

Bayswater on road to major success

FOR BAYSWATER Uranium president and CEO George Leary, the goal is simple and straightforward – build this junior miner into a major international uranium company.

Progress towards that goal in the last two years has been phenomenal. From a shell company with virtually no assets and a market capitalisation of less than C\$1 million, Bayswater Uranium Corporation has grown to the point where it has major landholdings in Canada's top uranium exploration/producing regions that have been advanced to the drill ready stage (and in one case – Labrador – a discovery made in 2007); several advanced uranium resource properties in the US; uranium properties in Mali and Niger; an interest in two base metal prospecting licences in Ireland; and interests in three gold properties in Idaho.

At the end of January, Bayswater's market capitalisation had grown to C\$65 million and this junior mining company is now among the largest landowners in Canada's top three uranium districts: the Athabasca Basin, the Thelon Basin, and the Central Mineral Belt.

And if that is not enough, the company also dabbles in diamonds. More on that later.

"We've done some key mergers to bring the company to the point where we think we've got critical mass," Mr Leary says. "We think we've got tremendous potential on our untested projects in Canada, as well as in the US where we have pounds in the ground. We think we can significantly expand resources. We're just getting started."

Bayswater's Canadian uranium interests are in four regions – 1.1 million acres in the Central Mineral Belt in Labrador, 1.8 million acres in Saskatchewan's Athabasca Basin (the only producing region in the country and a major global resource), 4.3 million acres in the Thelon Basin in Nunavut and the Northwest Territories; and 96,000 acres in Waskere Valley, Newfoundland. These large, strategic holdings make Bayswater the only com-

pany to have major land positions in all of Canada's most important uranium regions.

The advanced US uranium properties comprise interests in three regions: 15,700 acres at Alzada, Montana in the Powder River Basin; 16,700 acres at Elkhorn, Wyoming's piece of the Powder River Basin; and 1,920 acres at Mountain West, Nevada. Bayswater also has properties in New Mexico, Utah and California.

How did Bayswater get so big, so fast?

"A lot of hard work," says Mr Leary. "We have a seasoned management team with a lot of experience, and as a result we were able to identify opportunities, and do the deals quickly."

Mr Leary says the company will focus on five advanced-stage uranium projects (Alzada, Anna Lake in Labrador, Elkhorn, Mountain West and Samit in Mali) this year, with C\$25 million committed for drilling programs – about C\$10 million in the US and C\$15 million in Canada. The one exception to the almost total focus on uranium in 2008 is a C\$200,000 drilling program scheduled for the company's base metal Avoca project in Ireland. In total, up to 15 projects are scheduled for drilling, one of the most aggressive exploration programs in the industry. The company is fully-financed to complete its program, parts of which are already underway.

"Our goal is to add significant value for our shareholders by confirming and expanding the resources on those five projects," Mr Leary says. "We plan to drill many of them this year. Our goal is to be at 20-30Mlb of uranium by the end of 2008, and hopefully we'll make another discovery."



THE TEAM

GEORGE LEARY President, CEO and director

George Leary is a highly experienced exploration geologist involved in the mineral resource industry since 1964. He has worked throughout North and South America and Russia. He has extensive experience with a wide variety of commodities and mineral deposit models and has been responsible for the discovery of a number of significant mineralised systems in British Columbia and the Yukon, Canada. He spent 14 years with Amax Exploration Inc in Vancouver and during the latter part of his tenure was in charge of base metal exploration in the Canadian cordillera. He subsequently spent three and a half years with Union Oil of Canada in Calgary where he was responsible for base, precious and specialty metal exploration in Canada.



VICTOR TANAKA COO, executive vice president and director

Vic Tanaka is a career geologist who has participated in

several significant mineral discoveries. He has held senior positions in both major and junior mining companies and has broad Canadian and international experience. He previously served as general manager of exploration for Asamera Inc, one of the original partners in the joint venture that led to the discovery of the high-grade Cigar Lake and Dawn Lake uranium deposits in the Athabasca Basin. The joint venture was also involved in laying the groundwork for the eventual discovery of the world-class McArthur River uranium deposit.

KEN ARMSTRONG Director

Mr Armstrong graduated from the University of Western Ontario with an geology degree in 1992, and from Queen's University with a masters in geology in 1995. He worked as a geologist with Rio Tinto from 1996



to 1997. During that time, he was involved with the development of the original resource models for the Diavik diamond mine in the Northwest Territories. Mr Armstrong joined Aber Resources in 1997, as project geologist. Since that time, he has also managed diamond, gold and base metal exploration programs in north Canada for a number of junior exploration companies. Mr Armstrong has been president and CEO of Strongbow since January 2005, and is a registered professional geoscientist in the province of Ontario.

JIM STEWART Director

PRAVEEN VARSHNEY Director



The company's Anna Lake discovery focused everyone's attention, Mr Leary says. First announced in late October, 2007, further drilling in the autumn nearly doubled the strike length of the deposit, from 340m to 600m. A total of 68 diamond drill holes were completed during 2007 for 15,231m of core recovery on various prospects, including Anna Lake, within the company's 1.1 million acre landholdings.

"We now have five projects we consider resource properties," Mr Leary says. "We haven't announced a resource for Anna Lake – although we could do a 43-101. We've decided to put it off because we'll drill again this year. At the end of this year we'll complete a 43-101 resource calculation and I think it will be a fairly substantive resource."

