

URANIUM ENERGY CORP
Form 10-Q
June 10, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended **April 30, 2013**

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

For the transition period from _____ to _____

Commission File Number: **001-33706**

URANIUM ENERGY CORP.

(Exact name of registrant as specified in its charter)

NEVADA

(State or other jurisdiction of incorporation of
organization)

98-0399476

(I.R.S. Employer Identification No.)

1111 West Hastings Street, Suite 320, Vancouver, B.C.

(Address of principal executive offices)

V6E 2J3

(Zip Code)

(604) 682-9775

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal
year, if changed since last report)

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 for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T

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(§232.405 of this chapter) during the preceding 12 months (or such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes [] No [**X**]

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

85,510,046 shares of common stock outstanding as of June 5, 2013.

URANIUM ENERGY CORP.

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PART I FINANCIAL INFORMATION

Item 1. Financial Statements

URANIUM ENERGY CORP.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2013

(Unaudited)

URANIUM ENERGY CORP.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	Notes	April 30, 2013	July 31, 2012
CURRENT ASSETS			
Cash and cash equivalents		\$ 8,980,541	\$ 25,015,284
Available-for-sale securities	3	37,580	41,973
Accounts and interest receivable		69,255	273,584
Inventories	4	1,237,161	1,876,100
Prepaid expenses and deposits		889,714	717,260
		11,214,251	27,924,201
MINERAL RIGHTS AND PROPERTIES	5	42,197,119	42,594,920
PROPERTY, PLANT AND EQUIPMENT	6	8,475,716	9,081,234
RECLAMATION DEPOSITS	7	6,040,159	5,543,040
		\$ 67,927,245	\$ 85,143,395
CURRENT LIABILITIES			
Accounts payable and accrued liabilities		\$ 3,510,117	\$ 5,271,158
Due to related parties	8	25,292	47,443
Current portion of asset retirement obligations	9	53,299	133,298
		3,588,708	5,451,899
DEFERRED INCOME TAX LIABILITIES		791,939	791,939
ASSET RETIREMENT OBLIGATIONS	9	3,563,197	2,979,076
		7,943,844	9,222,914
STOCKHOLDERS' EQUITY			
Capital stock			
Common stock \$0.001 par value: 750,000,000 shares authorized, 85,501,259 shares issued and outstanding (July 31, 2012 - 84,975,155)	10	85,503	84,975
Additional paid-in capital		197,339,544	196,486,881
Share issuance obligation		194,700	194,700
Accumulated deficit		(137,609,826)	(120,823,948)
Accumulated other comprehensive income		(26,520)	(22,127)
		59,983,401	75,920,481
		\$ 67,927,245	\$ 85,143,395
COMMITMENTS AND CONTINGENCIES			
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The accompanying notes are an integral part of these condensed consolidated financial statements

URANIUM ENERGY CORP.**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**
(Unaudited)

	Notes	Three Months Ended April 30,		Nine Months 3
		2013	2012	2013
SALES		\$ 2,789,325	\$ -	\$ 7,046,325
COST OF SALES		2,271,267	-	6,225,661
GROSS PROFIT		518,058	-	820,664
EXPENSES				
Mineral property expenditures	5	1,827,147	4,011,989	8,109,696
General and administrative	8, 10	2,244,682	3,763,968	8,277,283
Depreciation, amortization and accretion	5, 6, 9	344,980	314,648	1,216,563
		4,416,809	8,090,605	17,603,542
LOSS BEFORE OTHER ITEMS		(3,898,751)	(8,090,605)	(16,782,878)
OTHER ITEMS				
Interest income		6,318	18,601	30,550
Interest expense		(5,020)	(32,372)	(16,319)
Gain (loss) on disposition of assets		(714)	-	4,249
Loss on fair value of convertible debentures		-	(1,242)	-
Loss on settlement of convertible debentures		-	(134,805)	-
Gain on settlement of accounts payable	5	-	16,072	10,909
Loss on settlement of asset retirement obligations	9	(1,878)	-	(32,389)
		(1,294)	(133,746)	(3,000)
NET LOSS FOR THE PERIOD		(3,900,045)	(8,224,351)	(16,785,878)
OTHER COMPREHENSIVE LOSS, NET OF INCOME TAXES		(234)	(982)	(4,393)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		\$ (3,900,279)	\$ (8,225,333)	\$ (16,790,271)
NET LOSS PER SHARE, BASIC AND DILUTED		\$ (0.05)	\$ (0.10)	\$ (0.20)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING, BASIC AND DILUTED		85,496,171	78,443,518	85,318,871

