

URANIUM ENERGY CORP
Form 10-Q
March 12, 2018

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
X ACT OF 1934**

For the quarterly period ended **January 31, 2018**

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

98-0399476

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(State or other jurisdiction of incorporation of organization) (I.R.S. Employer Identification No.)

1030 West Georgia Street, Suite 1830, Vancouver, B.C., Canada **V6E 2Y3**
(Address of principal executive offices) (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 x 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 (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No "

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

" Large accelerated filer x Accelerated filer
" Non-accelerated filer (Do not check " Smaller reporting company
if a smaller reporting company)
" Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. "

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 157,544,080 shares of common stock outstanding as of March 8, 2018.

URANIUM ENERGY CORP.

TABLE OF CONTENTS

<u>PART I – FINANCIAL INFORMATION</u>	<u>3</u>
<u>Item 1. Financial Statements</u>	<u>3</u>
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>25</u>
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	<u>34</u>
<u>Item 4. Controls and Procedures</u>	<u>34</u>
<u>PART II – OTHER INFORMATION</u>	<u>35</u>
<u>Item 1. Legal Proceedings</u>	<u>35</u>
<u>Item 1A. Risk Factors</u>	<u>37</u>
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>47</u>
<u>Item 3. Defaults Upon Senior Securities</u>	<u>47</u>
<u>Item 4. Mine Safety Disclosures</u>	<u>47</u>
<u>Item 5. Other Information</u>	<u>47</u>
<u>Item 6. Exhibits</u>	<u>48</u>
<u>SIGNATURES</u>	<u>49</u>

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

3

URANIUM ENERGY CORP.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JANUARY 31, 2018

(Unaudited)

4

URANIUM ENERGY CORP.**CONDENSED CONSOLIDATED BALANCE SHEETS****(Unaudited)**

	Note(s)	January 31, 2018	July 31, 2017
CURRENT ASSETS			
Cash and cash equivalents		\$ 3,639,646	\$ 12,575,973
Short-term investments		12,183,915	10,000,000
Inventories		211,662	211,662
Prepaid expenses and deposits	3	1,146,405	685,992
Other current assets		127,032	117,770
		17,308,660	23,591,397
MINERAL RIGHTS AND PROPERTIES			
PROPERTY, PLANT AND EQUIPMENT	4,5	64,591,266	38,931,976
RECLAMATION DEPOSITS	6	7,137,757	6,791,182
EQUITY-ACCOUNTED INVESTMENT	7	1,779,182	1,706,028
OTHER LONG-TERM ASSETS		252,909	151,676
		977,205	1,004,975
		\$ 92,046,979	\$ 72,177,234
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	17	\$ 2,188,131	\$ 2,446,854
Due to related parties	8	1,403	768
		2,189,534	2,447,622
DEFERRED TAX LIABILITIES			
LONG-TERM DEBT	9	1,016,149	609,470
ASSET RETIREMENT OBLIGATIONS	10	19,860,666	19,254,835
	11	3,912,079	3,729,902
		26,978,428	26,041,829
STOCKHOLDERS' EQUITY			
Capital stock			
Common stock \$0.001 par value: 750,000,000 shares authorized, 156,452,824 shares issued and outstanding (July 31, 2017 - 139,815,214)	12	156,453	139,815
Additional paid-in capital		301,161,319	272,697,152
Share issuance obligation	12	-	638,142
Accumulated deficit		(236,234,655)	(227,325,002)
Accumulated other comprehensive loss		(14,566)	(14,702)
		65,068,551	46,135,405

