Form 51-102F3

Material Change Report

Item 1 Name and Address of Company

Pathfinder Resources Ltd.
Suite 510, 510 Burrard Street
Vancouver, B.C.
V6C 3A8

Item 2 Date of Material Change

State the date of the material change. July 12, 2006

Item 3 News Release

State the date and method(s) of dissemination of the news release issued under section 7.1 of National Instrument 51–102.

July 12, 2006
Stockwatch
SEDAR

Item 4 Summary of Material Change

Provide a brief but accurate summary of the nature and substance of the material change.

Pathfinder Resources Ltd. (PHR-TSX Venture), along with Bayswater Ventures Corp. (BVE-TSX Venture), announce that the Companies have executed a definitive Arrangement Agreement to merge, as announced April 19, 2006. The merger will be complete following receipt of shareholder approval at the Special Meetings of shareholders on August 8, 2006 and approval of the Arrangement by the British Columbia Supreme Court. The two companies will amalgamate into a new company to be named "Bayswater Uranium Corporation". The new company will be a well-positioned small-cap uranium explorer.

Item 5 Full Description of Material Change

Supplement the summary required under Item 4 with sufficient disclosure to enable a reader to appreciate the significance and impact of the material change without having to refer to other material. Management is in the best position to determine what facts are significant and must disclose those facts in a meaningful manner. See also Item 7.

Some examples of significant facts relating to the material change include: dates, parties, terms and conditions, description of any assets, liabilities or capital affected, purpose, financial or dollar values, reasons for the change, and a general comment on the probable impact on the issuer or its subsidiaries. Specific financial forecasts would not normally be required.

Other additional disclosure may be appropriate depending on the particular situation.

Reference is made to Item 4 above and to the Company's News Release #06-15, a copy of which is attached hereto as Schedule "A".

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

If this Report is being filed on a confidential basis in reliance on subsection 7.1(2) or (3) of National Instrument 51-102, state the reasons for such reliance.

Not applicable.

Item 7 Omitted Information

State whether any information has been omitted on the basis that it is confidential information.

In a separate letter to the applicable regulator or securities regulatory authority marked "Confidential" provide the reasons for your company's omission of confidential significant facts in the Report in sufficient detail to permit the applicable regulator or securities regulatory authority to determine whether to exercise its discretion to allow the omission of these significant facts.

There is no material information which has been omitted from the report.

Item 8 Executive Officer

Give the name and business telephone number of an executive officer of your company who is knowledgeable about the material change and the Report, or the name of an officer through whom such executive officer may be contacted.

Contact: Victor A. Tanaka
President
(604) 687-2153

Item 9 Date of Report

DATED at the City of Vancouver, in the Province of British Columbia, this 13th day of July 2006.

cc: TSX Venture Exchange
Alberta Securities Commission
B.C. Securities Commission

SCHEDULE A

BAYSWATER VENTURES CORP.

NR #06-15

NEWS RELEASE

BAYSWATER AND PATHFINDER EXECUTE MERGER AGREEMENT

Vancouver, BC, July 12, 2006 - Bayswater Ventures Corp. (TSX-V: BVE) and **Pathfinder Resources Ltd.** (TSX-V: PHR) are pleased to announce that the Companies have executed a definitive Arrangement Agreement to merge as announced April 19, 2006. The merger will amalgamate Bayswater and Pathfinder into a new company to be named “Bayswater Uranium Corporation” pursuant to a plan of arrangement under the *Business Corporations Act* (British Columbia) (the "Arrangement").

The Companies anticipate the Arrangement will be completed following receipt of shareholder approval at the Special Meetings of shareholders of each Company scheduled for August 8, 2006 and approval of the Arrangement by the British Columbia Supreme Court as required by the terms of the Arrangement. At the meetings, shareholders will be asked to approve the terms of the Arrangement described in the Joint Information Circular being mailed to shareholders this week.

The new company will be a well-positioned small-cap uranium explorer with the following assets and attributes:

1) A dominant land holder in three of the most prospective and underexplored uranium exploration and development areas in the world – Central Mineral Belt, Labrador, Canada; Thelon Basin, NWT/NU, Canada; and Niger, West Africa;
2) Able to create value for shareholders through the combined abilities of the management team that has a successful track record in the natural resource business including uranium exploration, raising capital and creation of significant shareholder value; and
3) Attractive to institutional investors by providing greater share liquidity, a larger market capitalization, and a large, highly prospective, diverse property base.

The TSX Venture Exchange has conditionally accepted the proposed Arrangement.

On behalf of the Board of:

BAYSWATER VENTURES CORP.

“George M. Leary”

George M. Leary, President

On behalf of the Board of

PATHFINDER RESOURCES LTD.

“Victor A. Tanaka”

Victor A. Tanaka, President

For further information contact:

George M. Leary
Bayswater Ventures Corp.
Telephone: (403) 265 3775
Email: gmlminerals@shaw.ca
Website: www.bayswaterventures.com

John Gomez
Pathfinder Resources Ltd.
Telephone: (604) 687-2153
Email: jgomez@pathfinderresources.com
Website: www.pathfinderresources.com

– more –

"Completion of the merger is subject to a number of conditions, including final Exchange acceptance and shareholder and court approvals. The transaction cannot close until the required shareholder and court approvals are obtained. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the Joint Information Circular to be sent to shareholders in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Bayswater Ventures Corp. and Pathfinder Resources Ltd. should be considered highly speculative.

The TSX Venture Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release."