and development company. The Company owns advanced uranium properties in Wyoming and Montana with significant NI 43-101 compliant and historical resources that may be amenable to in-situ-recovery (ISR) mining. The Company's focus is to develop the Reno Creek Project in Wyoming to production in the shortest time frame possible. Bayswater also owns other strategic uranium properties in Canada, with drill targets in the Athabasca Basin, the Central Mineral Belt, and the Thelon Basin. Bayswater's vision is to build a producing uranium company with a portfolio of development projects. Shares of the Company are listed on the TSX Venture Exchange under the symbol "[BYU](#)". For further information visit www.bayswateruranium.com.

About Pacific Road Resources Funds and Pacific Road Capital Management Pty Limited

The Pacific Road Resources Funds are private equity funds investing in the global mining industry. They provide expansion and buyout capital for mining projects, mining related infrastructure and mining services businesses located throughout resource-rich regions of the world. The Pacific Road Resources Funds are managed and advised by Pacific Road Capital Management Pty Ltd ("PRCM"). The PRCM team, located in Sydney, Australia, San Francisco and New York, USA, is comprised of experienced mining 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 on the Pacific Road Resources Funds and PRCM, please go to their website at www.pacroad.com.au.

On behalf of the Board of:

BAYSWATER URANIUM CORPORATION

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