

**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

May 26, 2014.

3. News Release

The news release dated May 26, 2014 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

Bayswater Uranium Corporation (TSX-V: [BYU](#)), (OTC:[BYSWF](#)) is pleased to report the receipt of a new independent Preliminary Feasibility Study (PFS) for the Reno Creek ISR Uranium Project located in the Powder River Basin of Wyoming (Project). The new PFS was prepared for AUC LLC (AUC), the operator of the project, by TREC, Inc. and Tetra Tech and incorporated Measured and Indicated resources of 21.87 million pounds uranium “(U₃O₈)” estimated by Behre Dolbear in AUC’s November 30, 2012 technical report. The new PFS evaluates the technical and economic feasibility of the Project, based on reserves estimated by Tetra Tech. Using the current scientific and engineering information available, the results of the PFS demonstrate both the technical and economic feasibility of the Project.

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

May 26, 2014

Bayswater Receives New Preliminary Feasibility Study for Reno Creek Project

Vancouver, BC, May 26, 2014 – Bayswater Uranium Corporation (TSX-V: [BYU](#)), (OTC:[BYSWF](#)) is pleased to report the receipt of a new independent Preliminary Feasibility Study (PFS) for the Reno Creek ISR Uranium Project located in the Powder River Basin of Wyoming (Project). The new PFS was prepared for AUC LLC (AUC), the operator of the project, by TREC, Inc. and Tetra Tech and incorporated Measured and Indicated resources of 21.87 million pounds uranium “(U₃O₈)” estimated by Behre Dolbear in AUC’s November 30, 2012 technical report. The new PFS evaluates the technical and economic feasibility of the Project, based on reserves estimated by Tetra Tech. Using the current scientific and engineering information available, the results of the PFS demonstrate both the technical and economic feasibility of the Project.

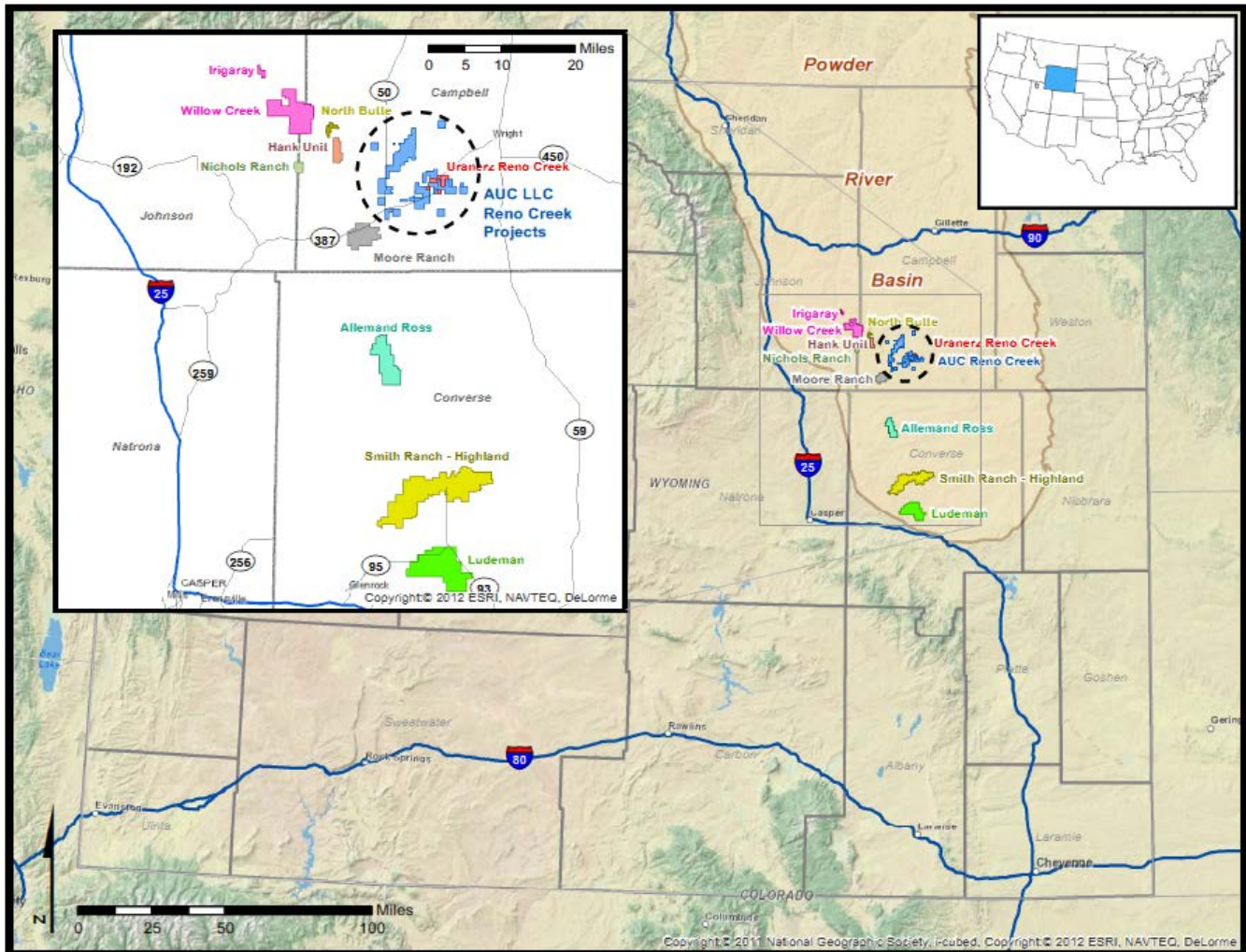
Key Highlights of the Preliminary Feasibility Study:

