Securities and Exchange Commission
Washington, D.C. 2O549

FORM lO-Q

Quarterly Report Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

(Mark one)

[x] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2002 or

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR l5(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ______________ to ______________
Commission File Number 0-16097

BAY RESOURCES LTD

(Exact name of Registrant as specified in its charter)

Delaware	98-0079697
(State or other jurisdiction of incorporation or organisation)	(IRS Employer Identification No.)

210 Kings Way South Melbourne, Victoria, 3205 Australia
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code 0ll (613) 9234 - 1100

Securities registered pursuant to Section 12(b) of the Act :

Title of each class	Name of each exchange on which registered
N/A	N/A

Securities registered pursuant to Section 12(g) of the Act:
Common Stock, par value $.0001 per share
(Title of Class)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements the past 90 days.
Yes X No____________

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY
PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the restraint has filed all documents and reports required to be filed by Section 12,13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes___________
No____________

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date. There were 6,347,089 outstanding shares of Common Stock as of March 31, 2002.

PART 1

FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

Introduction to Interim Financial Statements.

The interim financial statements included here in have been prepared by Bay Resources Ltd. (the “Company”) without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (The “Commission”). Certain information and footnote disclosure normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading. These interim financial statements should be read in conjunction with the financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for the year ended June 30 2001.

In the opinion of management, all adjustments, consisting of normal recurring adjustments and consolidating entries, necessary to present fairly the consolidated financial position of the Company and subsidiaries as of March 31, 2002 and March 31, 2001, the results of its consolidated operations for the three and nine month periods ended March 31, 2002 and March 31, 2001, and the changes in its consolidated cash flows for the three and nine month periods ended March 31, 2001 and March 31, 2000, have been included. The results of consolidated operations for the interim periods are not necessarily indicative of the results for the full year.

UNLESS OTHERWISE INDICATED, ALL FINANCIAL INFORMATION PRESENTED IS IN AUSTRALIAN DOLLARS.

BAY RESOURCES LTD. AND SUBSIDIARY
Consolidated Balance Sheets
March 31, 2002 and June 30, 2001
and March 31, 2001
(Unaudited)

ASSETS

	A $000's Mar 31 2002	A $000's June 30 2001	A $000's Mar 31 2001
Current Assets:			
Cash	$ 4	$ 1	$ 6
Total Current Assets	4	1	6
Other Assets:			
Investments	-	-	49
Organisational Costs, net	-	-	-
Total Other Assets	-	-	49
Total Assets	$ 4	$ 1	$ 55

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities:			
Accounts Payable and Accrued Expenses	$ 481	$ 264	$ 314
Total Current Liabilities	481	264	314
Long-Term Debt	746	641	627
Total Liabilities	1,227	905	941
Stockholders' Equity (Deficit):			
Common Stock: $.0001 par value 25,000,000 shares authorised, 6,347,089 issued and outstanding	1	1	1
less Treasury Stock at Cost, 2,500 shares	(20)	(20)	(20)
Additional Paid-in-Capital	25,175	25,175	25,175
Accumulated other Comprehensive Loss	(1,989)	(1,989)	(6,456)
Retained Deficits	(24,390)	(24,071)	(19,586)
Total Stockholders' Equity (Deficit)	(1,223)	(904)	(886)
Total Liabilities and Stockholders' Equity	$ 4	$ 1	$ 55

The accompanying notes are an integral part of these consolidated financial statements.

BAY RESOURCES LTD. AND SUBSIDIARY
Consolidated Statements of Operations
Three Months Ended March 31, 2002 and 2001
and nine months ended March 31, 2002 and 2001
(Unaudited)

	A$000's Three Months Ended Mar 31 2002	A$000's Three Months Ended Mar 31 2001	A$000's Nine Months Ended Mar 31 2002	A$000's Nine Months Ended Mar 31 2001
Revenues:				
Other Income:	$ -	$ -	$ -	$ -
Costs and Expenses:				
Interest Expense:	23	22	64	51
Legal, Accounting & Professional	5	9	9	20
Administrative	68	87	246	367
	96	118	319	438
Loss from Operations:	(96)	(118)	(319)	(438)
Foreign Currency Exchange Gain (Loss)	-	-	-	-
Income (Loss) before Income Tax	(96)	(118)	(319)	(438)
Provision for Income Tax	-	-	-	-
Net Income (Loss)	$ (96)	$ (118)	$ (319)	$ (438)
Earnings Per Common Equivalent Share From	$ (.02)	$ (.02)	$ (.05)	$ (.07)
Weighted Number of Common Equivalent Shares Outstanding 000's	6,347	6,347	6,347	6,347

The accompanying notes are an integral part of these consolidated financial statements.

