

**Form 51-102F3
MATERIAL CHANGE REPORT**

**Section 7.1 of National Instrument 51-102
Continuous Disclosure Obligations**

1. Name and Address of Company

State the full name or your company and the address of its principal office in Canada.

Bayswater Uranium Corporation
Suite 510, 510 Burrard Street
Vancouver, BC V6C 3A8

2. Date of Material Changes

State the date of the material change:

June 7, 2007

3. News Release

The news release dated June 7, 2007 was filed with the TSX Venture Exchange and the British Columbia and Alberta Securities Commissions via SEDAR and disseminated through The Windward Agency.

4. Summary of Material Change

Bayswater Uranium Corporation (TSX-V: [BAY](#)) is pleased to report that its due diligence review is now complete with respect to the proposed merger with [Kilgore Minerals Ltd. \(TSX-V: KAU\)](#), as announced March 20, 2007, and the parties have executed a definitive Arrangement Agreement for the purposes of completing a plan of Arrangement under the *Business Corporations Act* (British Columbia) (the "Arrangement"). As a result of Bayswater's due diligence review and valuation of Kilgore, the parties have agreed to a share split of the issued and outstanding capital of Kilgore on a 1 old Kilgore share for 1.25 new Kilgore shares basis, immediately prior to the completion of the merger transaction to acknowledge a revision to the valuation of Kilgore and its assets.

5. Full Description of Material Change

See attached News Release.

6. Reliance on Section 7.1(2) or (3) of National Instrument 51-102

Not applicable.

7. Omitted Information

Not applicable.

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.

George Leary, President

Tel: (403) 265-3775

9. Date of Report

June 7, 2007.

Not for Distribution to U.S. Newswire Services or for Dissemination in the United States

Bayswater Signs Arrangement Agreement with Kilgore

Vancouver, BC, June 7, 2007 - Bayswater Uranium Corporation (TSX-V: [BAY](#)) is pleased to report that its due diligence review is now complete with respect to the proposed merger with **Kilgore Minerals Ltd. (TSX-V: [KAU](#))**, as announced March 20, 2007, and the parties have executed a definitive Arrangement Agreement for the purposes of completing a plan of Arrangement under the *Business Corporations Act* (British Columbia) (the “Arrangement”).

As a result of Bayswater’s due diligence review and valuation of Kilgore, the parties have agreed to a share split of the issued and outstanding capital of Kilgore on a 1 old Kilgore share for 1.25 new Kilgore shares basis, immediately prior to the completion of the merger transaction to acknowledge a revision to the valuation of Kilgore and its assets.

In order to make the transaction more efficient from a taxation perspective, pursuant to the Arrangement, Bayswater will amalgamate with a wholly owned subsidiary of Kilgore and all of the securityholders of Bayswater will exchange their Bayswater securities for post-share split securities of Kilgore (the “Share Exchange”). The Share Exchange will be conducted such that for each one share or convertible security of Bayswater held, a Bayswater securityholder will receive one post share split common share or convertible security of Kilgore. Kilgore will change its name to ‘Bayswater Uranium Corporation’ and all of its existing directors and management will resign in favor of directors and management of Bayswater. Bayswater shareholders will control approximately 76% of the issued and outstanding securities of the new Bayswater.

The companies anticipate the Arrangement will be completed in late July following receipt of shareholder approval at the special meetings of shareholders of each company scheduled for July 16, 2007 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 as described in a Joint Information Circular to be mailed to shareholders in the third week of June. The transaction is subject to the approval of the TSX Venture Exchange.

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

1. A dominant landholder in the three most important uranium exploration and development areas in Canada—the world’s leading uranium producer—located in the Central Mineral Belt, Labrador; Thelon Basin, NWT/NU; and the Athabasca Basin, Saskatchewan; along with applications for a large land position in Niger, West Africa—one of the world’s leading uranium producing countries.
2. An important landholder with substantial historical uranium resources, non compliant with NI 43-101 standards, with potential for additional resources along the north rim of the Powder River Basin in Wyoming and Montana—host to several mined and undeveloped uranium roll-front type uranium deposits;
3. The holder of two unconsolidated channel deposits with historical uranium resources, non compliant with NI 43-101 standards, in Nevada and California with potential for discovery of additional resources;
4. Able to undertake the steps necessary to effect potential near term production from some of the uranium assets;



5. Better able to create, develop and deliver value for shareholders in view of the strengthened uranium asset base through the combined experience and ability of the management team; and
6. Attractive to institutional investors by providing greater share liquidity, a larger market capitalization, and a large, highly prospective, diverse property base.

About Bayswater Uranium Corporation - The Super Junior™ Uranium Company

As the only uranium explorer to have major landholdings in each of Canada's most important producing and exploration regions – the Athabasca Basin, the Central Mineral Belt, and the Thelon Basin – Bayswater Uranium Corp. is well positioned to be a market leader in uranium exploration. Bayswater combines the uranium expertise of its technical and managerial teams with a large, highly prospective and diverse property base. The result is a Super Junior™ Uranium Company with the share liquidity and market capitalization to provide value to both the retail and institutional investor. For further information visit www.bayswateruranium.com.

On behalf of the Board of:

BAYSWATER URANIUM CORPORATION

George M. Leary
President

For further information contact:

John Gomez
Manager, Investor Relations
Telephone: (604) 687-2153

“Completion of the transaction is subject to a number of conditions, including Exchange acceptance and disinterested Shareholder approval. The transaction cannot close until the required Shareholder approval is 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 Management Information Circular to be prepared 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 Uranium Corporation and Kilgore Minerals 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.”

Warning: The Company relies upon litigation protection for “forward-looking” statements.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

**The Super Junior™
Uranium Company**

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TSX.V: BAY
FWB: B2V

