

Form 51-102F3
MATERIAL CHANGE REPORT

Section 7.1 of National Instrument 51-102
Continuous Disclosure Obligations

1. Name and Address of Company

Bayswater Uranium Corporation
1111 Melville Street, Suite 1100
Vancouver, BC V6E 3V6

2. Date of Material Changes

December 18, 2012.

3. News Release

The news release dated December 18, 2012 was filed with the TSX Venture Exchange and the British Columbia and Alberta Securities Commissions via SEDAR and disseminated through Canada Stockwatch and Market News.

4. Summary of Material Change

Vancouver, BC, December 18, 2012 — Bayswater Uranium Corporation (TSX-V: [BYU](#)), (OTC: [BYSWF](#)) is pleased to report that AUC LLC (“AUC”), an associate that holds the Reno Creek properties and is the operator of the Reno Creek Uranium Project, has been advised by the Water Quality Division of the Wyoming Department of Environmental Quality (WDEQ) that the Division has issued a Draft Underground Injection Control (UIC) Permit. The draft Permit was issued on November 21, 2012, for public comment, including input from the U.S. Environmental Protection Agency (EPA), under Chapter 13 of the Wyoming Water Quality Rules and Regulations

5. Full Description of Material Change

See attached News Release.

6. Reliance on Section 7.1(2) or (3) of National Instrument 51-102

Not applicable.

7. Omitted Information

Not applicable.

8. Executive Officer

Victor Tanaka, President
Tel: (604) 687-2153

9. Date of Report

December 19, 2012

Bayswater Associate AUC LLC Receives Draft Deep Disposal Well Permit for Reno Creek Uranium Project, Wyoming

Vancouver, BC, December 18, 2012 – Bayswater Uranium Corporation (TSX-V: [BYU](#)), (OTC: [BYSWE](#)) is pleased to report that AUC LLC (“AUC”), an associate that holds the Reno Creek properties and is the operator of the Reno Creek Uranium Project, has been advised by the Water Quality Division of the Wyoming Department of Environmental Quality (WDEQ) that the Division has issued a Draft Underground Injection Control (UIC) Permit. The draft Permit was issued on November 21, 2012, for public comment, including input from the U.S. Environmental Protection Agency (EPA), under Chapter 13 of the Wyoming Water Quality Rules and Regulations.

The issuance is another significant step forward in AUC’s ongoing effort to obtain the full range of permits and licenses to construct and operate a uranium *in situ recovery* (ISR) production facility at the Reno Creek Project, located 40 miles south of Gillette, Wyoming.

The 30 day public comment period is scheduled to end December 20, 2012. The EPA Region VIII office in Denver, CO, is now in process of reviewing the draft Permit. The WDEQ has requested that EPA provide its response within 45 days of the issuance of the Draft Permit, which would be January 10, 2013.

Issuance of the final Permit would grant AUC the right to drill, test, and operate up to four deep disposal wells, which will receive waste water generated at the Reno Creek project. The Proposed Reno Creek Project will generate a small quantity of non-hazardous waste water during its ISR operations, including from ground water restoration. AUC proposes to dispose the water in up to four Class I deep disposal wells, which is the standard method used by ISR operators in Wyoming. The Draft Permit provides for the disposal of waste water into the Teapot/Parkman Formations lying approximately 7500 to 8400 feet below surface. Ground water in the Teapot/Parkman Formations currently is brackish to saline, potentially exceeding 10,000 ppm of Total Dissolved Solids. The WDEQ notes that the groundwater is Class VI (Unusable/Unsuitable) for use other than industrial, in accordance with State Water Quality Regulations. The State also notes that there are no potential underground sources of drinking water (USDWs) below the discharge zone.

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 has 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 Victor Tanaka, B.Sc. P.Geo. (B.C.), the President and Chief Executive Officer of the Company. Mr. Tanaka is a Qualified Person under NI 43-101, and 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 the United States with NI 43-101 compliant and historical resources that may be amenable to ISR and/or conventional mining. The Company’s focus is to develop the Reno Creek Project in Wyoming to production in the shortest time frame possible. Bayswater owns other uranium interests in Wyoming

and Canada. 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

Victor Tanaka
President

For further information contact:

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Manager, Investor Relations
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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. Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.