BAY RESOURCES LTD. AND SUBSIDIARY
Consolidated Statements of Stockholders' Equity
March 31, 2002 and June 30, 2001
and March 31, 2001
(Unaudited)

	Shares 000's	Common Stock Amount A$000's	Treasury Stock at Cost A$000's	Paid in Capital (Deficit) A$000's	Retained Earnings A$000's	Accumulated Other Comprehensive Loss A$000's	Total
Balance June 30, 2000	$ 6,347	$ 1	$ (20)	$ 25,175	$ (19,148)	$ (6,456)	$ (448)
Comprehensive Income							
Net loss nine months ending 03-31-01	-	-	-	-	(438)	-	(438)
Total Comprehensive Income	-	-	-	-	-	-	(438)
Balance March 31, 2001	6,347	$ 1	$ (20)	$ 25,175	$ (19,586)	$ (6,456)	$ (886)
Comprehensive income							
Net loss three months ending 6-30-01	-	-	-	-	(4,485)	4,516	31
Net unrealised loss on marketable securities	-	-	-	-	-	(49)	(49)
Total Comprehensive Income	-	-	-	-	-	-	(18)
Balance June 30, 2001	6,347	1	(20)	25,175	(24,071)	(1,989)	(904)
Comprehensive Income							
Net loss nine months ending 03-31-02	-	-	-	-	(319)	-	(319)
Total Comprehensive Income	-	-	-	-		-	(319)
Balance March 31, 2002	6,347	$ 1	$ (20)	$ 25,175	$ (24,390)	$ (1,989)	$ (1,223)

The accompanying notes are an integral part of these
consolidated financial statements.

BAY RESOURCES LTD. AND SUBSIDIARY
Consolidated Statements of Cash Flows
Nine Months Ended March 31, 2002 and 2001
and Year Ended June 30, 2001
(Unaudited)

	A $000's Nine Months Ended Mar 31 2002	A $000's Year Ended June 30 2001	A $000's Nine Months Ended Mar 31 2001
Cash Flows from Operating Activities:			
Net Income (Loss)	$ (319)	$ (4,923)	$ (438)
Adjustments:			
Permanent Decline of Investment	-	4,516	-
A/P and Accrued Liabilities	217	(21)	29
Net Cash Provided (Used) in Continuing Operations	(102)	(428)	(409)
Cash Flow from Investing Activities:			
Investment in Treasury Stock	-	-	-
Investment in Subsidiary	-	-	-
Net Cash Provided (Used) in Investing Activities	-	-	-
Cash Flows from Financing Activities:			
Net Borrowing under Credit Line Arrangements	-	-	-
Net Borrowing from Affiliates	105	427	413
Net Cash Provided by Financing Activities	105	427	413
Net Increase (Decrease) in Cash	3	(1)	4
Cash at Beginning of Year	1	2	2
Cash at End of Year	$ 4	$ 1	$ 6
Supplemental Disclosures:			
Interest Paid (Net Capitalised)	$ 64	$ 69	$ 51
Income Tax Paid	$ -	$ -	$ -

The accompanying notes are an integral part of these consolidated financial statements

BAY RESOURCES LTD. AND SUBSIDIARY
Notes to Consolidated Financial Statements
March 31, 2002, June 30, 2001 and
March 31, 2001

(1) Organisation

Bay Resources Ltd. (Bay Resources) is incorporated in the State of Delaware. The principal shareholder of Bay Resources is Edensor Nominees Proprietary Limited (Edensor), an Australian corporation. Edensor owned 78.8% of Bay Resources as of March 31, 2002. Bay Resources acquired a controlling interest on September 3, 1987 in former subsidiary, Solmecs Corporation N.V. ("Solmecs") and 100% ownership on January 2, 1992. Bay Resources sold its interest in Solmecs effective June 5, 1998. During fiscal 1998, Bay Resources incorporated a further subsidiary, Baynex.com Pty Ltd (formerly Bayou Australia Pty Ltd), under the laws of Australia. Baynex.com Pty Ltd has not traded since incorporation.

(2) Investment Securities

The following is a summary of Investment Securities at March 31, 2002, June 30, 2001 and March 31, 2001:

	A$000's Mar 31 2002	A$000's June 30 2001	A$000's Mar 31 2001
Investment Cost Method	$ 4,516	$ 4,516	$ 4,516
Trading Securities:			
Marketable Equity			
Securities, at cost	-	-	-
Gross Realised Loss or impairment	(4,516)	(4,516)	(4,467)
Gross Unrealised Losses			
Marketable Equity Securities, at fair value	-	-	49

The investment using this cost method is carried at cost. Dividends received from the investment carried at cost are included in other income. Dividends received in excess of the Company's proportionate share of accumulated earnings ("return of capital dividends") are applied as a reduction of the cost of the investment. No securities were sold during 2001 and 2000 and all securities were treated as available for sale for 2001 and 2000. At June 30, 2001 the Company determined that the decline in value of its investment was permanent and has recorded a realised loss in the amount of A$4,516.

(3) Short Term and Long Term Debt

The following is a summary of Bay Resources' borrowing arrangements as of March 31, 2002, June 30, 2001 and March 31, 2001.

