

Analysts Spark New Round of Uranium M&A Possibilities

By Alan Fein and Eileen Bircher

January 16, 2008 - (AXcess News) New York and Toronto - With the price of uranium up at \$90 lb compared to the fourth quarter low of \$75 last year, the valuation of uranium in situ, or in place, has declined which could set the stage for a new round of merger and acquisition activity.

Last year, Bayswater Uranium Corp. (TSX.V: BAY; OTC: BYSWF) completed two acquisitions that gave it 13 million pounds of uranium in situ and announced last week that it planned an "aggressive \$25 million exploration initiative to at least double resources to 25 - 30 million pounds."

The Canadian mining industry has long been considered the leading North American market where investment banking activity in the mining sector outweighs the action on the U.S. stock exchanges, so it's a pretty good bet to watch the mining companies listed there.

In a report issued January 10, 2008, CannacordAdams lowered its in situ value for uranium deposits to \$7.95 lb while noting that the price per pound was around \$90, which sets the stage for new action going into the first half of the year as lackluster attitudes develop in the United States due to the floundering dollar and economic slowdown.

In a separate report issued on January 8, 2008, Australia's Austock Securities Ltd. raised its forecast spot price for uranium to \$90 lb, from \$85 lb, through to 2013.

TradeTech LLC, an industry pricing service, said that last week uranium traded at \$89 a pound for immediate delivery.

Fueling the bullish opinions between Canadian and Australian investment banks is the fact that demand for uranium, used for nuclear fuel, is outpacing growth in supply.

Looking forward, in the U.S. the number of applications for nuclear plant construction is at an all-time high with over 30 applications now in the pipeline. But those plants are years away from being completed and meanwhile, Canada's uranium miners are working overtime to expand production within a four to six year window when demand in the United States will begin to come online. Worldwide, the number of nuclear power plants in development outpaces the rate in the U.S., promising to support \$90lb+ prices well into the next decade.

"Bayswater's amalgamation with Kilgore Minerals last year, and its recent takeover of Northern Canadian Uranium has provided the Company with several advanced uranium properties, including the Alzada Project in Montana, the Elkhorn Project in Wyoming, the Mountain West Project in Nevada and the Samit Project in Mali, all of which will be a focus of confirmation and step-out drilling in 2008 in order to bring resources into NI 43-101 compliance and increase resources," the Company stated in that Jan, 8, 2008 release.

The junior mining company has adequate cash-on-hand to complete its plans outlined in that announcement.