- **Measured and Indicated Resources of 21.87 million pounds U₃O₈ at 0.30 %-ft GT cutoff**
- **20.12 million pounds of Probable Reserves as U₃O₈**
- **Recoverable Uranium of 14.94 million pounds U₃O₈**
- **Production Designed for 1.5 million pounds U₃O₈ per year**
- **Initial Capital Cost: US\$78.4 million**
- **Cash Operating Costs: US\$18.84 per pound U₃O₈**
- **Total Project Costs (pre-tax): US\$33.87 per pound U₃O₈**
- **Life of Mine After-Tax Earnings (undiscounted): US\$359.8 million**
- **NPV_{8%} of US\$150 million (after-tax), IRR 32.2% (after tax), Payback 3.2 Years**

Project Overview

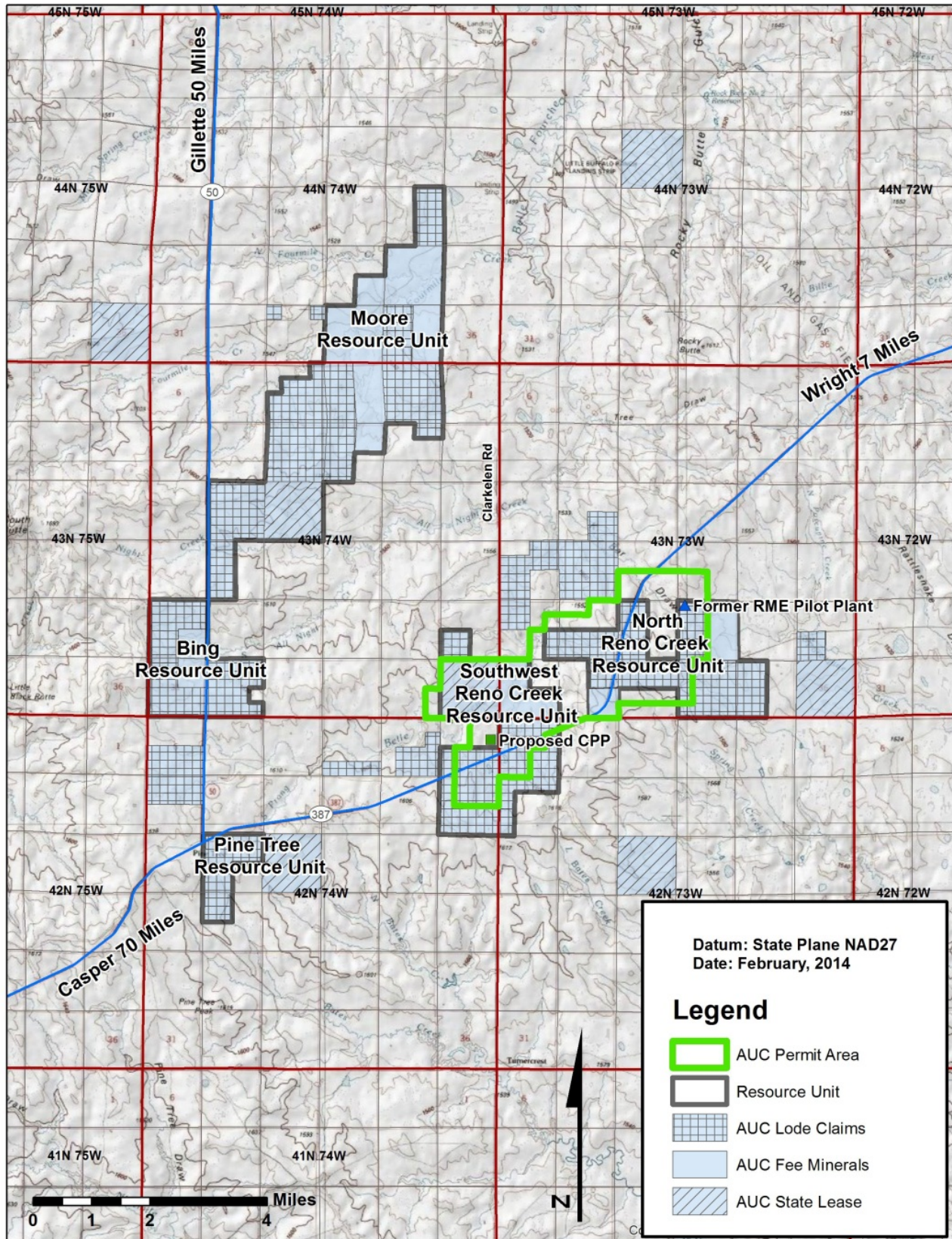
The Reno Creek Project includes approximately 21,000 acres located in the Powder River Basin of northeastern Wyoming, USA, a well-established, ISR uranium mining district. Uranium ISR projects in or near the Powder River Basin include Uranium One’s operating Willow Creek facility, Cameco Corporation’s operating Smith Ranch-Highland facilities, Cameco’s operating North Butte satellite facility, Uranerz Energy Corporation’s operating Nichols Ranch/Hank satellite facility, and Uranium One’s Moore Ranch Project which is permitted but not yet under construction. Uranium One’s Allemand Ross and Ludeman projects are in the permitting process (Figure 1).

Figure 1: Reno Creek Project Location Map



The Reno Creek Project defines five Resource Units (Figure 2). The North and Southwest Reno Creek Units will be operated as a single unit (the Reno Creek Resource Unit). The proposed Central Processing Plant (CPP) is to be located within the Reno Creek Resource Unit near the intersection of State Highway 287 and the Clarkelen Rd. The Moore and Bing Resource Units contain roll-front uranium mineralization in the same and contiguous stratigraphic horizons as the Reno Creek Resource Unit. The Pine Tree Resource Unit contains mineralization in the same stratigraphic horizons as the Reno Creek Unit plus a slightly higher stratigraphic unit. Estimated resources for the Pine Tree Unit were not included in the reserves estimate for the Reno Creek Project provided for in the PFS.

Figure 2: Reno Creek Project Resource Units



An NI 43-101 compliant mineral resource estimate was prepared for the Reno Creek Project in November, 2012, by Behre Dolbear as shown in Table 1 and the results were used in the development of this PFS.