Long-Term	A$000's Mar 31 2002	A$000's June 30 2001	A$000's Mar 31 2001
Loan from corporations affiliated with the President of Bay Resources. Interest accrues at the ANZ Banking Group Limited rate + 1% for overdrafts over $100,000. Repayment of loan not required before March 31, 2002 (1)(2)	$ 746	$ 641	$ 627
Total Long-Term	$ 746	$ 641	$ 627

(1) An amount of $7000 was repaid on January 20, 2000 partly through the issuance of 8,000,000 options to purchase shares of the Company. Both issuances were to a company affiliated with the President of Bay Resources.

(4) Affiliate Transactions

Bay Resources advances to and receives advances from various affiliates. All advances between consolidated affiliates are eliminated on consolidation. At March 31, 2002, Bay Resources had no outstanding advances to or from unconsolidated affiliated companies. $418,000 $185,000 and $276,000 of accounts payable for the periods shown is due to an affiliated management company.

(5) Going Concern

The accompanying consolidated financial statements have been prepared in conformity with generally accepted accounting principles, which contemplates continuation of Bay Resources and Solmecs as a going concern. However, Bay Resources has sustained recurring losses. In addition, Bay Resources has no net working capital, which raises substantial doubts as to its ability to continue as going concerns. Bay Resources anticipates that it will be able to defer repayment of certain of its short term loan commitments until it has sufficient liquidity to enable these loans to be repaid or other arrangements to be put in place. In addition Bay Resources has historically relied on loans and advances from corporations affiliated with the President of Bay Resources. Based on discussions with these affiliate companies and the President. Bay Resources believes this source of funding will continue to be available. Other than the arrangements noted above, Bay Resources has not confirmed any other arrangements for ongoing funding. As a result Bay Resources may be required to raise funds by additional debt or equity offerings in order to meet its cash flow requirements during the forthcoming year.

(6) Sale of Solmecs

Pursuant to a stock purchase agreement dated as of June 5, 1998, the Company acquired 499,701 shares in SCNV Acquisition Corp ("SCNV"), representing approximately 24% of the issued and outstanding share capital of SCNV, in return for the whole of the share capital of Solmecs Corporation N.V., a Netherlands Antilles company which prior to the exchange was formerly a wholly owned subsidiary of the Company. The 499,701 shares has been valued at US$2,800,000 or A$4,516,000 and will be accounted for using the cost method because the Company does not exercise significant influences over SCNV's operating and financial activities (see note 4). The sale resulted in a gain of $5,899,000 which is included in other income.

SCNV is a Delaware corporation established May 1997 to select, develop and commercially exploit proprietary technologies, in various stages of development, invented primary by scientists who immigrated to Israel from and by scientists and institutions in Russia and other countries that formerly comprised the Soviet Union. Simultaneously with the SCNV stock acquisition by the Company, SCNV completed an initial public offering of common stock and warrants which resulted in gross proceeds of approximately US$5,900,000.

The Company has been granted certain demand and "piggyback" registration rights with respect to the SCNV shares. Notwithstanding the foregoing, the Company has agreed not to sell, grant options for sale or assign or transfer any of the SCNV shares, for a period of 24 months from the closing of the ("Lock-up") agreement, which expired in June 2000. Bay Resources has requested SCNV to take the necessary steps to register Bay Resources shareholding in SCNV.

(7) Income Taxes

Bay Resources files its income tax returns on an accrual basis. Bay Resources has carry forward losses of approximately US$17.5 million as of June 30, 2001 which expire in the years 1999 through 2012. Bay Resources will need to file tax returns for those years of the NOL carryforwards. Due to the uncertainty as to realisation of these losses, a valuation allowance of US$6.0 million has been recorded to off set the tax benefit of the carry forward losses. During the year ended June 30, 2001, Bay Resources provided an additional valuation allowance of US$1.0 million. Due to the uncertainty as to realisation of these losses, a valuation allowance of US$4.7 million has been recorded to off set the tax benefit of the carry forward losses.

(8) New Business Opportunity

In March 2002, Bay Resources reached an agreement with Tahera Corporation ("Tahera") to explore for gold on Tahera's extensive properties on the Slave Craton in northern Canada. Tahera is a diamond exploration company listed on the Toronto Stock Exchange and is engaged in diamond exploration in the northern Slave Craton. Tahera has developed an extensive database to explore for diamonds and under the terms of the agreement, Bay Resources will use the database and geochemical samples to explore for gold.

Tahera will retain a two percent net smelter return royalty on any production from deposits discovered as a result of Bay Resources using the Tahera samples and database.

Tahera's diamond exploration data that Bay Resources will have access to includes electromagnetic and magnetic geophysical surveys, overburden and bedrock mapping, overburden sampling and drilling data. The Tahera overburden samples cover some 60,000 square kilometres of the northern Slave Craton with some 17,000 samples being potentially available for gold and base-metal analysis. The overburden samples have been taken on a reconnaissance scale with line intervals at 2.5 – 5.0 kilometers with some detailed surveys at

50-100 meter sample spacings. The Tahera samples cover areas of known gold mineralisation including in the vicinity of the Lupin and Ulu gold deposits.