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

URANIUM ENERGY CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Notes	Nine Months Ended April 30,	
		2013	2012
CASH (USED IN) PROVIDED BY:			
OPERATING ACTIVITIES			
Net loss for the period		\$ (16,785,878)	\$ (20,329,907)
Adjustments to reconcile net loss to net cash from operating activities			
Stock-based compensation	10	809,627	2,734,675
Depletion, depreciation, amortization and accretion		2,064,954	1,526,110
(Gain) loss on disposition of assets		(4,249)	501
Loss on fair value of convertible debentures		-	49,681
Loss on settlement of convertible debentures		-	312,207
Gain on settlement of accounts payable	5	(10,909)	(144,285)
Loss on settlement of asset retirement obligations	9	32,389	-
Changes in operating assets and liabilities			
Accounts and interest receivable		204,329	(88,508)
Inventories	4	638,939	(1,505,455)
Prepaid expenses and deposits		(172,454)	(317,349)
Accounts payable and accrued liabilities		(1,800,132)	(150,510)
Settlement of asset retirement obligations	9	(112,388)	(737,130)
NET CASH FLOWS USED IN OPERATING ACTIVITIES		(15,135,772)	(18,649,970)
FINANCING ACTIVITIES			
Issuance of shares for cash		43,564	21,499,668
Settlement of convertible debentures		-	(1,370,486)
Due to related parties	8	(22,151)	2,089
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		21,413	20,131,271
INVESTING ACTIVITIES			
Investment in mineral rights and properties		(271,833)	(4,139,357)
Purchase of property, plant and equipment		(156,432)	(947,560)
Proceeds from disposition of assets		5,000	-
Reclamation deposits		(497,119)	(917,836)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(920,384)	(6,004,753)
NET CASH FLOWS		(16,034,743)	(4,523,452)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD		25,015,284	30,724,051
CASH AND CASH EQUIVALENTS, END OF PERIOD		\$ 8,980,541	\$ 26,200,599

SUPPLEMENTAL CASH FLOW INFORMATION

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

URANIUM ENERGY CORP.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)

	Common Stock		Additional Paid-in	Share Issuance	Accu
	Shares	Amount	Capital	Obligation	D
Balance, July 31, 2012	84,975,155	\$ 84,975	\$ 196,486,881	\$ 194,700	\$ (120)
Common stock					
Issued for exercise of stock options and warrants	451,104	452	43,112	-	-
Issued for Yuty Settlement Agreement	75,000	76	190,424	-	-
Stock-based compensation					
Options issued for consulting services	-	-	258,109	-	-
Options issued for wages and benefits	-	-	361,018	-	-
Net loss for the period	-	-	-	-	(16)
Unrealized loss on available-for-sale securities	-	-	-	-	-
Balance, April 30, 2013	85,501,259	\$ 85,503	\$ 197,339,544	\$ 194,700	\$ (137)

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

URANIUM ENERGY CORP.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
April 30, 2013
(Unaudited)

NOTE 1: NATURE OF OPERATIONS

Uranium Energy Corp. was incorporated in the State of Nevada on May 16, 2003. Uranium Energy Corp. and its subsidiary companies and a partnership (collectively, the Company) are engaged in uranium mining and related activities, including exploration, development, extraction and processing of uranium concentrates, on projects located in the United States and the Republic of Paraguay.

The Company realized revenue from uranium sales during the nine months ended April 30, 2013, however, it has a history of operating losses and significant negative cash flow since inception. Planned principal operations have commenced and existing cash resources along with forecasted uranium sales and available sources of financing are expected to provide sufficient funds for the next twelve months. However, future capital expenditures of the Company may be substantial and its continuation as a going concern for a period longer than twelve months will be dependent upon the Company's ability to obtain adequate financing. Historically, the Company has been reliant primarily on equity financing from the sale of its common shares and this reliance is expected to continue for the foreseeable future. Furthermore, the continued operations of the Company, including the recoverability of the carrying values of its assets, are dependent ultimately on the Company's ability to achieve and maintain profitability and positive cash flow from its operations. At April 30, 2013, the Company had working capital of \$7.6 million and an accumulated deficit of \$137.6 million.