Table 1: Measured and Indicated Resources for Reno Creek at 0.30 %-ft GT Cutoff

RESOURCE	Pounds U ₃ O ₈ at a GT ¹ ≥0.30 %-ft (millions)						
	CLASS	Resource Unit					
		North Reno Creek	SW Reno Creek	Moore	Bing	Pine Tree	Total
	Measured	2.96	3.32	1.56	0.21	0.32	8.37
	Indicated	5.13	3.55	2.97	0.72	1.13	13.50
	Measured + Indicated	8.09	6.87	4.53	0.93	1.45	21.87

The Technical Report estimated current in place “measured and indicated” resources of 20.9 million tons at an average grade of 0.052% U₃O₈ containing 21.87 million pounds of uranium. In addition, the report estimated an “Inferred” resource of 1.6 million tons at an average grade of 0.050% U₃O₈, containing 1.6 million pounds of uranium.

As part of the PFS, Tetra Tech estimated a total of 20.1 million pounds of probable reserves, after excluding the Pine Tree Project area, resources above water table, and resources lying outside of proposed Production Units, as shown in Table 2, below. No proven reserves are reported.

Table 2: Estimated Probable In-Situ Reserves for Reno Creek

RESERVES ^{1,2}	Contained Pounds U ₃ O ₈ at a GT ¹ ≥0.30%-ft Cutoff (millions)						
	CLASS	Probable Reserves					
		Resource Unit					
		North Reno Creek	SW Reno Creek	Moore	Bing	Pine Tree	Total
	Probable	7.99	6.81	4.41	0.91	0.00	20.12

1. GT = Grade x Thickness in %-feet
2. Resources adjusted to exclude the Pine Tree Project, uranium below water table, and outside of proposed Production Units.

Tetra Tech estimated that 14.94 million pounds of uranium (as U₃O₈) can be recovered at the Reno Creek Project, as a result of the application of a recovery factor of 74.25% (Sweep efficiency of 75% x Solution Recovery in the plant of 99%) to the probable reserves.

The Reno Creek, Moore, Pine Tree, and Bing resource units all contain additional prospective areas along and adjacent to the strike of recognized roll fronts. The PFS recommends additional drilling in these areas to increase defined resources and reserves.

Project Development Plans

The Reno Creek Project consists of the proposed development of a commercial uranium in-situ recovery (ISR) and processing operation. Development of the Project will be by conventional ISR processes to recover uranium from the host sandstone to produce uranium as a U₃O₈ yellowcake product. The yellowcake will be packaged in 55 gallon drums and further processed at a licensed conversion facility. The Project is designed to produce up to

1.5 million pounds per year of uranium as U_3O_8 from 16 production units and a Central Processing Plant (CPP) over the 12 years of production.

The CPP will include ion exchange, elution, precipitation, yellowcake drying and packaging operations. Groundwater restoration and reclamation/decommissioning operations are also part of the integrated development and closure plan in the PFS. The CPP is designed to allow the acceptance of lixiviant or resin from other nearby sources. The CPP will be located in the southwestern part of the Reno Creek Project on land owned by AUC. The first production units will be developed in the Reno Creek Resource Unit, which is currently being permitted; development of the Moore, Pine Tree, and Bing Resource Units will follow. All of the production units will be connected to the CPP via pipelines. No satellite recovery units are contemplated.

Summary of Project Economics

The PFS concludes the proposed Reno Creek Project is technically and economically feasible selling 14.94 million pounds of U_3O_8 at an average price of US\$65 per pound. The Net Present Value (NPV) for the Project, using a discount rate of 8%, is estimated to be approximately US\$150 million after-tax, and the Internal Rate of Return (IRR) is estimated to be 32.2% after-tax. Payback is projected to occur in the first quarter of the third year of production with net after-tax earnings (undiscounted) of US\$359.8 million over the life of the mine.