Tahera's Jericho and Contwoyto properties lie in close proximity to the Lupin gold mine, which is a large, high grade, gold deposit (some three million ounce gold endowment produced to date), currently operated by Echo Bay Mines Ltd. Bay Resources considers there to be significant potential for gold mineralization, similar to that found at Lupin, on Tahera's Jericho and Contwoyto properties.

Utilising the Tahera database in conjunction with existing public data, Bay Resources's objective for the coming year is to delineate new areas of gold mineralization on the northern Slave Craton that could lead to a multi-million ounce gold discovery. Bay Resources will also continue to look for further mineral exploration opportunities in North America.

The president of Tahera, Mr. Joseph Gutnick is also the chairman and president of the Company, and the Company's principal stockholder, Edensor Nominees Pty Ltd., is also a significant stockholder of Tahera.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FUND COSTS CONVERSION

The consolidated statements of income and other financial and operating data contained elsewhere here in and the consolidated balance sheets and financial results have been reflected in Australian dollars unless otherwise stated.

The following table shows the average rate of exchange of the Australian dollar as compared to the US dollar during the periods indicated:

9 months ended March 31, 2002 A$1.00 = U.S. $.5282
9 months ended March 31, 2001 A$1.00 = U.S. $.4856

RESULTS OF OPERATION

Three Months ended March 31, 2002 vs Three Months ended March 31, 2001.

The Company did not have any revenues in either the three months ended March 31, 2002 or the three months ended March 31, 2001.

Costs and expenses decreased from A$118,000 during the three months ended March 31, 2001 to A$96,000 during the three months ended March 31, 2002. The decrease is a result of the decrease in administrative costs including salaries from A$87,000 in the three months ended March 31, 2001 to A$68,000 in the three months ended March 31, 2002. In the prior period costs were incurred in the due diligence on St. Andrew which included consultants and travel and accommodation and there were no comparable costs in this period.

As a result of the foregoing, the loss from operations decreased from A$118,000 for the three months ended March 31, 2001 to A$96,000 for the three months ended March 31, 2002. There was no provision for income tax in either period.

The net loss was A$96,000 for the three months ended March 31, 2002 compared to a net loss of A$118,000 for the three months ended March 31, 2001.

Nine Months Ended March 31, 2002 vs. Nine Months Ended March 31, 2001.

The Company did not have any revenues in either the nine months ended March 31, 2002 or the nine months ended March 31, 2001.

Costs and expenses decreased from A$438,000 in the nine months ended March 31, 2001 to A$319,000 in the nine months ended March 31, 2002. The decrease is a net result of:

a) an increase in interest expense from A$51,000 for the nine months ended March 31, 2001 to A$64,000 for the nine months ended March 31, 2002 as a result of an increase in long term interest bearing debt which was offset by the reduction in interest rates.

b) the decrease in legal, accounting and professional costs from A$20,000 in the nine months ended March 31, 2001 to A$9,000 in the nine months ended March 31, 2002. In the prior period legal fees were incurred as part of the due diligence on St. Andrews and there were no comparable costs in this period.

c) the decrease in administrative costs including salaries from A$367,000 in the nine months ended March 31, 2001 to A$246,000 in the nine months ended March 31, 2002. In the prior period substantial costs were incurred in the due diligence on St Andrew which included consultants and travel & accommodation and there were no comparable costs in this period.

As a result of the foregoing, the loss from operations decreased from A$438,000 for the nine months ended March 31, 2001 to A$319,000 for the nine months ended March 31, 2002. There was no provision for income tax in either period.

The net loss was A$319,000 for the nine months ended March 31, 2002 compared to a net loss of A$438,000 for the nine months ended March 31, 2001.

Liquidity and Capital Resources

As of March 31, 2002 the Company had short-term obligations of A$481,000 comprising accounts payable and accrued expenses and long-term debt of A$746,000 consisting of loans from corporations affiliated with the president of the Company.

The Company anticipates that it will be able to defer repayment of certain of its short term loan commitments until it has sufficient liquidity to enable these loans to be repaid which there can be no assurance. In addition the Company has historically relied upon loans and advances from affiliates to meet a significant portion of the Company's cash flow requirements which the Company believes based on discussions with such affiliates will continue to be available during fiscal 2002 and 2003.

Other than the arrangements above the Company has not confirmed any further arrangements for ongoing funding. As a result the Company may be required to raise funds from additional debt or equity offerings and/or increase the revenues from operations in order to meet its cash flow requirements during the forthcoming year.

Cautionary Safe Harbor Statement under the United States Private Securities Litigation Reform Act of 1995.

