



CANADA VENTURE: Bayswater Continues To Look Less Junior  
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VANCOUVER (Dow Jones)-- Bayswater Uranium Corp. (BAY.V) has been rather active over the past few months, what with acquisitions, joint-venture agreements and additional exploration and drilling.

This kind of activity isn't going to change any time soon, President George Leary said.

"We are aggressive on the acquisition front, both in terms of joint ventures and mergers; we want to continue growing the company in this fashion as well as building on our assets as we acquire them," he said.

One of the latest moves is its deal with Stornoway Diamond Corp. (SWY.T), which will let Stornoway explore Bayswater's 1 million-plus acre Nunavut Itza Lake property for diamonds.

"It's an excellent deal, giving us exposure to the diamond business without having to do anything, while letting us focus on uranium exploration," Leary said.

He said Bayswater's ongoing exploration recently showed potential for kimberlite pipes, the primary host rock for diamonds. The Itza Lake deal gives Stornoway a 60% interest in the diamond rights, meaning Bayswater is sitting on a 40% interest in any potential discovery.

Leary said the venture will allow both companies to share data and information while each continues to explore independently.

Kilgore Merger, Future Activity The Focus

While the Stornoway deal provides yet another early-stage exploration play, Bayswater's focus has been on its merger with Kilgore Minerals Ltd. (KAU.V), which was announced early this year.

Bayswater shareholders will control 76% of the outstanding shares in the newly combined company. More importantly, the deal gives the company three U.S. sites with historical uranium resources, one of which could be up-and-running within four or five years.

"For a junior, this creates credibility that we really wanted in the Western U.S. - for bigger operations that we're planning in Montana and Wyoming," Leary said.

He said baseline studies in Montana will be undertaken plus the usual permitting overtures in conjunction with additional drilling.

"There's good potential for at least doubling the resource to 15 million pounds," he said.

The Nevada site is the smaller deposit but could be first to the feasibility stage. The longer-term focus will be on the Montana and Wyoming sites. Leary said there appears to be potential for creating a parallel near-surface conventional mill on the Wyoming site in conjunction with the expected operation in Montana - in other words, synergies.

"But the real story here is that we now have a much more balanced company with resource properties that have short-term potential for cash flow - coupled with our very aggressive exploration efforts, with the goal of making a discovery in Canada," Leary said.

Post-Kilgore merger, Bayswater will have about C\$42 million of working capital. Outstanding warrants could add another C\$50 million to the coffers, Leary said.

"We're well-financed on that front," he said.

Company Web site: <http://www.bayswateruranium.com>