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Bayswater boss feeling "super" about Labrador prospects

Perhaps it's because the company operates in remote northern locales that few people in Newfoundland have ever heard of George Leary and Bayswater Resources.

But the Calgary-based executive and his team are drawing notice in the mining industry.

From a standing start less than two years ago, Bayswater has stacked up a prodigious land position in three of Canada's uranium districts, including Labrador, and have taken the company's market capitalization from under $1 million to over a hundred million dollars today.

Leary along with the company's chief operating officer Victor Tanaka and its chairman and financial whiz Damien Reynolds are all long on experience when it comes to running publicly-traded juniors.

But even their combination of experience and abilities doesn't fully explain Bayswater's rapid rise. The rest of the answer lies in the uranium market itself.

"We got in when the price was about $35 a pound, which was already a significant improvement from $7 (where it had been)," Leary noted. "So a lot of stuff was looking economic even at $35 a pound that wasn't interesting at all at $7."

The price has since risen to well over 100 dollars a pound.

"We also recognized that we were coming into a period of time in history when there would be a substantive need for nuclear energy around the world because of the carbon dioxide emissions. So we decided to build a major uranium company."

Rather than acquire an advanced uranium property, which would have cost significant money or shares, the new group decided to build a strategic land position from scratch.

"As luck would have it, there was a lot of land available in the three key areas of Canada - Labrador firstly, and the Thelon Basin (in the Northwest Territories and Nunavut) and the Athabasca Basin (in Saskatchewan)," Leary noted.

In total, Bayswater ended up acquiring some seven million acres of ground.

Why so big, so fast?

"This is the first time in history, and I've been in the business 40 years, that a junior company could come along and raise 25 or 50 million bucks on early stage properties," said Leary. "Never before in the history of mankind have you been able to do that. So because of that we were able to raise the capital necessary to develop our early stage properties. But we also recognized that in order to be successful in this business, the earlier that you can get pounds in the ground the better."

To get some "pounds in the ground," Bayswater merged with Kilgore Minerals, picking up the company's advanced uranium deposits in the United States.

"In building a company you have to have success along the way, otherwise it won't work," said Leary. "We view success coming out of our projects in Canada as being very critical to the long term success of the company."

Leary said Bayswater also views its plans to drill and double the size of its resources in the U.S. as being critical. Success will mean the company can raise another 25 to 50 million dollars for exploration.

Leary said while Bayswater's goal is to become a uranium producer, he isn't ruling out that the company will be taken over by a major company once it has enough uranium resources to make it attractive. Either way, its shareholders will benefit.

He also sees Bayswater acquiring other companies as it continues to grow.

How important is Labrador to the portfolio?

"Right now it's number one," said Leary. "Success in Labrador is extremely important to us to build the company."

The lion's share of Bayswater's exploration budget is being spent in Labrador this year, he added, where some $7 million is earmarked for exploration, including some 20,000 metres of diamond drilling.

Leary and his team are so confident of success, they have even trademarked the term "Super junior" to describe their company.

"We have a tonne of experience," said Leary, "including a tonne of experience in uranium. Quite a number of our advisory board and board members have extensive uranium experience.

"The other thing that sets us apart in some ways is that we're very good at doing agreements and we're very good at making decisions," said Leary. "We make decisions fast, we do it as a team and we can do it in a day." ■