Certain information contained in this Form 10-Q is forward looking information within the meaning of the Private Securities Litigation Act of 1995 (the "Act") which became law in December 1995. In order to obtain the benefits of the "safe harbor" provisions of the act for any such forwarding looking statements, the Company wishes to caution investors and prospective investors about significant factors which among others have affected the Company's actual results and are in the future likely to affect the Company's actual results and cause them to differ materially from those expressed in any such forward looking statements. This Form 10-Q report contains forward looking statements relating to future financial and business results. Actual results may differ as a result of factors over which the Company has no control including without limitation, the risks of exploration and development stage projects, political risks of development in foreign countries, risks associated with environmental and other regulatory matters, mining risks and competition and the volatility of gold prices. Additional information which could affect the Company's financial results is included in the Company's Form 10-K on file with the Securities and Exchange Commission.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

The Company is exposed to interest rate risk primarily through loans and advances from affiliates. The Company utilizes these borrowings to meet its working capital needs.

At March 31, 2002, the Company had outstanding long term borrowings of approximately $746,000. In the event that interest rates associated with these borrowings were to increase 100 basis points, the impact on future cash flows would be a decrease of approximately $7,460 annually.

PART II

Item 1. LEGAL

Not Applicable

Item 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

Not Applicable

Item 3. DEFAULTS UPON SENIOR SECURITIES

Not Applicable

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Item 5. OTHER INFORMATION

(i) Appointment of Director

Mr Hugo Dummett was appointed a Non-Executive Director of the Corporation on 19 April 2002. Mr Dummett holds a geology degree from the University of Witwatersrand in South Africa and is one of Canada's most prominent and knowledgeable mining and exploration industry professionals. Mr Dummett is currently Chief Executive Officer of African Minerals Limited. From 1989 to 2000, Mr Dummett was employed with BHP Minerals, serving as Vice President and Senior Vice President Exploration from 1994 to 2000. Mr Dummett's appointment will bring further experience to Bay Resources, particularly his experience in Canada.

(ii) New Business Opportunity

In March 2002, Bay Resources reached an agreement with Tahera Corporation ("Tahera") to explore for gold on Tahera's extensive properties on the Slave Craton in northern Canada. Tahera is a diamond exploration company listed on the Toronto Stock Exchange and is engaged in diamond exploration in the northern Slave Craton. Tahera has developed an extensive database to explore for diamonds and under the terms of the agreement, Bay Resources will use the database and geochemical samples to explore for gold.

Tahera will retain a two percent net smelter return royalty on any production from deposits discovered as a result of Bay Resources using the Tahera samples and database.

Tahera's diamond exploration data that Bay Resources will have access to includes electromagnetic and magnetic geophysical surveys, overburden and bedrock mapping, overburden sampling and drilling data. The Tahera overburden samples cover some 60,000 square kilometres of the northern Slave Craton with some 17,000 samples being potentially available for gold and base-metal analysis. The overburden samples have been taken on a reconnaissance scale with line intervals at 2.5 – 5.0 kilometers with some detailed surveys at 50-100 meter sample spacings. The Tahera samples cover areas of known gold mineralisation including in the vicinity of the Lupin and Ulu gold deposits.

Tahera's Jericho and Contwoyto properties lie in close proximity to the Lupin gold mine, which is a large, high grade, gold deposit (some three million ounce gold endowment produced to date), currently operated by Echo Bay Mines Ltd. Bay Resources considers there to be significant potential for gold mineralization, similar to that found at Lupin, on Tahera's Jericho and Contwoyto properties.

Utilising the Tahera database in conjunction with existing public data, Bay Resources's objective for the coming year is to delineate new areas of gold mineralization on the northern Slave Craton that could lead to a multi-million ounce gold discovery. Bay Resources will also continue to look for further mineral exploration opportunities in North America. This is an exciting development and signifies the commencement of an important new phase for Bay Resources that is aimed at providing significant returns to shareholders.

The president of Tahera, Mr. Joseph Gutnick is also the chairman and president of the Company, and the Company's principal stockholder, Edensor Nominees Pty Ltd., is also a significant stockholder of Tahera.

Item 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Reports

The Company did not file any Report on Form 8-K during the three months ended March 31, 2002.

(b) Exhibits

Agreement with Tahera Corporation.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereinto duly authorised.

BAY RESOURCES LTD.

By:

J. I. Gutnick

Joseph I. Gutnick
Chairman of the Board, President and
Chief Executive Officer
(Principal Executive Officer)

Dated: May 15, 2002

By:

Peter Lee
Peter Lee, Director, Secretary and
Chief Financial Officer
(Principal Financial Officer)

TAHERA CORPORATION
Suite 803, 121 Richmond Street West
Toronto, Ontario
M5H 2K1

March 7, 2002

PRIVATE & CONFIDENTIAL

BAY RESOURCES LTD.

Attention: Joseph Gutnick

Dear Sirs:

This is written to confirm the mutual agreement of Tahera Corporation (**"Tahera"**) and Bay Resources Ltd. (**"Bay"**) concerning the grant of access by Tahera to Bay of certain confidential and proprietary information owned by Tahera, all on the terms and conditions hereinafter provided.