\$ 92,046,979 \$72,177,234

COMMITMENTS AND CONTINGENCIES	15
SUBSEQUENT EVENTS	10, 16, 17

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

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

	Note(s)	Three Months Ended January 31, 2018	2017	Six Months Ended January 31, 2018	2017
COSTS AND EXPENSES					
Mineral property expenditures	4,5	\$ 980,215	\$ 1,067,446	\$ 2,656,915	\$ 1,957,564
General and administrative	8,12	2,864,165	2,241,247	5,119,127	4,523,485
Depreciation, amortization and accretion	5,6,11	89,437	128,255	179,772	279,607
Impairment loss on mineral properties	5	-	154,774	-	297,942
Inventory write-down		-	-	-	60,694
		3,933,817	3,591,722	7,955,814	7,119,292
LOSS FROM OPERATIONS		(3,933,817)	(3,591,722)	(7,955,814)	(7,119,292)
OTHER INCOME (EXPENSES)					
Interest income		86,886	1,267	149,868	5,430
Other income		10,344	-	35,834	-
Interest expenses and finance costs	10	(756,293)	(749,419)	(1,496,585)	(1,487,522)
Share of (loss) gain from equity-accounted investment	7	(7,556)	-	101,233	-
Loss on disposition of assets		(474)	(1,055)	(474)	(1,055)
		(667,093)	(749,207)	(1,210,124)	(1,483,147)
LOSS BEFORE INCOME TAXES		(4,600,910)	(4,340,929)	(9,165,938)	(8,602,439)
DEFERRED TAX BENEFITS	9	247,097	8,560	256,285	17,376
NET LOSS FOR THE PERIOD		(4,353,813)	(4,332,369)	(8,909,653)	(8,585,063)
OTHER COMPREHENSIVE INCOME (LOSS), NET OF INCOME TAXES		(247)	42	136	2
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		\$(4,354,060)	\$(4,332,327)	\$(8,909,517)	\$(8,585,061)
NET LOSS PER SHARE, BASIC AND DILUTED	13	\$(0.03)	\$(0.04)	\$(0.06)	\$(0.07)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING, BASIC AND DILUTED		156,207,557	119,891,769	155,170,537	118,495,845

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

6

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

		Six Months Ended January 31,	
	Note(s)	2018	2017
CASH PROVIDED BY (USED IN):			
OPERATING ACTIVITIES			
Net loss for the period		\$ (8,909,653) \$ (8,585,063)
Adjustments to reconcile net loss to cash flows in operating activities			
Stock-based compensation	12	1,614,774	1,814,301
Depreciation, amortization and accretion	5,6,11	179,772	279,607
Amortization of long-term debt discount	10	605,831	601,568
Impairment loss on mineral properties		-	297,942
Inventory write-down		-	60,694
Loss on disposition of assets		474	1,055
Deferred tax benefits	9	(256,285) (17,376)
Share of gain from equity-accounted investment	7	(101,233) -
Reimbursable Expenses for Reno Creek Acquisition	4	483,829	-
Changes in operating assets and liabilities			
Inventories		-	2,960
Prepaid expenses and deposits		(195,020) (395,109)
Other current assets		(8,307) 17,218
Accounts payable and accrued liabilities		(208,096) 607,826
NET CASH FLOWS USED IN OPERATING ACTIVITIES		(6,793,914) (5,314,377)
FINANCING ACTIVITIES			
Shares issuance for cash, net of issuance costs		103,300	25,899,128
Due to a related party	8	635	11,528
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		103,935	25,910,656
INVESTING ACTIVITIES			
Net cash received from asset acquisition	4	215,065	-
Investment in mineral rights and properties		(70,000) -
Purchase of property, plant and equipment		(6,338) (3,439)
Increase in other long-term assets		(201,160) -
Purchase of short-term investments		(20,285,190) -
Redemption of short-term investments		18,101,275	-
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(2,246,348) (3,439)

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NET CASH FLOWS	(8,936,327)	20,592,840
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	12,575,973	7,142,571
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 3,639,646	\$ 27,735,411

SUPPLEMENTAL CASH FLOW INFORMATION 15

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 Shares	Common Stock Amount	Additional Paid-in Capital	Share Issuance Obligation	Accumulated Deficit	Accumulated Other Comprehensive Loss	Stockholders' Equity
Balance, July 31, 2017	139,815,124	\$ 139,815	\$ 272,697,152	\$ 638,142	\$(227,325,002)	\$(14,702)	\$ 46,135,405
Common stock Issued upon exercise of stock options	250,932	252	103,048	-	-	-	103,300
Issued for Reno Creek Acquisition	14,852,450	14,853	20,317,764	-	-	-	20,332,617
Issued for Reimbursable Expenses for Reno Creek Acquisition	353,160	353	483,476	-	-	-	483,829
Issued for mineral property	46,134	46	61,774	-	-	-	61,820
Issued for settlement of liabilities	104,706	105	141,573	-	-	-	141,678
Stock-based compensation Common stock issued for consulting services	180,378	179	284,127	-	-	-	284,306
Common stock issued under 2017 Stock Incentive Plan	849,940	850	1,126,146	(638,142)	-	-	488,854
Stock options issued to consultants	-	-	341,619	-	-	-	341,619

