

URANIUM ENERGY CORP
Form 10-Q
March 12, 2012

**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 **January 31, 2012**

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 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:

75,945,996 shares of common stock outstanding as of March 7, 2012.

URANIUM ENERGY CORP.

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PART I FINANCIAL INFORMATION

Item 1. Financial Statements

URANIUM ENERGY CORP.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JANUARY 31, 2012
(Unaudited)

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

	Notes	January 31, 2012	July 31, 2011
CURRENT ASSETS			
Cash and cash equivalents	13	\$ 16,852,335	\$ 30,724,051
Available-for-sale securities	3	64,941	79,126
Accounts and interest receivable		82,336	90,907
Inventories	4	3,044,257	2,775,947
Prepaid expenses and deposits		591,119	267,158
		20,634,988	33,937,189
MINERAL RIGHTS AND PROPERTIES			
	5	28,352,803	17,841,083
PROPERTY, PLANT AND EQUIPMENT			
	6	8,799,398	8,702,413
RECLAMATION DEPOSITS			
	7	4,845,495	4,610,300
LOAN RECEIVABLE			
	8	334,394	300,000
		\$ 62,967,078	\$ 65,390,985
CURRENT LIABILITIES			
Accounts payable and accrued liabilities		\$ 3,816,467	\$ 3,232,104
Due to related parties	9	3,247	8,287
Convertible debentures	14	178,066	-
Current portion of asset retirement obligations	10	909,356	675,872
		4,907,136	3,916,263
ASSET RETIREMENT OBLIGATIONS			
	10	1,722,333	2,351,931
		6,629,469	6,268,194
STOCKHOLDERS' EQUITY			
Capital stock			
Common stock \$0.001 par value: 750,000,000 shares authorized, 75,675,151 shares issued and outstanding (July 31, 2011 - 73,487,337)			
	11	75,675	73,487
Additional paid-in-capital		163,896,577	154,564,206
Share issuance obligation		194,700	194,700
Accumulated deficit		(107,845,784)	(95,740,228)
Accumulated other comprehensive income		16,441	30,626
		56,337,609	59,122,791
		\$ 62,967,078	\$ 65,390,985
COMMITMENTS AND CONTINGENCIES			
	5, 12		
SUBSEQUENT EVENTS			
	14,16		

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

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

	Notes	Three Months Ended January 31,		Six Months Ended January 31,	
		2012	2011	2012	2011
SALES		\$ 3,120,000	\$ -	\$ 6,240,000	\$ -
COST OF SALES		1,740,768	-	3,160,854	-
		1,379,232	-	3,079,146	-
EXPENSES					
Mineral property expenditures	5	4,162,690	2,098,052	6,895,291	5,536,991
General and administrative	9,11	3,715,568	4,294,662	7,605,249	9,510,594
Depreciation, depletion and accretion	6,10	321,897	260,878	620,476	516,169
		8,200,155	6,653,592	15,121,016	15,563,754
LOSS BEFORE OTHER ITEMS		(6,820,923)	(6,653,592)	(12,041,870)	(15,563,754)
OTHER ITEMS					
Interest income		15,645	11,902	34,443	20,403
Loss on sale of assets		(501)	(5,267)	(501)	(5,267)
Unrealized loss in fair value of convertible debentures	14	(22,484)	-	(48,439)	-
Gain (loss) on settlement of convertible debentures	14	152,806	-	(177,402)	-
Gain on settlement of accounts payable	5	128,213	-	128,213	-
		273,679	6,635	(63,686)	15,136
NET LOSS FOR THE PERIOD		(6,547,244)	(6,646,957)	(12,105,556)	(15,548,618)
OTHER COMPREHENSIVE INCOME (LOSS), NET OF INCOME TAXES					
	3	268	38,960	(14,185)	61,327
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		\$ (6,546,976)	\$ (6,607,997)	\$ (12,119,741)	\$ (15,487,291)
NET LOSS PER SHARE, BASIC AND DILUTED					
		\$ (0.09)	\$ (0.10)	\$ (0.16)	\$ (0.24)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING, BASIC AND DILUTED					
		75,515,864	69,808,230	75,006,312	65,541,373