Tahera is in the business of the exploration, development and mining of diamonds (the and has properties or interests in properties in Nunavut and the Northwest Territories, Canada. By their execution and delivery of this agreement (the **"Agreement"**) and for good and valuable consideration, Tahera and Bay do hereby covenant and agree as follows:

1. **Access to Information**. Tahera shall make available to Bay and its authorized representatives (the **"Representatives"**) certain confidential and proprietary information of Tahera comprising exploration data in written, printed, graphic, electronic or other tangible form and in oral form (the **"Tahera Exploration Information"**), for use solely by Bay and its Representatives in connection with the assessment by Bay and its Representatives of the gold, silver and base metal (collectively, the **"Metals"**) potential of the properties which are the subject matter of the Tahera Exploration Information (the **"Tahera Properties"**) or which are adjacent to or are in the area of the properties which are the subject matter of the Tahera Exploration Information (the **"Adjacent Properties"**). In this Agreement, the Tahera Properties and the Adjacent Properties are sometimes collectively referred to as the **"Examined Properties"**.

2. **Acknowledgement as to Tahera Exploration Information**. Bay acknowledges on its own behalf and on behalf of its Representatives that the Tahera Exploration Information is being given to Bay and/or its Representatives by Tahera without liability on the part of Tahera or its directors or officers and that no representation and warranty is made as to any of the Tahera Exploration Information by Tahera or its directors or

officers. Neither Bay nor its Representatives shall assert or allege the existence of any representation, warranty or agreement by Tahera or its directors or officers solely as a result of the receipt by Bay and/or its Representatives of the Tahera Exploration Information as contemplated by this Agreement.

3. **<u>Agreement as to Diamond Deposits.</u>** Bay agrees on its own behalf and on behalf of its Representatives that, notwithstanding the grant of access by Tahera to Bay and its Representatives to the Tahera Exploration Information; (i) the Tahera Exploration Information is the confidential and proprietary information of Tahera; and (ii) Tahera shall retain full right, title and interest in and to the Tahera Exploration Information and for greater certainty and without limitation, in all diamond deposits that may be discovered by Tahera, Bay and/or its Representatives in the Examined Properties or by virtue of the Tahera Exploration Information.

4. **<u>Right of Access to Tahera Properties</u>.** Bay agrees on its own behalf and on behalf of its Representatives that; (i) notwithstanding the execution and delivery of this Agreement by Tahera and Bay, nothing herein shall be deemed to grant to Bay and/or its Representatives the right to access the Tahera Properties; and (ii) Bay and/or its Representatives shall advise Tahera in writing if they should seek access to any of the Tahera Properties (collectively, the **"Accessed Properties"** and individually, an **"Accessed Property"**). Bay and/or its Representatives shall only be able to access the applicable Accessed Property if Tahera and Bay have executed and delivered a separate right of access agreement with respect thereto, which contains terms and conditions that are acceptable to Tahera (the **"Right of Access Agreement"**), not inconsistent with the terms of this Agreement; (iii) Tahera shall only execute and deliver a Right of Access Agreement with respect to any Accessed Property if Tahera is able to procure all requisite third party consents, including without limitation, the consent of joint venture partners and property owners, that are necessary to permit Bay and/or its Representatives to have access to the applicable Accessed Property; (iv) the Right of Access Agreement, among other things, shall provide that; 1. under no circumstances shall the operations of Bay and/or the Representatives on the Accessed Properties (the **"Bay Operations"**) interfere with the operations of Tahera (the **"Tahera Operations"**), the Tahera Operations thereon to be of paramount importance and to take precedence over the Bay Operations. If Tahera advises Bay in writing that the Bay Operations interfere with the Tahera Operations, Bay and/or its Representatives shall immediately cease and desist the Bay Operations; 2. notwithstanding the terms thereof, Tahera, in its sole and unfettered discretion, shall have the right at any time and from time to time, to sell, transfer, assign, encumber, mortgage, pledge, hypothecate, allow to lapse, forfeit, surrender or in any other manner dispose of, its interest in all or any of the Accessed Properties; and 3. the Bay Operations shall be conducted at the sole risk and expense of Bay and Bay shall indemnify, defend and hold harmless Tahera to the full extent of any actual or alleged costs, liabilities or expenses (including reasonable solicitors' fees) that Tahera may become subject to as a result of the Bay Operations.

5. **Exploitation Potential.** Pursuant to the terms and conditions hereof, but subject to the provisions of section 4 hereof, Bay shall have the right to exploit opportunities in all Metals in the Accessed Properties. Bay agrees on its own behalf and on behalf of its Representatives to forthwith bring to the attention of Tahera and/or Tahera's Representatives, any and all information pertaining to potential diamond deposits and/or opportunities in the Examined Properties, failing which Bay and its Representatives shall have no further rights to access the Tahera Exploration Information and/or the Accessed Properties for any reason whatsoever and without in any way derogating from the provisions of section 10 hereof, this Agreement shall be at an end, as shall all Right of Access Agreements provided that, for greater certainty and without limitation, the provisions of sections 6, 9, 10, 11, 12, 13, 14, 15 and 16 hereof shall survive such termination.