NOTE 2: BASIS OF PRESENTATION

The accompanying unaudited interim condensed consolidated financial statements are presented in U.S. dollars and have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP) for interim financial information. Accordingly, they do not include all of the information and footnotes required under U.S. GAAP for complete financial statements. These unaudited interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements included in the Company's Annual Report on Form 10-K for the fiscal year ended July 31, 2012. In the opinion of management, all adjustments of a normal recurring nature and considered necessary for a fair presentation have been made. Operating results for the nine months ended April 30, 2013 are not necessarily indicative of the results that may be expected for the fiscal year ending July 31, 2013.

NOTE 3: AVAILABLE-FOR-SALE SECURITIES

Available-for-sale securities consist of shares in publicly-traded uranium exploration companies listed on the TSX Venture Exchange and Australian Stock Exchange. During the three and nine months ended April 30, 2013, the Company recorded an unrealized loss of \$234 and \$4,393 (three and nine months ended April 30, 2012: \$982 and \$15,167), respectively, in accumulated other comprehensive loss relating to available-for-sale securities.

At April 30, 2013, the fair value of the Company's available-for-sale securities is as follows:

Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
---	--	--

Available-for-Sale Securities

Strategic Resources Inc.	\$	3,871	\$	-	\$	-
Kaboko Mining Limited		33,709		-		-
	\$	37,580	\$	-	\$	-

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URANIUM ENERGY CORP.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
April 30, 2013
(Unaudited)

At July 31, 2012, the fair value of the Company's available-for-sale securities is as follows:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Available-for-Sale Securities			
Strategic Resources Inc.	\$ 7,777	\$ -	\$ -
Kaboko Mining Limited	34,196	-	-
	\$ 41,973	\$ -	\$ -

NOTE 4: INVENTORIES

In November 2010, the Company commenced uranium production at its Palangana Mine and processing of uranium concentrates at its Hobson Processing Facility. The Company's inventories consist of the following:

	April 30, 2013	July 31, 2012
Supplies	\$ 140,672	\$ 32,489
Work-in-progress	83,435	250,951
Finished goods - uranium concentrates	1,013,054	1,592,660
	\$ 1,237,161	\$ 1,876,100

At April 30, 2013, the total non-cash component of inventory was \$252,528 (July 31, 2012: \$319,024).

NOTE 5: MINERAL RIGHTS AND PROPERTIES**Mineral Rights**

At April 30, 2013, the Company had mineral rights in the States of Arizona, Colorado, New Mexico, Texas and Wyoming and in the Republic of Paraguay. These mineral rights were acquired through staking and purchase, lease or option agreements and are subject to varying royalty interests, some of which are indexed to the sale price of uranium. At April 30, 2013, annual maintenance payments of approximately \$1,186,000 are required to maintain these mineral rights.

URANIUM ENERGY CORP.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
April 30, 2013
(Unaudited)

Mineral rights and property acquisition costs consist of the following:

	April 30, 2013	July 31, 2012
Mineral Rights and Properties, Unproven		
Palangana Mine	\$ 7,045,457	\$ 6,610,453
Goliad Project	8,689,127	8,689,127
Burke Hollow Project	1,313,250	1,313,250
Channen Project	428,164	428,164
Salvo Project	363,645	363,645
Nichols Project	154,774	154,774
Welder Project	182,500	-
Anderson Project	9,154,268	9,154,268
Workman Creek Project	1,287,158	1,187,158
Los Cuatros Project	257,250	257,250
Slick Rock Project	163,213	163,213
Todilto Project	166,720	166,720
Yuty Project	11,947,144	11,947,144
Coronel Oviedo Project	1,133,412	1,133,412
Other Property Acquisitions	881,453	857,119
	43,167,535	42,425,697
Accumulated Depletion	(1,932,227)	(1,057,495)
	41,235,308	41,368,202
Databases		
	2,345,038	2,345,038
Accumulated Amortization	(1,626,129)	(1,374,484)
	718,909	970,554
Land Use Agreements		
	390,155	375,155
Accumulated Amortization	(147,253)	(118,991)
	242,902	256,164
	\$ 42,197,119	\$ 42,594,920

The Company has not established proven or probable reserves on any of its mineral projects.