With so many projects in the advanced stage, investors' thoughts will eventually turn to production, and Mr Leary says the company is already giving thought to the best route for bringing these properties to successful feasibility and into production.

"We're looking at something like six years on our Alzada, Montana project," he says. "It's about the same for Nevada and Wyoming. Of all of them, Alzada is most advanced with 7Mlb. Our first goal is to confirm and expand resources. We think we can double our Montana resource to approximately 15Mlb, maybe more and then complete a feasibility study within about four years."

Bayswater is still mulling the production phase. Mr Leary says it will be done either by creating a mining division within the company, or by seeking partners to

take it on, "It's a good problem to have," he adds.

In anticipation of eventual production, Bayswater has already contracted with AATA International Inc of Denver to manage the Alzada project. "They've got 35 years of experience doing permitting and bringing projects to the feasibility stage," Mr Leary says.

While uranium is clearly Bayswater's main focus, the company also has base metal and gold properties that it will one day turn its



attention to. The gold property comes into the fold as part of last year's merger with Kilgore Minerals Ltd. Mr Leary says no decisions have been made on these properties; options are under review based on maximising shareholder value.

And then there's the diamonds.

Exploration work on the company's Itza Lake property in the North Thelon Basin turned up a little more than the field crews were expecting.

"We identified a number of circular magnetic features that could be kimberlites," says Mr Leary. "So we did a deal with Stornoway Diamond Corporation." Stornoway is to spend C\$4 million over a five-year period, and Bayswater has the right to a 40% interest if something is found.

Bayswater's rapid growth naturally leads to questions about the company's stock market listing. With a market cap at time of interview of around C\$80 million, and a

tier one listing on the TSX Venture Exchange, is it time for a move up?

"Yes, and we're already taking steps to do that," says Mr Leary. "I hope it will take place this year. We've applied for listing on the senior exchange. You've got to get on these exchanges to obtain the necessary credibility to grow the company. Once you're there you have a broader potential investor base as well."

Bayswater will also pursue a US listing, although that is a little further down the road. Mr Leary freely admits that a big part of the reason it hasn't happened yet is

his focus on growing the company.

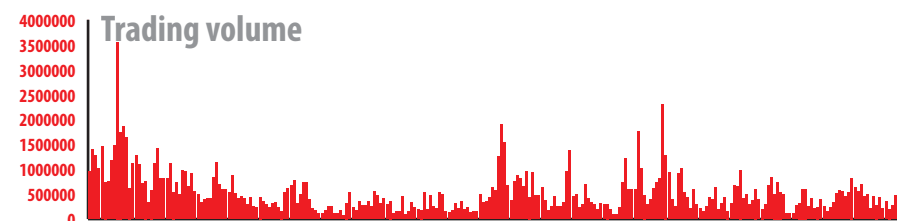
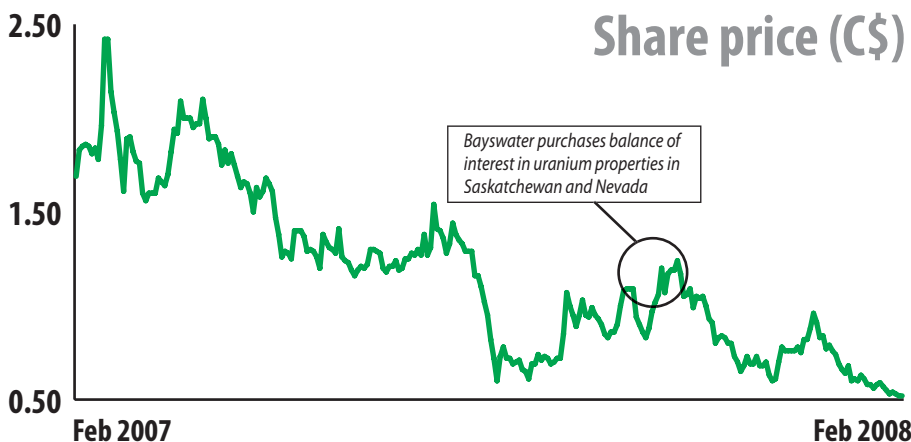
He says: "It was important we committed to building a well-balanced asset base in 2007. This was achieved through the acquisition of two uranium companies that added several advanced properties to our portfolio as well as additional early-stage projects. We're now in an excellent position to dynamically grow our assets."

While Bayswater's growth has been nothing short of spectacular, Mr Leary is keeping one eye focused on

the overall economic conditions and how they might affect the company's ability to keep up the pace. Is he worried about a recession in the US?

"I personally don't subscribe to that," he says. "But I believe in contingencies. Our projects are phased in the US and elsewhere and we can cut back if we choose to. We won't be drilling in Montana until mid-June subject to permitting. By that time we'll have some clear direction on the US economy."

Whatever the state of the US economy, the long term global prospects for uranium could not be better. If Bayswater can jump into the ranks of producers in the six-year horizon Mr Leary outlines, there should be lots of demand for the product and strong prices to boot.



VITAL STATISTICS

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SHARE INFORMATION

Listed: TSX-V
Ticker: BAY
Market cap: US\$65 million
Shares outstanding: 143,495,061
Warrants: 18,592,500
Options: 14,349,470
Fully diluted: 176,437,031

ASSOCIATES

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