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Stock options issued to management	-	-	180,981	-	-	-	180,981
Stock options issued to employees	-	-	334,731	-	-	-	334,731
Warrants Issued in connection with Reno Creek Acquisition	-	-	5,088,928	-	-	-	5,088,928
Net loss for the period	-	-	-	-	(8,909,653)	-	(8,909,653)
Other comprehensive income	-	-	-	-	-	136	136
Balance, January 31, 2018	156,452,824	\$ 156,453	\$ 301,161,319	\$-	\$(236,234,655)	\$(14,566)	\$ 65,068,551

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

URANIUM ENERGY CORP.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
January 31, 2018
(Unaudited)

NOTE 1: NATURE OF OPERATIONS AND GOING CONCERN

Uranium Energy Corp. was incorporated in the State of Nevada on May 16, 2003. Uranium Energy Corp. and its subsidiary companies and a controlled partnership (collectively, the “Company” or “we”) are engaged in uranium and titanium mining and related activities, including exploration, pre-extraction, extraction and processing of uranium concentrates and titanium minerals, on projects located in the United States, in Canada and in the Republic of Paraguay.

Although planned principal operations have commenced from which significant revenues from sales of uranium concentrates were realized for the fiscal years ended July 31, 2015 (“Fiscal 2015”), July 31, 2013 (“Fiscal 2013”) and July 31, 2012 (“Fiscal 2012”), we have yet to achieve profitability and have had a history of operating losses resulting in an accumulated deficit balance since inception. No revenue from uranium sales was realized for the six months ended January 31, 2018, or for the fiscal years ended July 31, 2017 (“Fiscal 2017”), July 31, 2016 (“Fiscal 2016”) and July 31, 2014 (“Fiscal 2014”). Historically, we have been reliant primarily on equity financings from the sale of our common stock and, during Fiscal 2014 and Fiscal 2013, on debt financing in order to fund our operations, and this reliance is expected to continue for the foreseeable future.

At January 31, 2018, we had working capital of \$15.1 million including cash and cash equivalents of approximately \$3.6 million and short-term investments of approximately \$12.2 million. As we do not expect to achieve and maintain profitability in the near term, our continuation as a going concern is dependent upon our ability to obtain adequate additional financing which we have successfully secured since our inception, including those from asset divestitures. However, there is no assurance that we will be successful in securing any form of additional financing in the future when required and on terms favorable to us; and therefore, substantial doubt exists as to whether our cash resources and working capital will be sufficient to enable our Company to continue as a going concern for the next 12 months from the date that our condensed consolidated financial statements are issued. Our continued operations, including the recoverability of the carrying values of our assets, are dependent ultimately on our ability to achieve and maintain profitability and positive cash flow from our operations.

These consolidated financial statements have been prepared on a going concern basis and do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary in the event we can no longer continue as a going concern.

NOTE 2:

BASIS OF PRESENTATION

The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with United States generally accepted accounting principles (“U.S. GAAP”) for interim financial information and are presented in U.S. dollars. 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 our Annual Report on Form 10-K for Fiscal 2017. 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 six months ended January 31, 2018, are not necessarily indicative of the results that may be expected for the fiscal year ending July 31, 2018 (“Fiscal 2018”).

Exploration Stage

We have established the existence of mineralized materials for certain uranium projects, including for our Palangana Mine. We have not established proven or probable reserves, as defined by the United States Securities and Exchange Commission (the “SEC”) under Industry Guide 7, through the completion of a “final” or “bankable” feasibility study for any of our uranium projects, including the Palangana Mine. Furthermore, we have no plans to establish proven or probable reserves for any of our uranium projects for which we plan on utilizing in-situ recovery (“ISR”) mining, such as the Palangana Mine. As a result, and despite the fact that we commenced extraction of mineralized materials at the Palangana Mine in November 2010, we remain in the Exploration Stage as defined under Industry Guide 7, and will continue to remain in the Exploration Stage until such time proven or probable reserves have been established.

URANIUM ENERGY CORP.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
January 31, 2018
(Unaudited)

Since we commenced the extraction of mineralized materials at the Palangana Mine without having established proven or probable reserves, any mineralized materials established or extracted from the Palangana Mine should not in any way be associated with having established or produced from proven or probable reserves.

In accordance with U.S. GAAP, expenditures relating to the acquisition of mineral rights are initially capitalized as incurred while exploration and pre-extraction expenditures are expensed as incurred until such time we exit the Exploration Stage by establishing proven or probable reserves. Expenditures relating to exploration activities such as drilling programs to establish mineralized materials are expensed as incurred. Expenditures relating to pre-extraction activities such as the construction of mine wellfields, ion exchange facilities and disposal wells are expensed as incurred until such time proven or probable reserves are established for that project, after which expenditures relating to mine development activities for that particular project are capitalized as incurred.