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

URANIUM ENERGY CORP.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE SIX MONTHS ENDED JANUARY 31, 2012
(Unaudited)

	Common Stock		Additional	Share	Accumulated	Accumulated	Stockholders'
	Shares	Amount	Paid-in	Issuance	Deficit	Other	Equity
			Capital	Obligation		Comprehensive	
						Income	
Balance, July 31, 2011	73,487,337	\$ 73,487	\$ 154,564,206	\$ 194,700	\$ (95,740,228)	\$ 30,626	\$ 59,122,791
Common stock							
Issued on the exercise of options and warrants	32,435	33	15,031	-	-	-	15,064
Issued pursuant to consulting services agreement	20,000	20	62,580	-	-	-	62,600
Issued pursuant on settlement of convertible debentures	72,703	72	385,155	-	-	-	385,227
Issued pursuant on acquisition of mineral properties	1,903,440	1,904	6,108,893	-	-	-	6,110,797
Issued pursuant to database acquisition	159,236	159	510,988	-	-	-	511,147
Stock-based compensation							
Options issued for consulting services	-	-	576,215	-	-	-	576,215
Options issued for management fees	-	-	834,219	-	-	-	834,219
Options issued for wages and benefits	-	-	839,290	-	-	-	839,290
Net loss for the period	-	-	-	-	(12,105,556)	-	(12,105,556)
Unrealized loss on available-for-sale securities	-	-	-	-	-	(14,185)	(14,185)
Balance, January 31, 2012	75,675,151	\$ 75,675	\$ 163,896,577	\$ 194,700	\$ (107,845,784)	\$ 16,441	\$ 56,337,609

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

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

	Notes	Six Months Ended January 31, 2012	Six Months Ended January 31, 2011
CASH (USED IN) PROVIDED BY:			
OPERATING ACTIVITIES			
Net loss for the period		\$ (12,105,556)	\$ (15,548,618)
Adjustments to reconcile net loss to net cash from operating activities			
Stock based compensation	11	2,181,312	4,941,099
Depreciation, depletion and accretion		620,476	516,169
Loss on sale of assets		501	5,267
Unrealized loss in fair value of convertible debentures	14	48,439	-
Loss on settlement of convertible debentures	14	177,402	-
Gain on settlement of accounts payables	5	(128,213)	-
Changes in operating assets and liabilities			
Accounts and interest receivable		8,242	(20,821)
Inventories	4	253,062	(400,973)
Prepaid expenses and deposits		(323,961)	(290,767)
Accounts payable and accrued liabilities		(618,340)	(2,046,480)
Settlement of asset retirement obligations	10	(458,920)	(862,092)
NET CASH FLOWS USED IN OPERATING ACTIVITIES		(10,345,556)	(13,707,216)
FINANCING ACTIVITIES			
Issuance of shares for cash, net of issuance costs		15,064	28,731,994
Settlement of convertible debentures	14	(1,370,486)	-
Payments to related parties	9	(5,040)	(46,829)
NET CASH FLOWS (USED IN) PROVIDED BY FINANCING ACTIVITIES		(1,360,462)	28,685,165
INVESTING ACTIVITIES			
Investment in mineral rights and properties	13	(1,044,442)	(243,391)
Purchase of property, plant and equipment		(551,996)	(246,817)
Loan associated with acquisition of Cue Resources Ltd.	8	(334,065)	-
Proceeds from sale of assets		-	700
Reclamation deposit		(235,195)	(1,876,298)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(2,165,698)	(2,365,806)
NET CASH FLOWS		(13,871,716)	12,612,143
CASH AND CASH EQUIVALENTS, BEGIN			