6. **Grant of Net Smelter Return Royalty.** Upon the acquisition by Bay and/or its subsidiaries or affiliates, as such terms are defined in the *Business Corporations Act,* Ontario (the **"Bay Companies"**) in any manner whatsoever, directly or indirectly, of any interests, claims, assets, deposits and/or properties (the **"Bay Acquired Properties"**) as a direct or indirect consequence of the grant of access by Tahera to Bay and its Representatives to the Tahera Exploration Information and/or the Tahera Properties and/or the execution and delivery of a Right of Access Agreement, the Bay Companies shall forthwith grant to Tahera a 2% net smelter return royalty (the **"NSR Royalty"**). The NSR Royalty shall be paid by the Bay Companies on the amount actually received from the sale of any ores and minerals mined and removed from the Bay Acquired Properties and thereafter sold by or for the account of the Bay Companies before or after processing, smelting or refining, less only the following; (i) sales, use, gross receipts, severance, *ad valorem* and other taxes, if any, however denominated, payable with respect to the existence, severance, production, removal, sale or disposition of such ores and minerals, but excluding taxes on net income; (ii) charges and costs, if any, for transportation (including direct insurance costs while in transit) to places where such ores and minerals are smelted, refined and sold; and (iii) charges, costs and penalties, if any, for smelting, refining and marketing, including costs of assaying and sampling. The Bay Companies shall pay the NSR Royalty quarterly (on or before the 45th day after the last day of the fiscal quarter of the Bay Companies). Within 90 days after the end of each fiscal year of the Bay Companies, the Bay Companies shall deliver to Tahera an audited statement of the production of gold or other base metals from the Bay Acquired Properties together with the NSR Royalty paid to Tahera during the year and the calculation thereof. Tahera shall have the right, at its own sole cost and expense, to an annual independent audit of the statement by its own auditors or by an external certified public accountant, provided that all year-end statements shall be deemed true and correct one year after presentation to Tahera. The NSR Royalty shall also have attached thereto, reasonable and customary, industry-standard terms and conditions. Tahera, in its sole and unfettered discretion, shall have the right to register a copy of this Agreement against title to any of the Bay Acquired Properties.

7. **Tahera's Authorization Representations and Warranties.** Tahera represents and warrants to Bay that; (i) Tahera is duly authorized to enter into and perform this Agreement; (ii) Tahera has the right to disclose the Tahera Exploration Information to

Bay and its Representatives without violating the rights of others and without the necessity of securing the consent or agreement of any other person and the use by Bay of the Tahera Exploration Information as contemplated herein shall not result in the violation of any confidentiality covenant, consent or other obligation arising out of any agreement to which Tahera is a party; and (iii) this Agreement is enforceable against Tahera in accordance with its terms, subject to the usual qualifications with respect to bankruptcy and insolvency and equitable rights and remedies.

8. **Bay's Authorization Representations and Warranties.** Bay represents and warrants to Tahera that: (i) Bay is duly authorized to enter into and perform this Agreement; (ii) Bay has the right to access the Tahera Exploration Information without violating the rights of others and without the necessity of securing the consent or agreement of any other person and the use by Bay of the Tahera Exploration Information as contemplated herein shall not result in the violation of any confidentiality covenant, consent or other obligation arising out of any agreement to which Bay is a party; and (iii) this Agreement is enforceable against Bay in accordance with its terms, subject to the usual qualifications with respect to bankruptcy and insolvency and equitable rights and remedies.

9. **Bay Covenants as to Tahera Exploration Information.** Bay covenants and agrees on its own behalf and on behalf of its Representatives as follows: (i) Bay and its Representatives shall receive, protect and maintain the Tahera Exploration Information in the strictest confidence; (ii) neither Bay nor any of its Representatives shall disclose the Tahera Exploration Information to any person for any reason whatsoever, other than Representatives of Bay who actually need to have knowledge of the Tahera Exploration Information, provided that prior to disclosure of the Tahera Exploration Information to any such Representative, Bay or its Representatives shall inform each Representative of the confidential nature of the Tahera Exploration Information and shall require each Representative to treat the Tahera Exploration Information as confidential; (iii) Bay and its Representatives shall safeguard the Tahera Exploration Information to the same extent as if it was information of or pertaining to Bay and/or its Representatives; (iv) upon the written request of Tahera, Bay and/or its Representatives shall promptly return all Tahera Exploration Information. The foregoing provisions do not apply to details of the Tahera Exploration Information which; (i) are part of the public domain at the time they are acquired by Bay or its Representatives; (ii) are not acquired by Bay or its Representatives, either directly or indirectly, from Tahera or its Representatives; (iii) are made known to Bay or its Representatives without an obligation of confidentiality by a third person who did not acquire knowledge of the details, either directly or indirectly, under an obligation of confidentiality; (iv) after they are made known to Bay or its Representatives, become part of the public domain through no fault of Bay or its Representatives; and/or (v) Bay or its Representatives can establish were in their respective possession prior to the date of disclosure of such details by Tahera and/or its Representatives.