URANIUM ENERGY CORP.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
April 30, 2013
(Unaudited)

Mineral property expenditures incurred by major projects during the three and nine months ended April 30, 2013 and 2012 are as follows:

	Three Months Ended April 30,		Nine Months Ended April 30,	
	2013	2012	2013	2012
Mineral Property Expenditures				
Palangana Mine	\$ 756,414	\$ 1,465,673	\$ 3,724,668	\$ 5,833,106
Goliad Project	145,390	91,654	369,375	398,632
Burke Hollow Project	572,578	-	1,894,411	-
Channen Project	29,983	-	805,791	-
Salvo Project	4,723	415,566	22,749	969,065
Nichols Project	-	-	13,635	150,000
Anderson Project	-	185,497	74,924	339,390
Workman Creek Project	-	40,346	32,640	47,735
Slick Rock Project	29,910	3,477	116,762	17,196
Yuty Project	26,831	588,548	134,791	588,548
Coronel Oviedo Project	88,210	923,263	433,802	1,829,126
Other Mineral Property Expenditures	173,108	297,965	486,148	734,482
	\$ 1,827,147	\$ 4,011,989	\$ 8,109,696	\$ 10,907,280

During the three and nine months ended April 30, 2013 and 2012, the Company did not incur any impairment charges.

Welder Project

During the nine months ended April 30, 2013, the Company entered into a mining lease and surface use agreement granting the Company exclusive right to explore, develop and mine for uranium in the Welder Project, a 1,825-acre property located in the Bee County, Texas. The consideration paid by the Company was \$182,500 in cash, which was capitalized as mineral rights and properties on the Company's consolidated balance sheets.

Workman Creek Project

Pursuant to a Property Acquisition Agreement dated November 7, 2011, as amended on November 25, 2011, and effective November 30, 2011, the Company acquired from Cooper Minerals, Inc. (Cooper) an undivided 100% interest in the Workman Creek Project located in Gila County, Arizona. The Workman Creek Project is subject to a 3.0% net smelter revenue royalty requiring an annual advance royalty of \$100,000.

During the nine months ended April 30, 2013, the advance royalty of \$100,000 for calendar year 2012 was capitalized as mineral rights and properties on the Company's consolidated balance sheets.

Yuty Project

The Company acquired the Yuty Project located in southeastern Paraguay in March 2012 through the acquisition of Cue Resources Ltd. (Cue).

During the nine months ended April 30, 2013, the Company made cash payments totaling \$42,850 as full settlements of a total \$53,759 in accounts payable and accrued liabilities assumed from Cue, resulting in the recognition of a gain on settlement of accounts payable of \$10,909.

Pursuant to a Settlement and Release Agreement dated and effective August 7, 2012 (the Settlement Agreement), the Company renegotiated certain acquisition and royalty agreement terms previously agreed to between Cue and the original property vendors of the Yuty Project. The Settlement Agreement confirms an overriding royalty payable to the property vendors of \$0.21 for each pound of uranium produced from the Yuty Project, and supersedes all prior agreements entered into between Cue and the property vendors. As consideration for the Settlement Agreement, the Company paid \$50,000 in cash and issued 75,000 restricted shares with fair value of \$190,500.

URANIUM ENERGY CORP.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
April 30, 2013
(Unaudited)

NOTE 6: PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

	April 30, 2013			July 31, 2012		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Hobson Processing Facility	\$ 6,671,959	\$ (376,817)	\$ 6,295,142	\$ 6,671,959	\$ (258,068)	\$ 6,413,891
Mining Equipment	2,315,697	(1,122,513)	1,193,184	2,182,251	(811,016)	1,371,235
Vehicles	1,852,764	(1,273,618)	579,146	1,841,119	(1,063,240)	777,879
Computer Equipment	643,759	(470,600)	173,159	636,240	(378,651)	257,589
Furniture and Fixtures	193,013	(133,900)	59,113	193,013	(108,531)	84,482
Land	175,144	-	175,144	175,144	-	175,144
Leasehold Improvements	9,970	(9,142)	828	9,970	(8,956)	1,014
	\$ 11,862,306	\$ (3,386,590)	\$ 8,475,716	\$ 11,709,696	\$ (2,628,462)	\$ 9,081,234