Total initial project capital costs are estimated at US\$78.4 million including the CPP (US\$44 million), the first production unit (US\$19.3 million) which consists of six wellfield/header houses and approximately 480 production wells and 40 monitor wells, and indirect costs of US\$15.1 million. Cash operating costs, including production, groundwater restoration, site decommissioning, reclamation, administrative costs, royalties and production taxes are estimated at US\$18.84 per pound U_3O_8 . Total project costs, including cash operating costs, subsequent wellfield development/installation costs plus initial and subsequent capital, are estimated at US\$33.87 per pound U_3O_8 . A uranium price projection of US\$65 per pound for long term contracts is based on a wide variety of industry sources. A summary of key project economics are shown in Table 3.

Table 3: Summary of Key Project Economics

Item	Total (US\$m)	US\$/pound U_3O_8 Recovered
Revenue	971.2	65.00
Cash Operating Costs (LOM)	281.5	18.84
Initial Project Capital Costs	78.4	
Total Project Costs (LOM)	506	33.87
Net Cash Flow Undiscounted (After-Tax)	360	24.09
NPV _{8%} (After-Tax)	150	
IRR (After-Tax)	32.2%	

The PFS titled “*Reno Creek Preliminary Feasibility Study Wyoming, USA*” was prepared by TREC and Tetra Tech; they are responsible for the PFS, and have reviewed and approved the content of this release. The PFS will be available on the Company’s profile on SEDAR (www.sedar.com).

Permits Update

AUC is well into the permitting and licensing process. The Permit to Mine from the Wyoming Department of Environmental Quality is nearing its public comment period. The Nuclear Regulatory Commission is in the process of preparing a Draft Supplemental Environmental Impact Statement (EIS) and a draft Safety Evaluation Report, and has indicated that it intends to issue the draft reports later in 2014 towards issuance of a Source Materials License. The National Historic Preservation Act Section 106 Tribal consultation is in process.

BYU Tax Statement

The Company provides the following additional information concerning the impact of taxes upon the Company in relation to the Project. Section 22.3 of the PFS provides a discussion of the impact of Wyoming state and local taxes, other fees, and US Federal income taxes on AUC, but as the report was prepared for AUC, the PFS does not provide further analysis on the impact of taxes on BYU as a shareholder. It is anticipated that distributions by AUC of its after-tax income to its shareholders as dividends will be pro rata in accordance with their respective ownership interests therein, of which the Company currently owns an 11.09% interest. The Company is expected to receive such distribution on a tax free basis.

Project Ownership

Bayswater currently holds an approximate 11.09% indirect interest in the Reno Creek Uranium Project (“Project”). The balance, 88.91%, is held by Pacific Road Resources Funds (“PRRF”). The Project is operated by AUC, and indirect wholly owned subsidiary of Reno Creek Holdings Inc. (RCHI). PRRF has the right 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 not later than April 7, 2015, provided certain conditions are met. In the event of conversion, PRRF’s investment in RCHI would be converted into common shares of Bayswater pursuant to prescribed formulas as previously described in the Company’s news release dated March 3, 2010. In the event of any such conversion Bayswater would own a 100% effective interest in the Reno Creek property.

Qualified Person

Dr. Rex Bryan, Mr. Alva Kuestermeyer and Dr. David Richers of Tetra Tech and Mr. Douglass Graves of TREC, Qualified Persons under NI 43-101, have reviewed the contents of this news release.

About Bayswater Uranium Corporation

Bayswater Uranium Corporation is a uranium exploration and development company. Bayswater’s focus is the Reno Creek ISR uranium development project in Wyoming in which the Company currently owns approximately a 11% interest. Shares of the Company are listed on the TSX Venture Exchange under the symbol “[BYU](#)”. For further information see the Company’s profile on SEDAR (www.sedar.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, 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.

On behalf of the Board of:

BAYSWATER URANIUM CORPORATION

Victor Tanaka
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, including statements with respect to the future price of uranium, the estimation of mineral resources, production and recovery, the realization of mineral resources, the timing and amount of future production, expected costs (both capital and operating), the success of exploration, development and mining activities and permitting timelines. 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.