10. **Tahera Remedies for Breach.** Without limiting any remedies that Tahera may otherwise have with respect to a breach of this Agreement or the misuse of the Tahera Exploration Information disclosed hereunder, Bay agrees to indemnify and save Tahera

harmless in respect of any and all breaches hereof. Bay acknowledges and agrees that Tahera would be irreparably harmed if any of the provisions hereof and in particular, section 9 hereof, were not performed in accordance with their specific terms or were otherwise breached. Accordingly, Bay agrees that Tahera shall be entitled to injunctive relief to prevent breaches of this Agreement and to specifically enforce the terms and provisions hereof in addition to any other remedy to which Tahera may be entitled, at law or in equity. No failure or delay by Tahera in exercising any rights, powers or privileges under this Agreement shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or future exercise of any rights, powers or privileges hereunder.

11. **Survival of Confidentiality Obligations and Delivery of Information.** Except with the prior written consent of Tahera, the confidentiality obligations of Bay and its Representatives under this Agreement shall subsist for a period of two years after the expiration of this Agreement, provided that the confidentiality obligations of Bay and its Representatives shall continue if the Tahera Exploration Information enters the public domain as a consequence of a breach of this Agreement or any other wrongful or negligent act or omission of Bay or its Representatives. Upon the expiration of this Agreement, Bay and its Representatives shall deliver the Tahera Exploration Information to Tahera together with any and all notes, summaries or memoranda relating thereto, without retaining any copies or extracts therefrom.

12. **Non-Disclosure.** Without the prior written consent of the other party hereto (collectively, the **"Parties"** or individually a, **"Party"**), neither Tahera nor Bay shall make any public announcement or make any statement to the press or issue any press release with respect to this Agreement, except as may be necessary, in the opinion of counsel to the relevant Party, to comply with the requirements of applicable stock exchange rules and securities legislation. If either Party determines that, as a result of such requirements, disclosure is required to be made by such Party, the Party making the disclosure shall use commercially reasonable efforts to give prior oral or written notice to the other Party and if such prior notice is not possible, to give such notice immediately following the making of such disclosure.

13. **Enurement.** This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns, it being understood and agreed that except as specifically contemplated herein, no person shall be a third party beneficiary of this Agreement.

14. **Fees and Expenses**. Except as otherwise expressly provided in this Agreement, each Party will bear all expenses incurred by it in connection with the negotiation, preparation, execution and delivery of this Agreement, including but not limited to legal fees.

15. **No Joint Venture**. Nothing in this Agreement shall be interpreted to create between the Parties, expressly or by implication, any partnership, joint venture, joint enterprise, relationship of trust and confidence or other special relationship or any relationship of principal and agent.

16. **Entire Agreement**. This Agreement together with all Right of Access Agreements contains the entire Agreement of the Parties related to the subject matter hereof. No promise, inducement or agreement, express or implied, not herein expressed has been made or given or relied upon by either Party as consideration for the execution and delivery of this Agreement. There are no conditions, agreements, representations, warranties or understandings, express or implied between the Parties, except as set forth herein or in any Rights of Access Agreement.

17. **Laws.** This Agreement shall be governed and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and shall be treated in all respects as an Ontario contract. The Parties do hereby submit to the jurisdiction of the courts of the Province of Ontario with respect to any dispute, claim or other matter arising hereunder.

18. **Assignment.** This Agreement and the rights and obligations created hereunder may not be assigned by either Party without the prior written consent of the other Party and any assignment in violation of this Agreement is absolutely void and not just voidable.

19. **Counterpart.** This Agreement may be executed in counterpart, by original or telefacsimile signature and each such counterpart when taken together shall constitute one and the same Agreement.

If you are in agreement with the foregoing, please so indicate by signing two copies of this letter and returning one copy to Tahera Corporation to the attention of Grant Ewing, whereupon this letter will be deemed to constitute our agreement with respect to the subject matter hereof.

Yours very truly,

TAHERA CORPORATION

Per:____________________
Authorized Signing Officer

Acknowledged and accepted this
__7__ day of March, 2002.

BAY RESOURCES LTD.

Per: J. I. Cutrink____________________
Authorized Signing Officer

Suite 803, 121 Richmond Street West,Toronto, Ontario, Canada M5H 2KI
Tel. (415) 777-1998 - Toll Free 1(877) 777-2004 - Fax (416) 777-1898
www.tahera.com

March 7, 2002

Reference to the Agreement between Tahera Corporation ("Tahera") and Bay Resources Ltd. ("Bay") dated March 7, 2002 regarding the grant of access by Tahera to Bay of certain exploration data.

Bay and Tahera agree to the following:

1.) The area under which Tahera is entitled to a 2% net smelter return royalty from production of gold or base metal deposits discovered by Bay includes the entire Slave Craton, in addition to the "Examined Properties".
2.) Bay will not be entitled to any interest in diamond deposits discovered in the entire Slave Craton.

This amendment to the Agreement is accepted and approved.

TAHERA CORPORATION

Per:______________________________
Authorized Signing Officer

Acknowledged and accepted this
___7___ day of March, 2002.

BAY RESOURCES LTD.

Per:______________________________
Authorized Signing Officer