NOTE 7: RECLAMATION DEPOSITS

Reclamation deposits include interest and non-interest bearing deposits issued in the States of Arizona, Texas and Wyoming relating to exploration, development, extraction and processing activities in the respective states. Reclamation deposits consist of the following:

	April 30, 2013		July 31, 2012	
Palangana Mine	\$	3,627,562	\$	3,135,380
Hobson Processing Facility		1,910,494		1,910,494
Mount Lucas		472,823		472,823
Arizona		15,000		15,000
Wyoming		814		813
		6,026,693		5,534,510
Interest		13,466		8,530
	\$	6,040,159	\$	5,543,040

During the nine months ended April 30, 2013, the Company paid an additional \$492,182 as a reclamation deposit relating to the Palangana Mine's Production Authorization Area 3.

NOTE 8: RELATED PARTY TRANSACTIONS

During the three and nine months ended April 30, 2013, the Company had transactions with certain officers and directors of the Company as follows:

- Incurred \$42,409 and \$126,323 (three and nine months ended April 30, 2012: \$39,455 and \$90,315) in general and administrative costs paid to a company controlled by a direct family member of a current officer; and

- Incurred \$9,000 and \$27,000 (three and nine months ended April 30, 2012: \$Nil) in consulting fees paid to a company controlled by a current director of the Company.

During the nine months ended April 30, 2012, the Company incurred \$131,176 in consulting fees paid to a company controlled by a former director of the Company.

URANIUM ENERGY CORP.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
April 30, 2013
(Unaudited)

At April 30, 2013, amounts due to related parties totaled \$25,292 (July 31, 2012: \$47,443). These amounts are unsecured, non-interest bearing and due on demand.

NOTE 9: ASSET RETIREMENT OBLIGATIONS

The Company's asset retirement obligations ("ARO") relates to site restoration for the Hobson Processing Facility, Palangana Mine and Mt. Lucas.

	April 30, 2013	July 31, 2012
Opening balance	\$ 3,112,374	\$ 3,027,803
Additions of asset retirement obligations	435,004	567,069
Liabilities settled with cash	(79,999)	(619,772)
Accretion	149,117	137,274
	3,616,496	3,112,374
Less: current portion of asset retirement obligations	(53,299)	(133,298)
Long-term asset retirement obligations	\$ 3,563,197	\$ 2,979,076

	April 30, 2013	July 31, 2012
Undiscounted amount of estimated cash flows	\$ 4,106,195	\$ 3,662,233
Payable in years	1.8 to 6.8	2.5 to 7.5
Inflation rate	1.56% to 2.43%	1.56% to 2.43%
Discount rate	5.00% to 10.50%	5.00% to 10.50%

During the three and nine months ended April 30, 2013, the Company settled asset retirement obligations of \$26,575 and \$79,999 with cash payments totaling \$28,453 and \$112,388, respectively. As a result, a loss on settlement of asset retirement obligations of \$1,878 and \$32,389 was recorded on the condensed consolidated statements of operations.

During the three and nine months ended April 30, 2012, the Company settled asset retirement obligations of \$278,210 and \$737,130 with cash. No loss on settlement of assets retirement obligations was recorded.

The undiscounted amounts of estimated cash flows for the next five years and beyond are as follows:

Undiscounted estimated cash flow for the next five years	
July 31, 2013	\$ 53,299
July 31, 2014	640,714
July 31, 2015	623,964
July 31, 2016	598,202
July 31, 2017	-
Remaining balance	2,190,016
	\$ 4,106,195

URANIUM ENERGY CORP.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
April 30, 2013
(Unaudited)

NOTE 10: CAPITAL STOCK**Capital Stock**

At April 30, 2013, the Company's capital stock was 750,000,000 authorized common shares with a par value of \$0.001 per share.