Companies in the Production Stage as defined under Industry Guide 7, having established proven and probable reserves and exited the Exploration Stage, typically capitalize expenditures relating to ongoing development activities, with corresponding depletion calculated over proven and probable reserves using the units-of-production method and allocated to future reporting periods to inventory and, as that inventory is sold, to cost of goods sold. We are in the Exploration Stage which has resulted in us reporting larger losses than if it had been in the Production Stage due to the expensing, rather than capitalizing, of expenditures relating to ongoing mill and mine development activities. Additionally, there would be no corresponding amortization allocated to future reporting periods of our Company since those costs would have been expensed previously, resulting in both lower inventory costs and cost of goods sold and results of operations with higher gross profits and lower losses than if we had been in the Production Stage. Any capitalized costs, such as expenditures relating to the acquisition of mineral rights, are depleted over the estimated extraction life using the straight-line method. As a result, our consolidated financial statements may not be directly comparable to the financial statements of companies in the Production Stage.

NOTE 3: PREPAID EXPENSES AND DEPOSITS

At January 31, 2018, prepaid expenses and deposits consisted of the following:

	January 31, 2018	July 31, 2017
Prepaid Property Renewal Fees	\$ 437,278	\$ 189,845
Prepaid Insurance	196,518	91,073

Prepaid Listing and Subscriptions	26,220	60,289
Prepaid License Fees	115,375	16,389
Prepaid Surety Bond Premium	97,979	38,952
Deposits and Expense Advances	87,682	86,439
Other Prepaid Expenses	185,353	203,005
	\$ 1,146,405	\$ 685,992

NOTE 4: ACQUISITION OF RENO CREEK PROJECT

On August 9, 2017, we completed the acquisition of all of the issued and outstanding shares of Reno Creek Holdings Inc. (“RCHI”) and, indirectly thereby, 100% of its fully permitted Reno Creek in-situ recovery uranium project (the “Reno Creek Project”) located in the Powder River Basin, Wyoming, from each of the Pacific Roads Resources Funds (collectively, “PRRF”; as to 97.27% of RCHI) and Bayswater Holdings Inc. (as to the remaining 2.73% of RCHI; and, collectively with PRRF, the “Reno Creek Vendors”), in accordance with the terms and conditions of a certain Share Purchase Agreement, dated May 9, 2017, as amended by a certain Amending Agreement, dated August 7, 2017 (collectively, the “Share Purchase Agreement”; and, collectively, the “Reno Creek Acquisition”).

URANIUM ENERGY CORP.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
January 31, 2018
(Unaudited)

Pursuant to the terms of the original Share Purchase Agreement, we agreed to reimburse all costs and expenses (the “Reimbursable Expenses”) incurred by RCHI and its subsidiaries in the ordinary course of business from the effective date of the Share Purchase Agreement to closing, and, pursuant to the Amending Agreement, we also agreed with that the amount to be distributed from RCHI’s subsidiaries to RCHI at closing totalled \$1,743,666, which was comprised of the Reimbursable Expenses and the amount of cash on hand held by RCHI’s subsidiaries at the time.

In connection with the completion of the Reno Creek Acquisition, we paid the following consideration:

- a cash payment of \$909,930;
- 14,392,927 shares of the Company;
- an additional 241,821 shares of the Company in settlement of certain insurance costs of \$340,000 incurred by the Company and RCHI at closing;
- 11,308,728 warrants of the Company (each a “Warrant”), with each Warrant entitling the holder to acquire one share of the Company at an exercise price of \$2.30 per share for a period of five years from the date of issuance. The Warrants have an accelerator clause which provides that, in the event that the closing price of the shares of the Company on its principally traded exchange is equal to or greater than \$4.00 per share for a period of 20 consecutive trading days, the Company may accelerate the expiry date of the Warrants to within 30 days by providing written notice to the holders;
- a 0.5% net profits interest royalty, capped at \$2.5 million; and
- transaction costs of \$779,509, of which \$283,013 was paid by the issuance of 217,702 shares of the Company.

In connection with the Reno Creek Acquisition, we also issued 353,160 common shares in settlement of the Reimbursable Expenses totalling \$483,829, which was included in the mineral property expenditures on our condensed consolidated financial statements for the six months ended January 31, 2018.

In accordance with ASC 360: Property, Plant and Equipment, the Reno Creek Acquisition was accounted for as an asset acquisition as it was determined that the operations of the Reno Creek Project do not meet the definition of a business as defined in ASC 805: Business Combinations.

