

## NEWS RELEASE

### **PACIFIC ROAD RESOURCES FUNDS ANNOUNCE SUBSEQUENT INVESTMENT IN RENO CREEK PROJECT**

---

---

**August 28, 2013** - Vancouver, British Columbia - The Pacific Road Resources Funds (“**PRRF**”) are pleased to announce that they have completed an additional USD\$3,000,000 investment in Reno Creek Holdings Inc. (“**Newco**”), which indirectly owns the Reno Creek uranium project and have also received Newco common shares in satisfaction of a USD\$105,000 fee owing to PRRF. As a result of the investment, PRRF now owns approximately 88.91% of Newco, with the balance being owned by Bayswater Uranium Corporation (the “**Company**”). As a result of PRRF’s funding of the operating budgets for Newco, the Company’s maximum ownership interest in Newco has been reduced to approximately 11.09%.

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 PRRF, as amended (the “**Investment Agreement**”), PRRF 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, provided certain conditions are met. The Newco shares will be exchangeable, at PRRF’s election, 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 the 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.

As the number of shares of the Company issuable to PRRF is contingent, in part, upon future values and share prices and PRRF has not made any decision to convert, the number of such shares which PRRF may acquire should it exercise its exchange rights, cannot be determined at

this time. However, assuming exchange of PRRF's investment in Newco on the basis of alternative (a) above, PRRF would be entitled to receive in respect of the Newco common shares acquired on August 27, 2013, approximately 51,673,797 Company common shares (based on a conversion rate of \$1.0503 for USD\$1.00, being the Bank of Canada noon-day rate on August 27, 2013). In addition, PRRF would be entitled to receive 153,305,627 Company common shares in respect of its prior investments in Newco, based on alternative (a) above and the Bank of Canada noon-day rate on the applicable investment date.

As a result, assuming exchange alternative (a) above, after giving effect to PRRF's investments, PRRF would hold approximately 204,979,424 common shares in the Company or approximately 88.3% 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).

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.

PRRF purchased the Newco common shares for investment purposes and may or may not: (i) purchase or sell Newco common shares or other securities of Newco or its subsidiaries (which may include coordinating a sale of all of the shares of Newco or a subsidiary thereof pursuant to its contractual rights), (ii) exchange its Newco common shares for Company common shares, and/or (iii) 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.

A copy of the early warning report filed in connection with the investment is available on the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) or may be obtained by contacting Greg Dick at +61 2 9241 1000.

### **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 or advised by Pacific Road Capital Management Pty Ltd ("PRCM"). The PRCM team, located in Sydney, Australia, San Francisco, New York, USA, and Vancouver, Canada, 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](http://www.pacroad.com.au).