Share Transactions

Period / Description	Common Shares Issued	Value per Share		Issuance Value
		Low	High	
Balance, July 31, 2012	84,975,155			
Options Exercised ⁽¹⁾	193,000	\$ 0.33	\$ 0.45	\$ 39,748
Yuty Settlement Agreement	75,000	2.54	2.54	190,500
Balance, October 31, 2012	85,243,155			
Options Exercised ⁽²⁾	252,298	\$ 0.33	\$ 0.45	\$ 1,900
Balance, January 31, 2013	85,495,453			
Options Exercised	5,806	\$ 0.33	\$ 0.33	\$ 1,916
Balance, April 30, 2013	85,501,259			

(1) 118,750 options were exercised on a cashless basis resulting in 100,000 net shares issued.

(2) 287,866 options were exercised on a cashless basis resulting in 246,598 net shares issued.

Share Purchase Warrants

A continuity schedule of outstanding and exercisable share purchase warrants for the underlying common shares at April 30, 2013, and the changes during the period, is presented below:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)
Balance, July 31, 2012	1,558,812	\$ 4.95	1.45
Expired	(888,687)	6.76	-
Balance, January 31, 2013	670,125	\$ 2.56	2.46
Expired	(8,572)	9.30	-
Balance, April 30, 2013	661,553	\$ 2.47	2.25

Stock Options

At April 30, 2013, the Company had two Stock Option Plans as follows:

- 2006 Stock Option Plan: The number of common shares available for issuance under this plan is 10,000,000 shares; and
- 2009 Stock Option Plan: The number of common shares available for issuance under this plan is 7,000,000 shares.

URANIUM ENERGY CORP.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
April 30, 2013
(Unaudited)

A summary of stock option grants under the Company's Stock Option Plans, including their fair values calculated using the Black Scholes pricing model, for the three and nine months ended April 30, 2013 is presented below:

Date / Period	Options Issued	Exercise Price	Term (Years)	Fair Value	Expected Life (Years)	Risk-Free Interest Rate	Dividend Yield	Expected Volatility
January 15, 2013	130,000	\$ 2.41	10	\$ 179,608	4	0.55%	0.00%	71.13
Three and nine months ended April 30, 2013	130,000			\$ 179,608				

The weighted average grant date fair value per stock option granted during the three and nine months ended April 30, 2013 was \$1.38.

A continuity schedule of outstanding stock options for the underlying common shares at April 30, 2013, and the changes during the three and nine month periods, is presented below:

	Number of Stock Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)
Balance, July 31, 2012	9,559,271	\$ 1.95	6.52
Exercised	(211,750)	0.37	3.99
Balance, October 31, 2012	9,347,521	\$ 1.99	6.33
Issued	130,000	2.41	10.00
Exercised	(293,566)	0.37	3.23
Forfeited	(93,000)	2.80	8.27
Expired	(38,773)	3.59	-
Balance, January 31, 2013	9,052,182	\$ 2.03	6.23
Exercised	(5,806)	0.33	2.67
Forfeited	(92,500)	2.78	7.58
Balance, April 30, 2013	8,953,876	\$ 2.03	5.96

Effective March 30, 2012, in connection with the acquisition of Cue and in exchange for equivalent Cue securities, the Company issued stock options to purchase 48,748 common shares and broker options to purchase 38,773 common shares. These stock options and broker options were not issued pursuant to and are not subject to the terms and conditions of the Company's Stock Option Plans. During the nine months ended April 30, 2013, broker options to purchase 38,773 common shares expired without exercise. At April 30, 2013, stock options to purchase 48,748 common shares remained outstanding and are included in the above continuity schedule of outstanding stock options.

The aggregate intrinsic value under the provisions of ASC 718 of all outstanding options at April 30, 2013 was estimated at \$3,147,769 (vested: \$3,147,769 and unvested: \$Nil).

As at April 30, 2013, unrecognized compensation cost related to non-vested stock options granted under the Company's Stock Option Plans was \$263,474, which is expected to be recognized over 1.32 years.

URANIUM ENERGY CORP.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
April 30, 2013
(Unaudited)

A summary of options outstanding and exercisable at April 30, 2013 is presented below:

Range of Exercise Prices	Options Outstanding		Options Exercisable	
	Outstanding at	Weighted Average	Exercisable at	Weighted Average