The fair value of the consideration paid and the allocation to the identifiable assets acquired and liabilities assumed are summarized as follows:

Consideration paid	
14,634,748 UEC common shares at \$1.37 per share	\$ 20,049,605
11,308,728 UEC share purchase warrants at \$0.45 per warrant	5,088,928
Cash payment	909,930
Transaction costs	779,509
	\$ 26,827,972

Assets acquired and liabilities assumed	
Cash and cash equivalents	\$ 1,247,170
Prepaid expenses	319,874
Reclamation deposits	73,973
Land & buildings	370,085
Mineral rights & properties	25,553,807
Asset retirement obligations	(73,973)
Deferred tax liabilities	(662,964)
	\$ 26,827,972

URANIUM ENERGY CORP.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
January 31, 2018
(Unaudited)

The Reno Creek Project is comprised of U.S. federal mineral lode claims, state mineral leases, various private mineral leases and certain surface use agreements which grant us the exclusive right to explore, develop and mine for uranium on a 19,437-acre area in Campbell County, Wyoming. The mineral leases and surface use agreements are subject to certain royalty interests with terms ranging from 5 to 15 years, some of which have extension provisions.

NOTE 5: MINERAL RIGHTS AND PROPERTIES

Mineral Rights

At January 31, 2018, we had mineral rights in the States of Arizona, Colorado, New Mexico, Wyoming and Texas, and in the Republic of Paraguay. These mineral rights were acquired through staking, purchase or lease agreements and are subject to varying royalty interests, some of which are indexed to the sale price of uranium and titanium. At January 31, 2018, annual maintenance payments of approximately \$1,602,000 will be required to maintain these mineral rights.

Mineral rights and property acquisition costs consisted of the following:

	January 31, 2018	July 31, 2017
Mineral Rights and Properties		
Palangana Mine	\$ 6,285,898	\$ 6,285,898
Goliad Project	8,689,127	8,689,127
Burke Hollow Project	1,495,750	1,495,750
Longhorn Project	116,870	116,870
Salvo Project	14,905	14,905
Anderson Project	9,154,268	9,154,268
Workman Creek Project	1,632,500	1,520,680
Los Cuatros Project	257,250	257,250
Slick Rock Project	635,650	615,650
Reno Creek Project	25,553,807	-
Yuty Project	11,947,144	11,947,144
Oviedo Project	1,133,412	1,133,412
Alto Paraná Titanium Project	1,433,030	1,433,030

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Other Property Acquisitions	91,080		91,080
	68,440,691		42,755,064
Accumulated Depletion	(3,929,884)	(3,929,884)
	64,510,807		38,825,180
Databases	2,410,038		2,410,038
Accumulated Amortization	(2,398,694)	(2,392,196)
	11,344		17,842
Land Use Agreements	404,310		404,310
Accumulated Amortization	(335,195)	(315,356)
	69,115		88,954
	\$ 64,591,266		\$ 38,931,976

We have not established proven or probable reserves, as defined by the SEC under Industry Guide 7, for any of our mineral projects. We have established the existence of mineralized materials for certain mineral projects, including the Palangana Mine. Since we commenced uranium extraction at the Palangana Mine without having established proven or probable reserves, there may be greater inherent uncertainty as to whether or not any mineralized material can be economically extracted as originally planned and anticipated.

URANIUM ENERGY CORP.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
January 31, 2018
(Unaudited)

During the three months and six months ended January 31, 2018, we paid \$50,000 in cash and issued 46,134 restricted shares with a fair value of \$61,820, respectively, as advance royalty payments for our Workman Creek Project, which were capitalized as Mineral Rights and Properties on the consolidated balance sheet as at January 31, 2018.

During the three and six months ended January 31, 2017, we abandoned the Nichols Project located in Texas with an acquisition cost of \$154,774 and certain non-core mineral interests at projects located in Arizona, Colorado and New Mexico with a combined acquisition cost of \$143,168. As a result, an impairment loss on mineral properties of \$154,774 and \$297,942, respectively, was reported on our consolidated statements of operations for the three and six months ended January 31, 2017.

During the three and six months ended January 31, 2018 and 2017, we continued with reduced operations at the Palangana Mine to capture residual uranium only. As a result, no depletion for the Palangana Mine was recorded on our condensed consolidated financial statements for the three and six months ended January 31, 2018 and 2017, respectively.

Mineral property expenditures incurred by major projects were as follows: